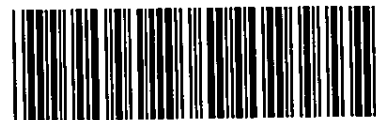


**Diageo CL3 Limited**  
**Financial statements**  
**30 June 2012**

Registered number 14172

THURSDAY



\*A24M0SMA\*

A20

21/03/2013

#373

COMPANIES HOUSE

## **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 did not trade during the financial year or the preceding financial year but realized an income in respect of the write back of an amount owed to a fellow group undertaking of £95,000

The directors foresee no changes in the company's activities

Subsidiary undertakings of the company, Express Foods Nominee Limited and S Reece (Liverpool) Limited were liquidated on 8 December 2011 and 14 February 2012 respectively, resulting in neither a gain nor a loss to the company

### **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 directors do not recommend the payment of a dividend (2011 - £nil)

The profit for the year transferred to reserves is £95,000 (2011 - £1,579,000)

### **Directors**

The directors who held office during the year were as follows

S J Bolton	(resigned 2 February 2012)
G P Crickmore	(resigned 2 February 2012)
J A I Franco	(appointed 16 December 2011, resigned 2 February 2012)
D Heginbottom	(resigned 2 February 2012)
N Makos	
J J Nicholls	
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)

**Directors' report (continued)**

**Secretary**

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

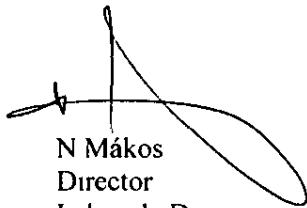
**Auditor**

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 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



N Mákos  
Director  
Lakeside Drive  
Park Royal  
London  
NW10 7HQ

28 February 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 Diageo CL3 Limited**

We have audited the financial statements of Diageo CL3 Limited for the year ended 30 June 2012 set out on pages 5 to 12. 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 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.

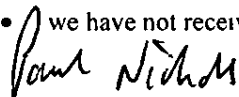
### **Opinion on other matters prescribed by the Companies Act 2006**

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.



**Paul Nichols Senior Statutory Auditor**

For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

4/3/13

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
Operating income	<i>1</i>	95	1,579
<b>Operating profit</b>		<u>95</u>	<u>1,579</u>
<b>Profit on ordinary activities before taxation</b>		95	1,579
Taxation on profit on ordinary activities	<i>2</i>	-	-
<b>Profit for the financial year</b>	<i>7</i>	<u>95</u>	<u>1,579</u>

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

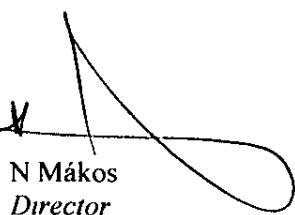
The accounting policies and other notes on pages 7 to 12 form part of the financial statements

**Balance sheet**

		30 June 2012		30 June 2011	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	3		1,057		1,262
<b>Current asset</b>					
Debtors due within one year	4	122,724		122,732	
<b>Creditors due within one year</b>	5	(1,057)		(1,365)	
<b>Net current assets</b>			121,667		121,367
<b>Net assets</b>			122,724		122,629
<b>Capital and reserves</b>					
Called up share capital	6		15,139		15,139
Share premium account	7	772		772	
Other reserves	7	2,937		2,937	
Profit and loss account	7	103,876		103,781	
Reserves attributable to equity shareholders			107,585		107,490
<b>Shareholders' funds</b>	8		122,724		122,629

The accounting policies and other notes on pages 7 to 12 form part of the financial statements

These financial statements on pages 5 to 12 were approved by the board of directors on 28 February 2013 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")

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**

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. Operating income

Operating income includes other income of £95,000 consisting of a gain in respect of the write back of an amount owed to East Walls (1997), a fellow group undertaking, which was liquidated on 11 February 2012

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 (2011 - £nil)

The auditor's remuneration of £1,721 (2011 - £1,758) 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 (2011 - £nil)

### 2. 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	95	1,579
Taxation on profit on ordinary activities at UK corporation tax rate of 25.5% (2011 - 27.5%)	(24)	(434)
Income not taxable for tax purposes	-	434
Group relief received for nil consideration	24	-
Current ordinary tax charge for the year	-	-

The company has £63,531,496 capital losses carried forward (2011 - £63,531,496). The company has not recognised these losses as their recoverability is uncertain.

## Notes to the financial statements (continued)

### 3. Fixed assets – investments

	<b>Subsidiary undertakings £'000</b>
<b>Cost</b>	
At 30 June 2011	114,495
Dissolution of subsidiary undertakings	(205)
	<hr/>
At 30 June 2012	114,290
	<hr/>
<b>Provisions</b>	
At 30 June 2011 and at 30 June 2012	(113,233)
	<hr/>
<b>Net book value</b>	
At 30 June 2011	1,262
	<hr/>
At 30 June 2012	1,057
	<hr/>

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

<b>Subsidiary undertaking</b>	<b>Principal activity</b>	<b>Percentage held</b>	<b>Class of shares held</b>
<i><b>Direct holding:</b></i>			
PSP (Sales and Distribution) Limited	Non-trading	100%	Ordinary shares of 10p each

The subsidiary undertaking is incorporated in the United Kingdom

The investment in 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

Former subsidiary undertakings, Express Foods Nominee Limited and S Reece (Liverpool) Limited were liquidated during the financial year, resulting in neither a gain nor a loss to the company

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

**4. Debtors: due within one year**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by fellow group undertakings		
Grandmet Foods (UK) Limited	117,355	117,355
Sutherlands Foods Limited (dissolved)	-	8
Grand Metropolitan Limited	5,369	5,369
	<hr/>	<hr/>
	122,724	122,732
	<hr/>	<hr/>

Amounts owed by Sutherlands Foods Limited (dissolved) as at 30 June 2011 was transferred upon dissolution to East Walls (1997) Limited, its immediate parent undertaking East Walls (1997) Limited was subsequently liquidated during the year

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

**5. Creditors: due within one year**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to fellow group undertakings		
PSP (Sales and Distribution) Limited	1,057	1,057
S Reece (Liverpool) Limited (dissolved)	-	205
East Walls (1997) Limited (dissolved)	-	103
	<hr/>	<hr/>
	1,057	1,365
	<hr/>	<hr/>

Amounts due to group undertakings are unsecured, interest free and repayable on demand

Notes to the financial statements (continued)

6. Share capital

	30 June 2012 £'000	30 June 2011 £'000
<i>Allotted, called up and fully paid:</i>		
15,139,256 ordinary shares of £1 each	15,139	15,139

7. Reserves

	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 30 June 2011	772	2,937	103,781	107,490
Profit for the financial year	-	-	95	95
At 30 June 2012	772	2,937	103,876	107,585

8. Reconciliation of movement in shareholders' funds

	30 June 2012 £'000	30 June 2011 £'000
Profit for the financial year	95	1,579
Preference shares conversion	-	1,710
<b>Net addition to shareholders' funds</b>	95	3,289
Shareholders' funds at the beginning of the year	122,629	119,340
<b>Shareholders' funds at the end of the year</b>	122,724	122,629

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

**9. 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