

Grand Metropolitan Public Limited Company

Financial statements 30 June 2006

Registered number: 291848

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Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2006.

Activities

The principal activity of the company is that of an investment holding company owning subsidiaries which hold assets in the global alcoholic drink sector. The directors foresee no changes in the nature of the company's activities.

Financial

The results for the year ended 30 June 2006 are shown on page 6. The directors do not recommend the payment of a dividend for the year (2005 - £nil). The loss for the year transferred from reserves is £388m (2005 - £19,691m profit transferred to reserves).

Directors

The directors who held office during the year were as follows:

C D Coase
M C Flynn
M J Lester
N C Rose
P S Walsh

M J Lester and P S Walsh resigned as directors on 31 August 2006.

S M Bunn, C R R Marsh and N Makos were appointed as directors of the company on 3 October 2006.

Directors' emoluments

None of the directors received any remuneration during the year in respect of their services as directors of the company (2005 - £nil).

Directors' interests

No directors had any interest, beneficial or non-beneficial, in the share capital of the company or had a material interest during the year in any significant contract with the company or any subsidiary.

At 30 June 2006, N C Rose and P S Walsh were directors of the ultimate parent company, Diageo plc. Details of their beneficial interests in the ordinary shares of Diageo plc are shown in the Diageo plc Annual Report 2006, copies of which are available from 8 Henrietta Place, London W1G 0NB.

Directors' report (continued)

Directors' interests (continued)

The other directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of 28^{101/108} pence each in the ultimate parent company, Diageo plc:

(i) Ordinary shares and conditional rights to ordinary shares

	Ordinary shares		Conditional rights to ordinary shares				
	At beginning of year	At end of year	At beginning of year	Granted in year	Vested in year	Lapsed in year	At end of year
C D Coase	14,207	15,000	-	23,380	-	-	23,380
M C Flynn	11,743	12,377	-	-	-	-	-
M J Lester	26,306	28,852	30,790	8,361	(3,521)	-	35,630

The directors were granted conditional rights to receive ordinary shares or, exceptionally, a cash sum under certain long term incentive plans. Any conditional rights are shown in the table as ordinary share equivalents. The conditional rights to ordinary shares are subject to share performance criteria of Diageo plc ordinary shares. The numbers disclosed in the above table represent the maximum number of conditional rights. Full details of the performance criteria are disclosed in the annual report of the ultimate holding company, Diageo plc.

(ii) Options

	Options over ordinary shares			
	At beginning of year	Granted in year	Exercised during year	At end of year
C D Coase	141,269	16,366	(18,550)	139,085
M C Flynn	17,991	3,037	(3,608)	17,420
M J Lester	113,567	17,693	(55,550)	75,710

The directors held the above options under Diageo plc share option schemes at prices between 518 pence and 815 pence per ordinary share exercisable between 2006 and 2015. Certain options granted in the Republic of Ireland were granted at a price of Euros 7.37 per ordinary share. The options are granted at market value on the date the option is granted and the option price is payable when the option is exercised.

The mid-market share price of Diageo plc shares fluctuated between 778 pence and 928 pence per share during the year. The mid-market share price on 30 June 2006 was 917 pence.

At 30 June 2006 all the directors, listed in the above tables, had an interest in 17,791,320 shares and 8,045,000 shares subject to call options held by trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes. M J Lester had a further interest in 6,460,442 shares held by a trust to satisfy grants made under Diageo incentive plans and savings related share option schemes.

Directors' report (continued)

Supplier payment policy

The company agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring that suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject to the terms and conditions being met by the supplier.

Credit days have not been calculated for the company, as the company had no trade creditors at 30 June 2006. The company's invoices for goods and services are settled by fellow subsidiary undertakings acting as agents for the company.

Secretary

J J Nicholls was appointed as Secretary of the company in place of S M Bunn on 3 October 2006.

Auditor

The auditor, KPMG Audit Plc, is willing to continue in office and a resolution for its re-appointment as auditor of the company will be submitted to the Annual General Meeting.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



J Nicholls
Secretary
8 Henrietta Place
London
W1G 0NB

12 December 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are *reasonably open to them* to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Grand Metropolitan Public Limited Company

We have audited the financial statements of Grand Metropolitan Public Limited Company for the year ended 30 June 2006, which comprise the Profit and Loss account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

12 December 2006

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2006	Year ended 30 June 2005 (as restated)
		£m	£m
Operating costs	2,3	<u>(8)</u>	<u>(6)</u>
Operating loss		(8)	(6)
Provision against investment in subsidiary undertakings		(5)	(17)
Dividends receivable	4	70	19,576
Interest receivable	5	40	137
Interest payable	6	<u>(485)</u>	<u>(68)</u>
(Loss)/Profit on ordinary activities before taxation		(388)	19,622
Taxation on (loss)/profit on ordinary activities	7	<u>-</u>	<u>69</u>
(Loss)/Profit for the year transferred (from)/ to reserves	16	<u><u>(388)</u></u>	<u><u>19,691</u></u>

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements.

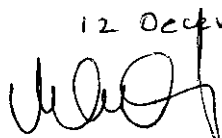
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis.

All results arise from continuing activities.

Balance sheet

	Notes	30 June 2006		30 June 2005 (as restated)	
		£m	£m	£m	£m
Fixed assets					
Tangible assets	8	3		5	
Investments	9	<u>40,774</u>	40,777	<u>40,779</u>	40,784
Current assets					
Debtors – due within one year	10	773		783	
Cash at bank and in hand	11	<u>5</u>		<u>3</u>	
		778		786	
Current liabilities					
Creditors – due within one year	13	<u>(11,166)</u>		<u>(10,793)</u>	
Net current liabilities			<u>(10,388)</u>	<u>(10,007)</u>	
Total assets less current liabilities			30,389	30,777	
Provisions for liabilities and charges	14		<u>(14)</u>	<u>(14)</u>	
Net assets before post employment liabilities			30,375	30,763	
Post employment liabilities	3		<u>(1)</u>	<u>(1)</u>	
Net assets			<u>30,374</u>	<u>30,762</u>	
Capital and reserves					
Capital					
Called up share capital	15		690	690	
Reserves					
Share premium account		9,070		9,070	
Other reserves		530		530	
Profit and loss account		<u>20,084</u>		<u>20,472</u>	
Reserves attributable to equity shareholders	16		<u>29,684</u>	<u>30,072</u>	
Equity shareholders' funds			<u>30,374</u>	<u>30,762</u>	

The financial statements on pages 6 to 18 were approved by the board of directors on
12 December 2006 and signed on its behalf by:



N Makos
Director

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements of the company are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996).

The company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group.

The company is exempt from the requirement to prepare group accounts under section 228 of the Companies Act 1985 as its results are included in the consolidated accounts of Diageo plc.

Tangible fixed assets

Fixed assets are depreciated on a straight-line basis to estimated residual values over their expected useful lives within the following ranges:

Fixtures and fittings 5 to 10 years

Reviews are carried out if there is some indication that impairment may have occurred, to ensure that fixed assets are not carried at above their recoverable amounts.

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is declared by the paying company. Investments are stated individually at cost less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent.

Pensions and other post employment benefits

The former employees of the company are members of the Diageo UK pension plan.

FRS 17-*Retirement benefits*, adopted by the company, replaced the use of actuarial values for assessing pension costs in favour of a market-based approach. In order to cope with the volatility inherent in this measurement basis, the standard requires that the profit and loss account shows the relatively stable ongoing service cost, the expected return on assets and the interest on the liabilities. Differences between expected and actual return on assets, and the impact on the liabilities of changes in assumptions are reflected in the statement of total recognised gains and losses, when such statement is required.

Accounting policies (continued)

Leases

Operating lease payments and receipts are taken to the profit and loss account on a straight-line basis over the life of the lease.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the financial year end exchange rates.

All exchange gains and losses are taken to the profit and loss account.

Deferred taxation

Full provision for deferred tax is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation, using current tax rates. The company does not discount these balances.

Notes to the financial statements

1. New accounting policies

The accounting policies of the company are consistent with those applied last year, apart from where the company has adopted the following accounting standards in the year:

FRS 21 – Events after the balance sheet date Formerly, under UK GAAP, the proposed dividends on ordinary shares, as recommended by the directors, were deducted from shareholders' equity and shown as a liability in the balance sheet at the end of the period to which they related. Under FRS 21, proposed dividends are not considered to be a liability until they are approved by the board. Accordingly, the amounts transferred to reserves for the year ended 30 June 2005 and the net assets at 30 June 2005 have been restated.

FRS 25 – Financial Instruments: Disclosure and Presentation The company has adopted the presentation requirements of FRS 25 in these financial statements. The presentational requirements apply to: the classification of financial instruments into financial assets, financial liabilities or equity instruments; the classification of related interest, dividend, gains and losses; and the circumstances around which financial assets and liabilities should be offset. The adoption of these requirements has not resulted in the restatement of the information in respect of the year ended 30 June 2005, nor has it impacted the results in respect of the year ended 30 June 2006.

FRS 28 – Corresponding amounts FRS 28 sets out the requirements for the disclosure of corresponding amounts for items disclosed in a company's primary financial statements and the notes to the financial statements.

2. Operating costs

	Year ended 30 June 2006	Year ended 30 June 2005
	£m	£m
Other external charges	9	6
Depreciation	2	2
Other operating income	<u>(3)</u>	<u>(2)</u>
	<u>8</u>	<u>6</u>

Other external charges include operating lease rentals of £2m (2005 - £3m).

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2005 - £nil).

Notes to the financial statements (continued)

3. Directors and employees

The company did not employ any staff during either the current or prior year.

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2005 - £nil).

Details of the directors' share interests and any share options exercised during the year are included within the directors' report on pages 1 and 2.

Retirement benefits

The company operates the GrandMet Brewing medical plan which provides former employees with post employment benefits in respect of medical costs. The plan is unfunded. The most recent full valuation was carried out on 31 March 2003. The measurement dates used to calculate the disclosures in the financial statements are the respective balance sheet dates.

(a) The following weighted average assumptions were used to determine the company's deficit in the post retirement medical plan at 30 June in the relevant year:

	Year ended 30 June 2006	Year ended 30 June 2005
	%	%
Rate of medical inflation	5.0	5.0
Discount rate for plan liabilities	<u>5.7</u>	<u>5.7</u>

(b) The present values of the GrandMet Brewing medical plan were as follows:

	30 June 2006	30 June 2005
	£m	£m
Present value of plan liabilities	<u>(2)</u>	<u>(2)</u>
Deficit in the GrandMet Brewing medical plan	(2)	(2)
Related deferred tax assets	<u>1</u>	<u>1</u>
Net post retirement medical benefit plan liabilities	<u>(1)</u>	<u>(1)</u>

4. Dividends receivable

	Year ended 30 June 2006	Year ended 30 June 2005 (as restated)
	£m	£m
A.G.S. Insurance Company Limited	9	3
Grand Metropolitan Holdings Limited	-	17,073
Grand Metropolitan International Holdings Limited	-	2,500
Grand Metropolitan Capital Company Limited	<u>61</u>	<u>-</u>
	<u>70</u>	<u>19,576</u>

Notes to the financial statements (continued)

5. Interest receivable

	Year ended 30 June 2006 £m	Year ended 30 June 2005 £m
Interest receivable from subsidiary undertakings:		
Grand Metropolitan International Holdings Limited	-	50
Diageo Great Britain Limited	33	33
Interest receivable from other group undertakings:		
Diageo plc	1	20
Diageo Finance plc	-	15
Grand Metropolitan Estate Holdings Limited	5	5
Diageo Investment Corporation	<u>1</u>	<u>14</u>
	<u>40</u>	<u>137</u>

6. Interest payable

	Year ended 30 June 2006 £m	Year ended 30 June 2005 £m
Interest payable to Grand Metropolitan Holdings Limited	-	67
Interest payable to Diageo Finance plc	484	-
External interest	<u>1</u>	<u>1</u>
	<u>485</u>	<u>68</u>

7. Taxation

	Year ended 30 June 2006 £m	Year ended 30 June 2005 (as restated) £m
(i) Analysis of taxation credit/(charge) in the year		
Current tax		
Corporation tax	6	-
Adjustment in respect of prior years	<u>(6)</u>	<u>69</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>69</u>
(ii) Factors affecting current tax charge for the year		
(Loss)/Profit on ordinary activities before taxation	<u>(388)</u>	<u>19,622</u>
Notional credit/(charge) at UK corporation tax rate of 30% (2005 – 30%)	117	(5,887)
Dividend income not subject to UK income tax	18	5,872
Expenses not deductible for tax purposes	(2)	(5)
Group relief (surrendered)/received for nil consideration	(127)	20
Adjustment in respect of prior years	<u>(6)</u>	<u>69</u>
Current ordinary tax charge for the year	<u>-</u>	<u>69</u>

Notes to the financial statements (continued)

8. Tangible assets

	Fixtures and fittings £m
Cost:	
At beginning and end of the year	<u>17</u>
Depreciation:	
At beginning of the year	(12)
Depreciation charge for the year	<u>(2)</u>
At end of the year	<u>(14)</u>
Net book value:	
At beginning of the year	<u>5</u>
At end of the year	<u>3</u>

9. Fixed assets – investments

	Subsidiary undertakings £m	Other investments £m	Total £m
Cost:			
At beginning and end of the year	<u>40,840</u>	<u>3</u>	<u>40,843</u>
Provision:			
At beginning of the year	(63)	(1)	(64)
Provision made in the year	<u>(5)</u>	<u>-</u>	<u>(5)</u>
At end of the year	<u>(68)</u>	<u>(1)</u>	<u>(69)</u>
Net book value:			
At beginning of the year	<u>40,777</u>	<u>2</u>	<u>40,779</u>
At end of the year	<u>40,772</u>	<u>2</u>	<u>40,774</u>

Notes to the financial statements (continued)

9. Fixed assets – investments (continued)

The principal subsidiary and associated undertakings and the percentage of equity owned are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of ordinary shares held
Diageo Ireland*	Ireland	Production, marketing and distribution of premium drinks	100
Diageo Scotland Limited*	Scotland	Production, marketing and distribution of premium drinks	100
Diageo Great Britain Limited	England	Production, marketing and distribution of premium drinks	100
Grand Metropolitan International Holdings Limited	England	Investment holding company	100
Diageo Brands B.V.*	Netherlands	Production, marketing and distribution of premium drinks	100
Diageo North America, Inc.*	United States	Production, importing and marketing of premium drinks	100
Diageo Investment Corporation*	United States	Financing company for US group companies	100
R & A Bailey & Co*	Ireland	Production, marketing and distribution of premium drinks	100
Grand Metropolitan Capital Company Limited	England	Investment holding company	83

Notes to the financial statements (continued)

9. Fixed assets – investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of ordinary shares held
Grand Metropolitan Holdings Limited	England	Investment holding company	100
Grand Metropolitan Investments Limited	England	Investment holding company	100
The Old Bushmills Distillery Company Limited*	Northern Ireland	Distilling, blending and distribution of spirits	100
Associated undertakings			
Moët Hennessy, SNC*	France	Production and distribution of premium drinks	34

* Indirectly owned

In the opinion of the directors, the investments in and amounts due from the company's subsidiary and associated undertakings are worth at least the amount at which they are stated in the financial statements. Certain undertakings have been omitted from the lists above as they are either dormant or not material. A full list of subsidiary and associated undertakings will be annexed to the company's annual return.

10. Debtors – due within one year

	30 June 2006	30 June 2005 (as restated)
	£m	£m
Amounts owed by subsidiary undertakings	514	416
Amounts owed by other group undertakings	258	364
Other debtors	-	2
Deferred taxation (note 12)	<u>1</u>	<u>1</u>
	<u>773</u>	<u>783</u>

11. Cash at bank and in hand

The company has entered into a joint and several guarantee with certain other Diageo plc UK subsidiary undertakings such that any balance on the company's bank accounts within the cashpool may be offset against the bank balances or overdrafts of those companies included in the cashpool.

Notes to the financial statements (continued)

12. Deferred taxation

Other timing
differences
£m

At beginning and end of the year

1

13. Creditors – due within one year

30 June 2006

30 June 2005

£m

£m

Amounts owed to subsidiary undertakings

85

85

Amounts owed to other group undertakings

11,079

10,705

Other creditors

2

3

11,166

10,793

14. Provisions for liabilities and charges

Vacant property
£m

At beginning and end of the year

14

The vacant property provision of £14m (2005 - £14m) represents the estimated discounted rental shortfall in respect of vacant properties over the terms of the leases.

15. Called up share capital

30 June 2006

30 June 2005

£m

£m

Authorised:

Equity - 3,000,000,000 ordinary shares of 25p each

750

750

Allotted, called up and fully paid:

Equity - 2,759,144,946 ordinary shares of 25p each

690

690

Notes to the financial statements (continued)

16. Reserves

	Share premium £m	Other reserves £m	Profit and loss account		Total £m
			Own shares £m	Other £m	
At 30 June 2005 (as previously reported)	9,070	530	(2)	20,535	30,133
Prior year adjustment (as explained in note 1)	-	-	-	(61)	(61)
At 30 June 2005 (as restated)	9,070	530	(2)	20,474	30,072
Loss for the year	-	-	-	(388)	(388)
At 30 June 2006	<u>9,070</u>	<u>530</u>	<u>(2)</u>	<u>20,086</u>	<u>29,684</u>

'Other reserves' comprise a merger reserve of £62m, a special reserve of £426m, a preference share redemption reserve of £12m, and an other reserve of £30m. The merger reserve of £62m arose in 1992 on the issue of shares at a premium in connection with an acquisition. The special reserve was created, with shareholder and court approval, in 1988 by a transfer from the share premium account. The other reserve of £30m was created in 1998, with shareholder and court approval, following the cancellation and reissue of the company's shares to Diageo plc. This reserve is distributable on agreement from all of the creditors of the company which were existing at the date of the scheme of arrangement, or until such time that these creditors cease to exist.

'Own shares' is the company's interest of 459,180 (2005 - 459,180) ordinary shares in Diageo plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. These shares are held by share trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes. At 30 June 2006 Diageo plc's mid-market share price was 917 pence, valuing the company's interest at £4m (2005 - £4m).

17. Reconciliation of movement in shareholders' funds

	2006 £m	2005 £m
Shareholders' funds at beginning of year (as previously reported)	30,823	11,072
Prior year adjustment (as explained in note 1)	(61)	-
Shareholders' funds at beginning of year (as restated in respect of 2006)	30,762	11,072
Movement in own shares	-	(1)
(Loss)/Profit for the year	(388)	19,691
Shareholders' funds at end of year	<u>30,374</u>	<u>30,762</u>

18. Commitments

At 30 June 2006, the company had minimum annual commitments under non-cancellable operating leases as follows:

	30 June 2006 £m	30 June 2005 £m
Operating leases which expire:		
Within one to five years	5	-
After five years	6	11
	<u>11</u>	<u>11</u>

Notes to the financial statements (continued)

19. Contingent liabilities

The company has guaranteed certain borrowings and liabilities of subsidiaries which amounted to £538m and £1m respectively (2005 - £556m and £1m, respectively).

20. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Diageo Holdings Limited, a company incorporated and registered in England. The ultimate parent undertaking of the company is Diageo plc, a company incorporated and registered in England. The consolidated financial statements of Diageo plc can be obtained from the Registered Office at 8 Henrietta Place, London W1G 0NB.