

Cellarers (Wines) Limited
Directors' report and financial statements
30 June 2017

Registered number: 01083023



Cellarers (Wines) Limited
Registered number: 01083023
Year ended 30 June 2017

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Cellarers (Wines) Limited
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Year ended 30 June 2017

DIRECTORS' REPORT

The directors have pleasure in submitting their directors' report, together with the audited financial statements for the year ended 30 June 2017.

The directors are entitled to take advantage of the small companies' exemption in not preparing a strategic report. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Activities

The company acts as an agent for Justerini & Brooks, Limited, a fellow group company. The existence of the agency has not been disclosed to the parties with which the company deals.

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 company is expected to continue 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 company 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 result for the year ended 30 June 2017 is shown on page 8.

The company made neither a profit nor a loss for the year (2016 - £nil).

No dividend was paid during the year (2016 - £nil) and there is no dividend proposed to be distributed to the shareholders in regards to the financial year (2016 - £nil).

Directors

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

D F Harlock

A Mahler

J J Nicholls

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2016 - £nil).

Secretary

On 23 March 2017, V Cooper resigned as a joint secretary of the company.

C Matthews remains as secretary of the company.

Directors' indemnity

The Articles of Association permit qualifying third-party indemnities for the directors as defined by Section 234 of the Companies Act 2006. No such indemnity was in force during the last financial year, nor is any currently in force.

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DIRECTORS' REPORT (continued)

Internal control and risk management over financial reporting

The company operates under the financial reporting processes and controls of the Diageo group. The internal control and risk management systems over the financial reporting process of Diageo plc, which include those of the company, are discussed in the Group's Annual Report 2017 on pages 62 to 63 at www.diageo.com, which does not form part of this report.

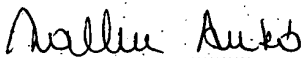
Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors, PricewaterhouseCoopers LLP, have been reappointed and will continue in office as auditors of the company.

Disclosure of information to the 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 auditors are 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 auditors are aware of that information.

By order of the board



A Mahler
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

17 November 2017

Cellarers (Wines) Limited
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Year ended 30 June 2017

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Cellarers (Wines) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cellarers (Wines) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2017; the Statement of Comprehensive Income for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our

opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

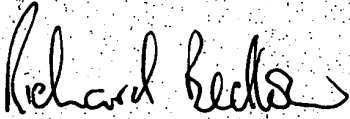
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Richard Bedlow (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 November 2017

Cellarers (Wines) Limited
Registered number: 01083023
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STATEMENT OF COMPREHENSIVE INCOME

During the financial year and the preceding financial year the company acted as an undisclosed agent for Justerini & Brooks, Limited, a fellow group company. As it received no income and incurred no expenditure on its own account, the company made neither a profit nor a loss, and there were no other comprehensive income or expenses.

Accordingly, neither an income statement, a statement of other comprehensive income nor a statement of changes in equity has been presented.

The accompanying notes are an integral part of these financial statements.

The company had no other comprehensive income or expense during the current and previous year.

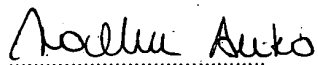
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BALANCE SHEET

	Notes	30 June 2017 £	30 June 2016 £
Current assets			
Trade and other receivables	4	2	2
Total assets		<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Equity			
Called up share capital	5	<u>2</u>	<u>2</u>
Total equity		<u>2</u>	<u>2</u>

The accounting policies and other notes on pages 10 to 13 form part of the financial statements.

These financial statements on pages 8 to 13 were approved by the Board on 17 November 2017 and were signed on its behalf by:



A Mahler
Director

Cellarers (Wines) Limited
Registered number: 01083023
Year ended 30 June 2017

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of *International Financial Reporting Standards* as adopted by the EU (IFRS), but makes amendments where necessary in order to comply with Companies Act 2006 and sets out below where the FRS 101 disclosure exemptions have been taken.

These financial statements are prepared on a going concern basis under the historical cost convention, except that certain financial instruments are stated at their fair value.

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.

The company has taken advantage of the following exemptions from the requirements of IFRS in the preparation of these financial statements, in accordance with FRS 101:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Diageo plc include equivalent disclosures, the company has also utilised exemptions available under FRS 101 in respect of the following disclosures:

- the disclosures required by *IFRS 7 Financial Instruments Disclosures*;

Functional and presentational currency

These financial statements are presented in sterling (£), which is the company's functional currency.

Turnover

During the financial year and the preceding financial year the company acted as an undisclosed agent for Justerini & Brooks, Limited, a fellow group company. As it received no income and incurred no expenditure on its own account, the company made neither a profit nor a loss.

Financial assets

Trade and other receivables Amounts owed by other group companies are initially measured at fair value and are subsequently reported at amortised cost. Non-interest bearing trade receivables are stated at their nominal value as they are due on demand.

Cellarers (Wines) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax benefits are not recognised unless it is probable that the tax positions are sustainable. Once considered to be probable, tax benefits are reviewed each year to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided in the tax charge.

Full provision for deferred tax is made for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their value for tax purposes. The amount of deferred tax reflects the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using the basis of taxation enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognised where it is more likely than not that the asset will not be realised in the future.

2. OPERATING COSTS

Following a change in approach to the allocation of statutory audit fees to Group entities, auditors' remuneration of £2,500 (2016 - £1,000) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditors in respect of non-audit services (2016 - £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 (2016 - £nil).

3. TAXATION

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
(a) Analysis of taxation (credit)/charge for the year		
Current tax	-	-
Deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TAXATION (continued)

	Year ended 30 June 2017 £	Year ended 30 June 2016 £
(b) Factors affecting total tax (credit)/charge for the year		
Profit/(loss) on ordinary activities before taxation	-	-
Taxation on (loss)/profit on ordinary activities at UK corporation tax rate of 19.75% (2016 - 20%)	-	-
Increase from transfer pricing adjustments	8,949	8,185
Group relief surrendered for nil consideration	(8,949)	(8,185)
Total tax (credit)/charge for the year	-	-

The UK tax rate reduced from 20% to 19% on 1 April 2017 and so an average tax rate of 19.75% is applied for the year ended 30 June 2017. A further reduction to 17% (effective from 1 April 2020) was enacted in September 2016.

Income taxable not in profit and loss account represents imputed income for tax purposes as part of a transfer pricing adjustment in relation to agency activity undertaken by the company on behalf of a fellow group undertaking.

4. TRADE AND OTHER RECEIVABLES

	30 June 2017 £	30 June 2016 £
Amounts owed by fellow group undertakings		
Diageo Great Britain Limited	2	2
	<u>2</u>	<u>2</u>

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

All amounts fall due within one year.

5. SHARE CAPITAL

Allotted, called up and fully paid:

	30 June 2017 £
2 (2016 - 2) ordinary shares of £1 each	<u>2</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. 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 which is the ultimate controlling party of the Diageo group. Diageo plc is incorporated and registered in England. The consolidated financial statements of Diageo plc can be obtained from the registered office at Diageo, Lakeside Drive, Park Royal, London, NW10 7HQ.