

The Distillers Company (Biochemicals) Limited

Financial statements

30 June 2014

Registered number: 518031

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Profit and loss account

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss, and there were no other recognised gains or losses.

Accordingly, neither a profit and loss account, a statement of recognised gains and losses, a note of historical cost profits and losses nor a reconciliation of movements in shareholders' funds has been presented.

Balance sheet

	<i>Notes</i>	30 June 2014 £	30 June 2013 £
Current assets			
Debtor: due within one year - Diageo Scotland Limited	3	100	100
		<hr/>	<hr/>
Net assets		100	100
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	4	100	100
		<hr/>	<hr/>
Shareholders' funds		100	100
		<hr/>	<hr/>

The notes on pages 3 to 4 form part of the financial statements.

The company did not trade during the financial year or the preceding financial year. The directors do not expect the company to trade in the foreseeable future.

The directors:

- (a) confirm that the company was entitled to exemption under subsection (1) of section 480 of the Companies Act 2006 from the requirement to have its accounts audited for the financial year ended 30 June 2014;
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with section 476 of that Act;
- (c) acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and;
 - (ii) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 396 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements on pages 1 to 4 were approved by the board of directors on 12 February 2015 and were signed on its behalf by:

I A Hockney
Director



Notes to the financial statements

1. 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 have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The bases used are consistent with those used in the previous year.

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 exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions (but not balances) with entities that are wholly owned by a member of the Diageo plc group ("group undertakings").

Update on status in respect of thalidomide

In the year ended 30 June 2011 the company disclosed a contingent liability of undetermined amount arising out of the distribution in the United Kingdom, Australia and New Zealand of the drug thalidomide.

In 2011, class action claims alleging product liability and negligence for injuries arising from the consumption of thalidomide were filed in the Supreme Court of Victoria, Australia against the company as well as against Diageo Scotland Limited ('DSL'), the immediate parent undertaking of the company - previously named The Distillers Company plc and Grünenthal GmbH ('Grünenthal'), the developer of the drug. The company, DSL and Grünenthal were all alleged to be jointly and severally liable for these claims. On 18 July 2012 the individual claim of the lead plaintiff in this class action, Lynette Rowe, was resolved, and a process was agreed to consider the remaining claimants. As a result of that process, agreement was reached between the company, DSL and the claimants, without admission of liability by the company or DSL, to settle the class action claim for the sum of AU\$95 million (£48 million) including legal fees of AU\$6.5 million (£3 million). Approval for this settlement arrangement was granted by the Supreme Court of Victoria on 7 February 2014, and the class action claims were dismissed. Grünenthal is not a party to the settlement. In addition, the company incurred legal and other costs of £5 million in respect of thalidomide claimants. The cost of this settlement has been borne by DSL who has recharged the majority of the costs to other group companies. The company has not borne any of the costs and is unlikely to incur any costs in the future in respect of thalidomide.

2. Profit and loss account

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2013 - £nil).

Notes to the financial statements (continued)

3. Debtor: due within one year

Amount owed by fellow group undertaking is unsecured, interest free and repayable on demand.

4. Share capital

	30 June 2014	30 June 2013
	£	£
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	100	100

5. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Diageo Scotland Limited, a company incorporated and registered in Scotland.

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 Lakeside Drive, Park Royal, London NW10 7HQ.