

# **Diageo Financing Turkey Limited**

## **Financial statements 30 June 2013**

Registered number 8189798

THURSDAY



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## **Directors' report**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the period from 23 August 2012 to 30 June 2013

### **Activities**

The company was incorporated on 23 August 2012 in the United Kingdom

The company acts as a financing vehicle for the Diageo group. The directors do not anticipate that these activities will change in the foreseeable future. The company's operations are based in the United Kingdom

The functional currency of the company is GBP

### **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 period from 23 August 2012 to 30 June 2013 are shown on page 5

A dividend of £224,934,000 was approved and paid during the period

The profit for the period transferred to reserves is £21,563,000

### **Directors**

The directors who held office during the period were as follows

G Geiszl	(appointed 30 August 2012)
D Heginbottom	(appointed 30 August 2012)
J J Nicholls	(appointed 23 August 2012)
M Pais	(appointed 30 August 2012)
P D Tunncliffe	(appointed 23 August 2012)

On 1 October 2013, G Geiszl resigned as a director of the company

### **Directors' remuneration**

None of the directors received any remuneration during the period in respect of their services as directors of the company

## **Directors' report (continued)**

### **Secretary**

On 23 August 2012, C E Kynaston was appointed as secretary of the company

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, has been appointed to, and is willing to continue in office and will be deemed to be reappointed on the expiry of its term in office in respect of the period ended 30 June 2013

### **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*  
*United Kingdom*

19 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 Diageo Financing Turkey Limited**

We have audited the financial statements for the period from 23 August 2012 to 30 June 2013 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 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 its profit for the period 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 period 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 20th February 2014

**Profit and loss account**

	<i>Notes</i>	<b>23 August 2012- 30 June 2013 £'000</b>
Other operating income	<i>1</i>	7,013
<b>Profit on ordinary activities before interest and taxation</b>		<b>7,013</b>
Interest receivable	<i>2</i>	14,550
<b>Profit on ordinary activities before taxation</b>		<b>21,563</b>
Taxation on loss on ordinary activities	<i>3</i>	-
<b>Profit for the financial period</b>		<b>21,563</b>

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

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


All results arise from continuing operations

**Balance sheet**

	<i>Notes</i>	<b>30 June 2013</b> <b>£'000</b>
<b>Current assets</b>		
Debtors due within one year	4	627
Debtors due after one year	4	34,130
		<hr/>
<b>Net assets</b>		34,757
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	5	238
Profit and loss account	6	34,519
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<b>Shareholders' funds</b>	7	34,757
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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 19 February 2014 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")

### **Foreign currencies**

In accordance with Statement of Standard Accounting Practice Number 20 Foreign Currency Translation (SSAP 20), transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or if hedged forward, at the rate of exchange under the related foreign currency contract. Assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates. Exchange gains and losses are taken to the profit and loss account.

### **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. Other operating income

Other operating income includes gains in respect of foreign exchange of £7,013,000

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 - £3,120

The company did not employ any staff during the period

None of the directors received any remuneration during the period in respect of their services as directors of the company

### 2. Interest receivable

	23 August 2012- 30 June 2013 £'000
Interest receivable on loans to fellow group undertakings	
Diageo Europe Holdings Limited	14,001
Diageo UK Turkey Holdings Limited	549
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	14,550
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### 3. Taxation

	23 August 2012- 30 June 2013 £'000
<b>Factors affecting current tax charge for the year</b>	
Profit on ordinary activities before taxation	21,563
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Taxation on profit on ordinary activities at UK corporation tax rate of 23.7%	(5,111)
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Items not chargeable for tax purposes	1,662
Group relief received for nil consideration	3,449
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Current ordinary tax charge for the year	-
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## Notes to the financial statements (continued)

### 4. Debtors

	30 June 2013 Due within one year £'000	30 June 2013 Due after one year £'000
Amounts owed by fellow group undertakings		
Diageo UK Turkey Holdings Limited	530	34,130
Diageo Finance plc	97	-
	<hr/>	<hr/>
	627	34,130
	<hr/>	<hr/>

On 24 April 2013, as part of a group restructuring project, Diageo UK Turkey Limited, a fellow group undertaking, acquired via assignment the loan receivable from Diageo Europe Holdings Limited (see note 5) from the company for cash consideration

On the same day, the company acquired via assignment a TRL100,000,000 long-term loan with Diageo UK Turkey Holdings Limited from Diageo Finance plc for cash consideration. The loan is unsecured, repayable in 5 years and bears interest at a floating rate. The amount owed by Diageo UK Turkey Holdings Limited due within one year represents accrued interest receivable.

The amount owed by Diageo Finance plc is an interest free promissory note.

### 5. Share capital

	30 June 2013 £'000
<i>Allotted, called up and fully paid:</i>	
238,128 ordinary shares of £1 each	238
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On 23 August 2012, the company allotted 100 ordinary shares of £1 each at a premium of £999 each, to Diageo Finance plc in consideration for an interest free promissory note of TRL283,310 issued by Diageo Finance plc.

On 30 August 2012, the company allotted 238,028 ordinary shares of £1 each at a premium of £999 each, to Diageo Finance plc in consideration for the assignment of TRL677,000,000 of a loan receivable from Diageo Europe Holdings Limited, a fellow group undertaking.

On 20 June 2013, UDV (SJ) Limited, a fellow group undertaking, acquired the entire share capital of the company from Diageo Finance plc at net asset value.

## Notes to the financial statements (continued)

### 6. Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 23 August 2012	-	-	-
Profit for the period	-	21,563	21,563
Premium on ordinary shares issued (see note 5)	237,890	-	237,890
Transfers	(237,890)	237,890	-
Dividend paid	-	(224,934)	(224,934)
At 30 June 2013	-	34,519	34,519

On 28 February 2013, the company undertook a capital reduction by way of reducing the share premium account by £237,890,000, resulting in a realised profit of the same amount

On 24 April 2013, the company paid an interim dividend of TRL2,589 46 on each £1 share in the company being £224,934,000 (TRL616,623,326) in aggregate

### 7. Reconciliation of movement in shareholders' funds

	30 June 2013 £'000
Profit for the period	21,563
Dividends paid	(224,934)
Net proceeds of issue of ordinary share capital (see note 5)	238,128
<b>Net addition to shareholders' funds</b>	<b>34,757</b>
Shareholders' funds at the beginning of period	-
<b>Shareholders' funds at the end of the period</b>	<b>34,757</b>

### 8. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is UDV(SJ) 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