

# **Grand Metropolitan Capital Company Limited**

## **Financial statements 30 June 2012**

Registered number 3249862

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# **Grand Metropolitan Capital Company Limited**

**Registered number: 3249862**

**Year ended 30 June 2012**

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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 2012

### **Activities**

The company is an investment holding company. 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 with the support from the group undertakings. 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 2012 are shown on page 5. The profit for the year transferred to reserves is £3,118,000 (2011 - £1,801,000).

A dividend of £2,200,000 was approved and paid during the year (2011 - £3,000,000).

### **Directors**

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

S J Bolton	(resigned 2 February 2012)
J A I Franco	(resigned 2 February 2012)
G Geiszl	
D Heginbottom	
J J Nicholls	
M Pais	
A M Smith	(resigned 2 February 2012)
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 (2011 - £nil).

### **Secretary**

On 2 February 2012, J J Nicholls resigned as secretary of the company and C E Kynaston was appointed in his place.

**Grand Metropolitan Capital Company Limited**

**Registered number: 3249862**

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**Year ended 30 June 2012**

**Directors' report (continued)**

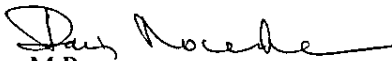
**Auditor**

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

**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



M Pais

*Director*

Lakeside Drive

Park Royal

London

NW10 7HQ

6 March 2013

**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 Capital Company Limited**

We have audited the financial statements of Grand Metropolitan Capital Company Limited for the year ended 30 June 2012 set out on pages 5 to 10. 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2012 and of its profit 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.

  
Lee S Edwards (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London E14 5GL  
6 March 2013

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
Net interest receivable	4	3,118	1,801
<b>Profit on ordinary activities before taxation</b>		<b>3,118</b>	<b>1,801</b>
Taxation on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>		<b>3,118</b>	<b>1,801</b>

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 operations

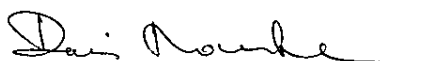
The accounting policies and other notes on pages 7 to 10 form part of the financial statements

**Balance sheet**

	<i>Notes</i>	<b>30 June 2012 £'000</b>	<b>30 June 2011 £'000</b>
<b>Fixed assets</b>			
Investments	6	2,561,500	2,561,500
<b>Current assets</b>			
Debtors due within one year	7	446,795	445,876
<b>Net assets</b>		<u>3,008,295</u>	<u>3,007,376</u>
<b>Capital and reserves</b>			
Called up share capital	8	3,005,000	3,005,000
Profit and loss account	9	3,295	2,376
<b>Shareholders' funds</b>	10	<u>3,008,295</u>	<u>3,007,376</u>

The accounting policies and other notes on pages 7 to 10 form part of the financial statements

These financial statements on pages 5 to 10 were approved by the board of directors on 6 March 2013 and were signed on its behalf by



M Pais  
*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")

The company is exempt from the requirement to prepare consolidated 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**

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

### **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. Operating loss**

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. Fees in respect of services provided by the auditors were: statutory audit - £3,600 (2011 - £4,000)

**2. Staff costs**

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

**3. Directors' remuneration**

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2011 - £nil)

**4. Interest receivable**

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Interest receivable on loans to fellow group undertakings		
Diageo Finance plc	3,118	1,801
	<u>3,118</u>	<u>1,801</u>

**5. Taxation**

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
<b>Factors affecting current tax charge for the year</b>		
Profit on ordinary activities before taxation	3,118	1,801
	<u>3,118</u>	<u>1,801</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 25.5% (2011 - 27.5%)	(795)	(495)
Group relief claimed for nil consideration	795	495
	<u>(795)</u>	<u>(495)</u>
Current ordinary tax charge for the year	-	-
	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

6. Fixed assets - investments

	Subsidiary undertakings £'000
<b>Cost and net book value</b>	
At 30 June 2011 and at 30 June 2012	2,561,500

The subsidiary undertaking and the percentage of equity owned are as follows

	Country of incorporation	Principal activity	Percentage and class of shares held
<i>Direct holding:</i>			
<i>Subsidiary undertaking</i>			
Grand Metropolitan (Cayman Islands) Limited	Cayman Islands	Dormant	100% of ordinary shares

The investment in the subsidiary undertaking is held at cost less, where appropriate, provision for impairment in value

In the opinion of the directors, the investment in the company's subsidiary undertaking is worth at least the amount at which it is stated in the financial statements

7. Debtors: due within one year

	30 June 2012 £'000	30 June 2011 £'000
Amounts owed by fellow group undertaking		
Diageo Finance plc	446,795	445,876

Amounts owed by the fellow group undertaking are unsecured, bear interest at a floating rate, and are repayable on demand

8. Share capital

	30 June 2012 £'000	30 June 2011 £'000
<i>Allotted, called up and fully paid:</i>		
3,005,000,000 ordinary shares of £1 each	3,005,000	3,005,000

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

**9. Reserves**

	<b>Profit and loss account £'000</b>
At 30 June 2011	2,377
Profit for the financial year	3,118
Dividends paid	(2,200)
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At 30 June 2012	3,295
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On 31 December 2011, the company paid final dividends of £1,834,000 to Grand Metropolitan Limited and £366,000 to Justerini & Brooks, Limited, which are related to the preceding financial year

**10. Reconciliation of movement in shareholders' funds**

	<b>30 June 2012 £'000</b>	<b>30 June 2011 £'000</b>
Profit for the financial year	3,118	1,801
Dividends paid	(2,200)	(3,000)
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>918</b>	<b>(1,199)</b>
Shareholders' funds at the beginning of the year	3,007,377	3,008,576
	<hr/>	<hr/>
<b>Shareholders' funds at the end of the year</b>	<b>3,008,295</b>	<b>3,007,377</b>
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**11. Immediate and ultimate parent undertaking**

The immediate parent undertakings of the company are Grand Metropolitan Limited (83.4% shareholding) and Justerini & Brooks, Limited (16.6% shareholding), both companies 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