

John Haig & Company Limited

Financial statements 30 June 2015

Registered number: SC013654

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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 2015.

The directors were entitled to take advantage of the small companies' exemption in not preparing a strategic report.

Activities

The company did not trade during the financial year or the preceding financial year but received interest income from a fellow group undertaking.

In June 2010, the Diageo group established a Pension Funding Partnership in which the UK Diageo Pension Scheme ("UK Scheme") acquired a limited interest, and as a partner, is entitled to a distribution of the profits of the Pension Funding Partnership each year for 11 years. Under this structure the company, as an initial limited partner together with the UK Scheme (limited partner) and a fellow group undertaking (general partner) agreed to form Lochside MWS Limited Partnership ("Lochside"). On 19 July 2010, the company made a capital contribution of £100 to Lochside, and as a member, is entitled to a distribution of the profits of Lochside of £5 each year, which is presented as interest receivable.

The address of the partnership's registered office is Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, Scotland.

Going concern

The company is expected to receive an annual profit distribution from Lochside and to remain in positive net asset position for the foreseeable future.

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 2015 are shown on page 5.

The profit for the year transferred to reserves is £5 (2014 - £5).

No dividend was paid during the year (2014 - £nil).

Directors

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

I A Hockney	(appointed 1 October 2014)
N Makos	(resigned 1 August 2014)
J J Nicholls	
P D Tunnacliffe	

On 5 November 2015, I A Hockney resigned and A Mahler was appointed as a director of the company.

Directors' report (continued)

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2014 - £nil).

Secretary

On 5 November 2015, V Cooper was appointed as joint Company Secretary.

Auditor

Following an audit tender conducted during the year, PricewaterhouseCoopers LLP were selected as auditor for the Diageo group. Accordingly, it is intended that PricewaterhouseCoopers LLP will be appointed to replace KPMG LLP as auditor for the year ending 30 June 2016.

Disclosure of information to auditors

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 Mahler
Director
Edinburgh Park
5 Lochside Way
Edinburgh
EH12 9DT

3 December 2015

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 John Haig & Company Limited

We have audited the financial statements of John Haig & Company Limited for the year ended 30 June 2015, 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 directors' responsibilities statement 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 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.

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 2015 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Karen Wightman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date:

7 December 2015

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Interest receivable from Lochside MWS Limited Partnership	2	5	5
Profit on ordinary activities before taxation		5	5
Taxation on profit on ordinary activities	3	-	-
Profit for the financial year		<u>5</u>	<u>5</u>

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 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.

Balance sheet

	<i>Notes</i>	30 June 2015 £	30 June 2014 £
Fixed assets			
Investments	4	100	100
Current assets			
Debtor: due within one year - Diageo Scotland Limited	5	34,925	34,920
		<hr/>	<hr/>
Net assets		35,025	35,020
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	34,025	34,020
		<hr/>	<hr/>
Shareholders' funds	8	35,025	35,020
		<hr/>	<hr/>

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 3 December 2015 and were signed on its behalf by:



A Mahler
Director

Accounting policies

Future changes to accounting policies

The Financial Reporting Council recently issued *FRS 100 – Application of Financial Reporting Requirements*, *FRS 101 – Reduced Disclosure Framework* and *FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland* which will be first effective for the company for the year ending 30 June 2016. FRS 100 sets out the overall financial reporting framework whereas FRS 101 applies to the company financial statements allowing them to apply the same accounting policies as the IFRS group accounts but with less disclosure. FRS 102 will replace the current UK GAAP standards with an IFRS based new standard and include a set of disclosure exemptions for qualifying entities formerly preparing UK GAAP financial standards. The company will adopt FRS 101, for its financial statements, for the year ending 30 June 2016. Based on a preliminary assessment the company believes the change will have no significant impact on its results or financial position.

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").

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.

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.

Notes to the financial statements

1. Operating costs

The auditor's remuneration of £2,000 (2014 - £2,300) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2014 - £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 (2014 - £nil).

2. Interest receivable

Interest receivable of £5 (2014 - £5) has been settled by receiving an amount due from Diageo Scotland Limited, a fellow group undertaking.

3. Taxation

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
(i) Analysis of taxation charge for the year		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
(ii) Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	5	5
	<hr/>	<hr/>
Taxation on profit on ordinary activities at UK corporation tax rate of 20.75 % (2014 - 22.5%)	(1)	(1)
Group relief received for nil consideration	1	1
	<hr/>	<hr/>
Current ordinary tax charge for the year	-	-
	<hr/>	<hr/>

Notes to the financial statements (continued)

4. Investment

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Loan to fellow group undertaking - Lochside MWS Limited Partnership	100	100

Pursuant to a capital contribution of £100 to Lochside, the company is entitled to a profit distribution each year allocated in line with the Partnership Agreement of Lochside.

As the distributions represent a contractual right for the company to receive cash from Lochside, the capital contribution is shown as a loan to fellow group undertaking and the profit distribution received is presented as an interest receivable (note 2).

The capital contribution of £100 has been paid by Diageo Scotland Limited, a fellow group undertaking, on behalf of the company.

5. Debtor: due within one year

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

6. Share capital

	30 June 2015 £	30 June 2014 £
<i>Allotted, called up and fully paid</i>		
1,000 (2014 - 1,000) ordinary shares of £1 each	1,000	1,000

7. Reserves

	Profit and loss account £
At 30 June 2014	34,020
Profit for the financial year	5
At 30 June 2015	34,025

Notes to the financial statements (continued)

8. Reconciliation of movement in shareholders' funds

	30 June 2015 £	30 June 2014 £
Profit for the financial year	5	5
Net addition to shareholders' funds	5	5
Shareholders' funds at the beginning of the year	35,020	35,015
Shareholders' funds at the end of the year	35,025	35,020

9. Related party transactions

Transactions between the company and its related party (not wholly owned by Diageo group) are made on terms equivalent to those that prevail in arm's length transactions.

Transaction between the company and other group undertakings not wholly owned by Diageo group was as follows:

- Interest received from Lochside MWS Limited Partnership of £5.

10. 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.