

**Grand Metropolitan International  
Holdings Limited**

**Financial statements  
30 June 2013**

Registered number 970624

THURSDAY



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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 2013

### **Activities**

The company is an investment holding company. The company did not trade during the financial year or the preceding financial year. The directors foresee no changes in the company's activities.

### **Going concern**

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diageo group to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Financial**

The results for the year ended 30 June 2013 are shown on page 5.  
The company made neither a profit nor a loss for the year (2012 - £nil).  
A dividend of £680,000 (2012 - £nil) was paid during the year.

### **Directors**

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

N Mákos  
J J Nicholls  
P D Tunnacliffe

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2012 - £nil).

### **Auditor**

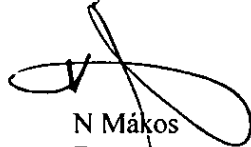
Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is deemed to be reappointed and will continue in office.

**Directors' report (continued)**

**Disclosure of information to auditor**

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

A handwritten signature in black ink, appearing to be 'N Mákos', written over a horizontal line.

N Mákos  
Director

Lakeside Drive  
Park Royal  
London  
NW10 7HQ

27 February 2014

## **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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 International Holdings Limited**

We have audited the financial statements of Grand Metropolitan International Holdings Limited for the year ended 30 June 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of the result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.


### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

  
**Karen Wightman (Senior Statutory Auditor)**  
**For and on behalf of KPMG Audit Plc, Statutory Auditor**  
**Chartered Accountants**

15 Canada Square  
London  
E14 5GL

Date 27 February 2014

### **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.

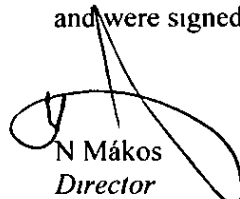
Accordingly, neither a profit and loss account, a statement of recognised gains and losses, nor a note of historical cost profits and losses funds has been presented.

**Balance sheet**

		<b>30 June 2013</b>		<b>30 June 2012</b>	
	<i>Notes</i>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>					
Investments	2		14,529,538		14,529,538
<b>Current assets</b>					
Debtors	3	-		680	
<b>Net current assets</b>			-		680
<b>Net assets</b>			14,529,538		14,530,218
<b>Capital and reserves</b>					
Called up share capital	4		102,815		102,815
Share premium account	5	14,052,871		14,052,871	
Profit and loss account	5	373,852		374,532	
			14,426,723		14,427,403
<b>Shareholders' funds</b>	6		14,529,538		14,530,218

The accounting policies and other notes on pages 7 to 11 form part of the financial statements

These financial statements on pages 5 to 11 were approved by the board of directors on 27 February 2014 and were signed on its behalf by

  
N Mákos  
Director

## **Accounting policies**

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

### **Basis of preparation**

The financial statements are prepared on a going concern basis 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 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") or investees of the Diageo plc group

The company is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006 as its results are included in the published consolidated financial statements of Diageo plc. These financial statements present information about the company as an individual undertaking and not about its group

### **Fixed asset investments**

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. Income from fixed asset investments is credited to the profit and loss account when it is approved by the paying company

### **Taxation**

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Except as otherwise required by FRS 19, deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Any interest or penalties on tax liabilities are provided in the tax charge



## **Notes to the financial statements**

### **1. Profit and loss account**

The auditor's remuneration of £2,434 (2012 - £1,721) was settled on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2012 - £nil).

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 (2012 - £nil).

### **2. Fixed assets - investments**

	<b>Subsidiary undertaking £'000</b>
<b>Cost and net book value</b>	
At 30 June 2012 and 30 June 2013	<b>14,529,538</b>

The principal subsidiary undertakings of the company and the percentage of ordinary share capital owned are as follows:

	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Percentage and class of shares held</b>
<b><i>Direct holding:</i></b>			
<b>Subsidiary undertaking</b>			
UDV (SJ) Limited	England	Investment holding company	100% of Ordinary
<b><i>Indirect holdings:</i></b>			
<b>Subsidiary undertakings directly held by UDV (SJ) Limited</b>			
Diageo Hungary Marketing Services Limited Liability Company	Hungary	Marketing services	100% of Ordinary
Diageo Investment Holdings Limited	United Kingdom	Investment holding company	100% of Ordinary
Diageo Ireland Finance 1	Republic of Ireland	Treasury operations	100% of Ordinary
Diageo Ireland Finance 2	Republic of Ireland	Treasury operations	100% of Ordinary
Diageo Financing Turkey Limited	United Kingdom	Treasury operations	100% of Ordinary
Diageo Finance US Limited (formerly Diageo Spare Company No 5 Limited)	United Kingdom	Treasury operations	100% of Ordinary
Rum Creation & Products	British Virgin Islands	Production of premium drinks	50% of shareholding, 100% of Ordinary B shares

## Notes to the financial statements (continued)

### 2. Fixed assets - investments (continued)

	Country of incorporation	Principal activity	Percentage and class of shares held
<b>Indirect holdings (continued):</b>			
<b>Subsidiary undertakings indirectly held by UDV (SJ) Limited</b>			
Diageo Holdings Netherlands B V	Netherlands	Investment holding company	100% of Ordinary
Diageo Brands B V	Netherlands	Marketing and distribution of premium drinks	100% of Ordinary
Diageo Highlands B V	Netherlands	Investment holding company	100% of Ordinary
Diageo Inc	US	Investment holding company	100% of Ordinary A and B shares
Diageo Investment Corporation	US	Financing company for the US group	100% of Ordinary
Diageo Ireland	Ireland	Production, marketing and distribution of premium drinks	100% of Ordinary
Diageo North America, Inc	US	Production, importing and marketing of premium drinks	100% of Ordinary
R & A Bailey & Co	Ireland	Production, marketing and distribution of premium drinks	100% of Ordinary
Selviac Nederland B V	Netherlands	Investment holding company	100% of Ordinary
<b>Joint venture</b>			
Anejos de Altura	Guatemala	Production of premium drinks	50% of Ordinary
<b>Other indirect fixed asset investment</b>			
Moet Hennessy, SNC	France	Production and distribution of premium drinks	34% of Ordinary

UDV (SJ) Limited has an indirect interest in Anejos de Altura, a company incorporated in Guatemala, which is a subsidiary of Rum Creation & Productions

The investments in subsidiary undertakings are held at cost less, where appropriate, provision for impairment in value

In the opinion of the directors, the investment in and amounts due from the company's subsidiary undertakings are worth at least the amounts 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 Diageo group subsidiary (and associated) undertakings will be annexed to the company's next annual return.

Notes to the financial statements (continued)

3. Debtors

	30 June 2013 £'000	30 June 2012 £'000
Amounts owed by fellow group undertaking Diageo Finance plc	-	680

The amount owed by Diageo Finance plc as at 30 June 2012 was paid out to Grand Metropolitan Limited as a dividend in the year ended 30 June 2013 (see note 6)

Amount owed by Diageo Finance plc is unsecured, interest free and repayable on demand

4. Share capital

	30 June 2013 £'000	30 June 2012 £'000
<i>Allotted, called up and fully paid:</i> 102,815,194 ordinary shares of £1 each	102,815	102,815

5. Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 June 2012	14,052,871	374,532	14,427,403
Dividends paid	-	(680)	(680)
<b>At 30 June 2013</b>	<b>14,052,871</b>	<b>373,852</b>	<b>14,426,723</b>

6. Reconciliation of movement in shareholders' funds

	30 June 2013 £'000	30 June 2012 £'000
Dividends paid	(680)	-
<b>Net reduction in shareholders' funds</b>	<b>(680)</b>	<b>-</b>
Shareholders' funds at the beginning of the year	14,530,218	14,530,218
<b>Shareholders' funds at the end of the year</b>	<b>14,529,538</b>	<b>14,530,218</b>

**Notes to the financial statements (continued)**

**7. Immediate and ultimate parent undertaking**

The immediate parent undertaking of the company is Grand Metropolitan 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 Lakeside Drive, Park Royal, London NW10 7HQ

