

**Gleneagles Resort Developments Limited**  
**Financial statements**  
**30 June 2013**

Registered number: SC214385

TUESDAY



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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 2013.

### **Activities**

The company is principally engaged in development activities at the Gleneagles Hotel, Auchterarder, Perthshire. During the year the company has continued to develop seasonal ownership properties under the name of 'Glenmor'.

### **Going concern**

The company is expected to continue to generate positive cash flows on its own account 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.

### **Business Review**

*Development and performance of the business of the company during the financial year and position of the company as at 30 June 2013*

The development and performance of the 'Glenmor' seasonal ownership business during the year was in line with expectations taking into account the maturity of the project. Turnover decreased by £0.19m and operating costs decreased by £0.15m

The 'Glenmor' project was fully complete in terms of constructed homes as at 30 June 2013.

*Principal risks and uncertainties facing the company as at 30 June 2013*

The principal risks and uncertainties facing the company, as a member of the Diageo group, coincide with those facing the group as a whole. These are disclosed in the accounts of Diageo plc. Due to the nature of the company's business, the risk of non-performance by counterparties to transactions of the company is considered remote.

*Financial and other key performance indicators*

The directors do not consider that analysis using key performance indicators is necessary (or appropriate) for an understanding of the development, performance or position of the business of the company, or that there are any factors by reference to which any meaningful analysis of the development, performance or position of the business of the company could be carried out.

The principal key performance indicators that are used to assess the performance of the Diageo group as a whole are described in the Operating and Financial Review contained within the annual report of Diageo plc.

**Directors' report (continued)**

**Financial**

The results for the year ended 30 June 2013 are shown on page 5.

No dividend was paid during the year (2012 - £nil).

The loss for the year transferred from reserves is £208,000 (2012 - £161,000).

**Directors**

The directors who held office during the year and to date of this report were as follows:

P V Elsmie  
D A Kemp  
P J Lederer  
D Mahlan

**Directors' remuneration**

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

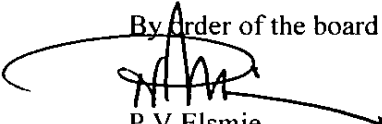
**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, 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 year ended 30 June 2013

**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



P V Elsmie  
Director  
*The Gleneagles Hotel*  
*Auchterarder*  
*Perthshire*  
*PH3 1NF*  
12 March 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 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 Gleneagles Resort Developments Limited**

We have audited the financial statements of Gleneagles Resort Developments Limited for the year ended 30 June 2013 set out on pages 5 to 11. 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](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 loss 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 or 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.

**Hugh Harvie (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG  
14 March 2014

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2013 £'000</b>	<b>Year ended 30 June 2012 £'000</b>
<b>Turnover</b>	<i>1</i>	1,009	1,203
Operating costs	<i>2-3</i>	(1,218)	(1,365)
		<hr/>	<hr/>
<b>Operating loss</b>		(209)	(162)
Interest receivable	<i>4</i>	1	1
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(208)	(161)
Taxation on loss on ordinary activities	<i>5</i>	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>		(208)	(161)
		<hr/>	<hr/>

The accounting policies and other notes on pages 7 to 11 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.

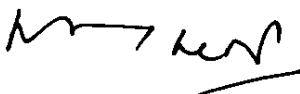
All results arise from continuing operations.

**Balance sheet**

	<i>Notes</i>	<b>30 June 2013</b>		<b>30 June 2012</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>					
Tangible assets	6		425		425
<b>Current assets</b>					
Stocks	7	376		809	
Debtors: due within one year	8	3,481		3,225	
Cash at bank and in hand		229		290	
			4,086		4,324
<b>Creditors: due within one year</b>	9		(158)		(188)
<b>Net assets</b>			4,353		4,561
<b>Capital and reserves</b>					
Called up share capital	10	-		-	
Profit and loss account	11	4,353		4,561	
<b>Shareholders' funds</b>			4,353		4,561

The accounting policies and other notes on pages 7 to 11 form part of the financial statements.

These financial statements on pages 5 to 11 were approved by the board of directors on 12 March 2014 and were signed on its behalf by:



D A Kemp  
Director

## **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 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 part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group.

### **Tangible fixed assets**

Land is stated at cost. Freehold land is not depreciated.

### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

### **Turnover**

Turnover represents the net invoice value of goods and services, but excluding value added tax. Turnover for goods is recognised at the fair value of the right to consideration. Turnover is recognised at the point where the construction of a home has been certified as complete by the architect and where financial completion for the sale of a seven night tenure or short break tenure has been achieved.

### **Advertising**

Advertising production costs are charged to the profit and loss account when the advertisement is first shown to the public.

### **Taxation**

Full provision is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations using current tax rates. The company does not discount these balances.

Current tax, being UK corporation 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. Analysis of turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to one class of business, that of property development, all of which is carried out in the United Kingdom.

### 2. Operating costs

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Advertising, marketing and promotion costs	174	172
Cost of sales	433	552
Other operating charges	611	641
	<u>1,218</u>	<u>1,365</u>

The auditor's remuneration of £3,000 (2012 - £3,000) was settled on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2012 - £nil).

### 3. Directors and employees

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 (2012 - £nil).

### 4. Interest receivable

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Bank interest receivable	<u>1</u>	<u>1</u>

## Notes to the financial statements (continued)

### 5. Taxation

The tax charge for the year was £nil (2012 - £nil).

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Loss on ordinary activities before taxation	(208)	(161)
Taxation credit on loss on ordinary activities at UK corporation tax rate of 23.75% (2012 - 25.5%)	49	41
Group relief surrendered for nil consideration	(49)	(41)
Current ordinary tax charge for the year	-	-

### 6. Fixed assets

	Land £'000
Cost	
At 30 June 2012	425
Additions	-
At 30 June 2013	425
Net book value	
At 30 June 2013	425
At 30 June 2012	425

### 7. Stocks

	30 June 2013 £'000	30 June 2012 £'000
Seasonal ownership tenures available for sale	376	809

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

**8. Debtors**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due by fellow group undertakings	3,481	3,225

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

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

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	19	127
Other taxation	27	16
Accruals and deferred income	112	45
	<u>158</u>	<u>188</u>

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

**10. Share capital**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid:</b>		
1 ordinary share of £1	1	1

**11. Reserves**

	<b>Profit and loss Account £'000</b>
At 30 June 2012	4,561
Retained loss for year	(208)
	<u>4,353</u>
<b>At 30 June 2013</b>	

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

**12. Reconciliation of movement in shareholders' funds**

	<b>30 June 2013</b>	<b>30 June 2012</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities after taxation	(208)	(161)
	<hr/>	<hr/>
<b>Net reduction in shareholders' funds</b>	<b>(208)</b>	<b>(161)</b>
Shareholders' funds at the beginning of the year	4,561	4,722
	<hr/>	<hr/>
<b>Shareholders' funds at the end of the year</b>	<b>4,353</b>	<b>4,561</b>
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**13. Immediate and ultimate parent undertaking**

The immediate parent undertaking of the company is Gleneagles Hotels 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.