

# Otford Estates Limited

## Financial statements 30 June 2012

Registered number. 407127

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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 has a number of intercompany balances with other fellow group undertakings on which it earns or pays interest and on which exchange gains and losses arise. All interest and exchange gains and losses relating to balances subject to the financing agreement with R&A Bailey & Co are transferred to the fellow group undertaking and so the net income of Otford Estates Limited for the year ended 30 June 2012 represents interest earned on balances not subject to the financing agreement with R&A Bailey & Co.

### Going concern

The company is expected to continue to generate profit for its own account for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings. 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 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 £23,000 (2011 - £11,000).

### 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 Mákos	
J J Nicholls	
A M Smith	(resigned 2 February 2012)
P D Tunnaclyffe	

## **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 (2011 - £nil)

### **Secretary**

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

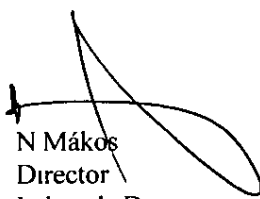
### **Auditor**

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 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



N Mákos  
Director  
Lakeside Drive  
Park Royal  
London  
NW10 7HQ

6 December 2012

## **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 Otford Estates Limited**

We have audited the financial statements of Otford Estates 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.

*P Nichols*

P Nichols, Senior Statutory Auditor

For and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London  
E14 5GL

13 December 2012

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
Operating costs	1	(157)	(113)
<b>Operating loss</b>		<u>(157)</u>	<u>(113)</u>
Net interest receivable	2	180	124
<b>Profit on ordinary activities before taxation</b>		<u>23</u>	<u>11</u>
Taxation on profit on ordinary activities	3	-	-
<b>Profit for the financial year</b>	7	<u>23</u>	<u>11</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 a historical cost basis

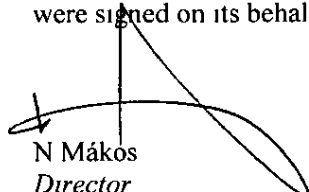
All results arise from continuing operations

**Balance sheet**

	<i>Notes</i>	<b>30 June 2012</b> <b>£'000</b>	<b>30 June 2011</b> <b>£'000</b>
<b>Current assets</b>			
Debtors due within one year -			
Amounts owed by Diageo Finance plc	4	45,617	38,695
		<hr/>	<hr/>
<b>Creditors: due within one year</b>	5	(44,280)	(37,381)
		<hr/>	<hr/>
<b>Net assets</b>		1,337	1,314
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account	7	1,335	1,312
		<hr/>	<hr/>
<b>Shareholders' funds</b>	8	1,337	1,314
		<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 6 December 2012 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")

### **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, if hedged forward, at the rate of exchange under the related foreign currency contract. 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. Operating costs

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Other operating income (a)	7	17
Other operating charges (b)	(164)	(130)
	<u>(157)</u>	<u>(113)</u>

(a) **Other operating income** comprises net foreign exchange gain on intercompany loans (2011 - intercompany recharges of foreign exchange loss on intercompany loans less net interest receivable on intercompany loans)

(b) **Other operating charges** comprise intercompany recharges of foreign exchange gain on intercompany loans and net interest receivable on intercompany loans (2011 - net foreign exchange loss on intercompany loans)

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).

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).

### 2. Net interest receivable

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Interest payable on loans from Diageo Venezuela C A	(5,863)	(5,105)
Less		
Interest receivable on loans to Diageo Finance plc	6,043	5,229
	<u>180</u>	<u>124</u>

## Notes to the financial statements (continued)

### 3. 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	23	11
Taxation on profit on ordinary activities at UK corporation tax rate of 25.5% (2011 - 27.5%)	(6)	(3)
Group relief received for nil consideration	6	3
Current ordinary tax charge for the year	-	-

### 4. Debtors: due within one year

Amounts owed by Diageo Finance plc are unsecured, interest bearing on a floating rate and repayable on demand. From the total debtor of £45,617,000 an amount of £39,873,850 is denominated in Venezuelan Bolivar Fuerte (VEF) and presented in the financial statements at year-end closing rate of 14.13 VEF/GBP (2011 - 14.49 VEF/GBP).

### 5. Creditors: due within one year

	30 June 2012 £'000	30 June 2011 £'000
Amounts owed to fellow group undertakings		
Diageo Venezuela C A	39,548	32,813
R&A Bailey & Co	4,716	4,552
Diageo Great Britain Limited	16	16
	44,280	37,381

Amounts due to Diageo Great Britain Limited and R&A Bailey & Co are unsecured, interest free and repayable on demand. Amounts due to Diageo Venezuela C A are unsecured, interest bearing at weighted average borrowing rate quoted by the Central Bank of Venezuela and repayable on demand. The amount due to Diageo Venezuela C A is denominated in Venezuelan Bolivar Fuerte (VEF) and presented in the financial statements at year-end closing rate of 14.13 VEF/GBP (2011 - 14.49 VEF/GBP).

## 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>		
2,000 ordinary shares of £1 each	2	2

### 7. Reserves

	Profit and loss account £'000
At 30 June 2011	1,312
Profit for the financial year	23
At 30 June 2012	1,335

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

	30 June 2012 £'000	30 June 2011 £'000
Profit for the financial year	23	11
<b>Net addition to shareholders' funds</b>	23	11
Shareholders' funds at the beginning of the year	1,314	1,303
<b>Shareholders' funds at the end of the year</b>	1,337	1,314

### 9. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Diageo Great Britain 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