

# **Diageo Distilling Limited**

## **Financial statements 30 June 2013**

Registered number: SC009211

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**Profit and loss account**

	<i>Note</i>	<b>Year ended 30 June 2013 £'000</b>	<b>Year ended 30 June 2012 £'000</b>
Foreign exchange gain		-	261
<b>Operating profit</b>		-	261
<b>Profit on ordinary activities before taxation</b>		-	261
Taxation on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>		-	261

The accounting policies and other notes on pages 3 to 5 form part of the financial statements.

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 a historical cost basis.

All results arise from continuing operations.

**Balance sheet**

	<i>Notes</i>	<b>30 June 2013</b> <b>£'000</b>	<b>30 June 2012</b> <b>£'000</b>
<b>Current assets</b>			
Debtors : due within one year - Diageo Scotland Limited	5	<b>454,169</b>	454,169
<b>Net assets</b>		<b>454,169</b>	454,169
<b>Capital and reserves</b>			
Called up share capital	6	<b>217,216</b>	217,216
Profit and loss account		<b>236,953</b>	236,953
<b>Shareholders' funds</b>		<b>454,169</b>	454,169

The notes on pages from 3 to 5 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 2013;
- (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 5 were approved by the board of directors on 27 February 2014 and were signed on its behalf by:

  
 N Makos  
 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").

#### **Foreign currencies**

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.

### **2. Business background**

As a result of the sale of the company's distilling, warehousing and engineering activities on 30 June 2011, the company no longer had any employees and had thus ceased to be a participating employer in the Diageo Pension Scheme ("DPS") and in the Diageo Lifestyle Plan ("DLP").

On 2 October 2012 the associated liability was transferred to another participating employer within the Diageo group with the agreement of the Trustee of the DPS and the DLP.

## Notes to the financial statements (continued)

### 3. Operating costs

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

### 4. Taxation

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
<b>(i) Analysis of taxation charge for the year</b>		
<b>Deferred tax</b>		
UK deferred tax on profit of the period	-	-
	<hr/>	<hr/>
Taxation charge on profit on ordinary activities	-	-
	<hr/>	<hr/>
	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
<b>(ii) Factors affecting current tax charge for the year</b>		
Profit on ordinary activities before taxation	-	261
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Taxation on profit on ordinary activities at UK corporation tax rate of 23.5% (2012 - 25.5%)	-	(66)
Expenses not deductible and income not taxable for tax purposes	-	-
Group relief receivable for nil consideration	-	66
	<hr/>	<hr/>
Current ordinary tax charge for the year	-	-
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. It is expected that this will reduce the company's future current tax charge and future deferred tax asset accordingly.

### 5. Debtor: due within one year

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

### 6. Share capital

	30 June 2013 £'000	30 June 2012 £'000
<i>Allotted, called up and fully paid:</i>		
217,215,530 ordinary shares of £1 each	217,216	217,216
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**Notes to the financial statements (continued)**

**7. 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.