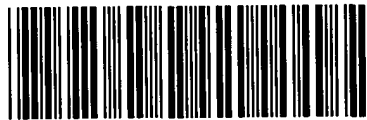


Diageo CL1 Limited

Financial statements 30 June 2014

Registered number: 1732518

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 2014.

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

Activities

The principal activity of the company is to act as an investment holding company. The directors foresee no changes in the company's activities. The company is incorporated and its operations are based in the United Kingdom.

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 as a fellow group undertaking has agreed to provide financial support 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 2014 are shown on page 5.

The loss for the year transferred from reserves is £2 (2013 - £1).

No dividend was paid during the year (2013 - £nil).

Directors

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

G Geiszl	(resigned 1 October 2013)
D Heginbottom	
J J Nicholls	
M Pais	
P D Tunnacliffe	

On 1 October 2014, D Heginbottom and M Pais resigned and S Fennessy and E McShane were appointed as directors of the company.

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2013 - £nil).

Directors' report (continued)

Auditor

On 30 June 2014, KPMG Audit Plc resigned as the company's auditor, having instigated an orderly wind down of its business. KPMG LLP, an intermediate parent, was appointed statutory auditor on 3 July 2014.

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



S Fennessy
Director
Lakeside Drive
Park Royal
London
NW10 7HQ

11 December 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 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 CL1 Limited

We have audited the financial statements of Diageo CL1 Limited for the year ended 30 June 2014 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 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 2014 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.

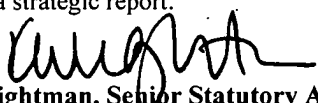
Opinion on other matters prescribed by the Companies Act 2006

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 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: 11 December 2014

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Interest payable	4	(2)	(1)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(2)	(1)
Taxation on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss for the financial year		(2)	(1)
		<hr/>	<hr/>

The accounting policies and other notes on pages 7 to 12 form 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

		Year ended		Year ended	
		30 June 2014		30 June 2013	
	<i>Notes</i>	£	£	£	£
Fixed assets					
Investments	6		1,094		801
Current assets					
Debtors	7	5		5	
Creditors: amounts falling due within one year	8	(324)		(29)	
Net current liabilities			(319)		(24)
Net assets			775		777
Capital and reserves					
Called up share capital	9		778		778
Profit and loss account	10		(3)		(1)
Shareholders' funds	11		775		777

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 11 December 2014 and were signed on its behalf by:

Sharon Fennessy

S Fennessy
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 is currently evaluating the impact of these requirements in relation to FRS 100, FRS 101 and FRS 102.

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.

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings.

Fixed asset investments

Investments are stated individually at cost less provision for impairment in value where such impairment is expected by the directors to be permanent.

Accounting policies (continued)

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

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. Fees in respect of services provided by the auditors were £1,800 (2013 - £1,800).

2. Staff costs

The company did not employ any staff during either the current or prior year.

3. Directors' remuneration

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2013 - £nil).

4. Interest payable

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
Interest payable on loan to fellow group undertaking: Diageo Finance plc	2	1
	<u> </u>	<u> </u>

5. Taxation

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
(i) Analysis of taxation credit for the year		
Current tax	-	-
Deferred tax	-	-
	<u> </u>	<u> </u>
Taxation on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

5. Taxation (continued)

	Year ended 30 June 2014 £	Year ended 30 June 2013 £
(ii) Factors affecting current tax credit for the year		
Loss on ordinary activities before taxation	(2)	(1)
	<hr/>	<hr/>
Taxation on loss on ordinary activities at UK corporation tax rate of 22.5% (2013 - 23.75%)	-	-
Income taxable not in P&L	(390)	(331)
Group relief received for nil consideration	390	331
	<hr/>	<hr/>
Current ordinary tax credit for the year	-	-
	<hr/>	<hr/>

'Income taxable not in P&L' represents the partnership profit distributed from Diageo Finance Australia LLP.

The company has £12,471,113 capital losses carried forward (2013 - £12,471,113). Deferred tax has not been recognised on these losses as their recoverability is uncertain.

6. Fixed assets – investments

	Other investment £
Cost and net book value	
At 30 June 2013	801
Additions	293
	<hr/>
At 30 June 2014	1,094
	<hr/>

On 31 March 2014, the company contributed an additional £293 to Diageo Finance Australia LLP in cash.

Notes to the financial statements (continued)

6. Fixed assets – investments (continued)

Other investment of the company and the percentage of equity owned are as follows:

	Country of Incorporation	Principal activity	Percentage and class of membership interest held
<i>Direct holding:</i>			
Other investment			
Diageo Finance Australia LLP	UK	Treasury operations	0.01% Ordinary

Other investment is held at cost less, where appropriate, provision for impairment in value.

In the opinion of the directors, the other investment is worth at least the amount at which it is stated in the financial statements.

7. Debtors

	30 June 2014 £	30 June 2013 £
Amounts owed by fellow group undertakings:		
Diageo Finance plc	4	4
Grand Metropolitan Limited	1	1
	<hr/> 5	<hr/> 5
	<hr/> <hr/>	<hr/> <hr/>

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

8. Creditors: amounts falling due within one year

	30 June 2014 £	30 June 2013 £
Amounts owed to fellow group undertakings:		
Diageo Finance plc	322	27
Diageo Finance Australia LLP	2	2
	<hr/> 324	<hr/> 29
	<hr/> <hr/>	<hr/> <hr/>

The amount owed to Diageo Finance plc represents a loan which bears interest at a floating rate.
The amount owed to Diageo Finance Australia LLP is an interest free loan.
All amounts owed to fellow group undertakings are unsecured and repayable on demand.

Notes to the financial statements (continued)

9. Share capital

	30 June 2014 £	30 June 2013 £
<i>Allotted, called up and fully paid:</i>		
776 (2013 - 776) ordinary shares of £1 each	776	776
2 (2013 - 2) unclassified shares of £1 each	2	2
	<u>778</u>	<u>778</u>

10. Reserves

	Profit and loss account £
At 30 June 2013	(1)
Loss for the financial year	(2)
At 30 June 2014	<u>(3)</u>

11. Reconciliation of movement in shareholders' funds

	30 June 2014 £	30 June 2013 £
Loss for the financial year	(2)	(1)
Net reduction in shareholders' funds	<u>(2)</u>	<u>(1)</u>
Shareholders' funds at beginning of year	777	778
Shareholders' funds at end of year	<u>775</u>	<u>777</u>

12. 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.