Arthur Bell & Sons Limited
Financial statements
30 June 2020

Registered number: SC011975

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2020

INCOME STATEMENT

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss, and there were no other comprehensive income or expenses.

Accordingly, neither an income statement nor a statement of comprehensive income has been presented.

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Year ended 30 June 2020

BALANCE SHEET

	Notes	30 June 2020 £	30 June 2019 £
Non-current assets			
Investments	5	—	—
		—	—
Current assets			
Trade and other receivables	6	27,970	27,970
Total assets		**27,970**	**27,970**
Current liabilities			
Trade and other payables	7	(22,906)	(22,906)
Net assets		**5,064**	**5,064**
Equity			
Called up share capital	8	2	2
Retained earnings		5,062	5,062
Total equity		**5,064**	**5,064**

The notes on pages 3 to 8 form part of the financial statements.

The company did not trade during the financial year or the preceding financial year. The directors do not expect the company to trade in the foreseeable future.

The directors:

(a) confirm that the company was entitled to exemption under subsection (1) of section 480 of the Companies Act 2006 from the requirement to have its accounts audited for the financial year ended 30 June 2020;

(b) confirm that members have not required the company to obtain an audit of its accounts for the financial year in accordance with section 476 of that Act;

(c) acknowledge their responsibilities for:

  (i) ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and;

  (ii) preparing accounts which give true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 394 and 396 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements on pages 1 to 8 were approved by the board of directors on 29 September 2020 and were signed on its behalf by:

DocuSigned by:
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J M C Edmunds
Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

The company has taken advantage of the exemption by virtue of section 400 under Companies Act 2006, from the requirement to prepare consolidated financial statements, as it and its subsidiaries are included in the consolidated financial statements of its ultimate parent, Diageo plc.

These financial statements are separate financial statements.

Functional and presentational currency

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

Investments in subsidiaries

Investments in subsidiaries are stated at historical cost less impairment provisions for any permanent decrease in value. The carrying amounts of the company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the statement of comprehensive income to reflect an impairment against the carrying value. Where an event results in the asset's recoverable amount being higher than the previously impaired carrying value, the original impairment may be reversed through the statement of comprehensive income in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Financial assets and liabilities are initially recorded at fair value including, where permitted by IFRS 9, any directly attributable transaction costs. For those financial assets that are not subsequently held at fair value, the company assesses whether there is evidence of impairment at each balance sheet date. The company classifies its financial assets and liabilities into the following categories: financial assets and liabilities at amortised cost, financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income. Where financial assets or liabilities are eligible to be carried at either amortised cost or fair value, the company does not apply the fair value option.

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. Allowances for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

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

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. Penalties and interest on tax liabilities are included in profit before taxation.

Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There is no critical accounting policy, which the directors consider is of greater complexity and particularly subject to the exercise of judgements and estimates.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BUSINESS BACKGROUND

The company is incorporated and domiciled as a private company limited by shares in Scotland, United Kingdom. The registered address is Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT.

The principal activity of the company is to act as an investment holding company of the Diageo group ("the group"). The company holds the Armorial Bearing for Bell's Whiskey.

3. INCOME STATEMENT

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2019 - £nil).

4. TAXATION

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
(a) Analysis of tax for the year		
Current tax	—	—
Deferred tax	—	—
Taxation on result on ordinary activities	—	—
(b) Factors affecting total tax for the year		
Result on ordinary activities before taxation	—	—
Taxation on result on ordinary activities at UK corporation tax rate of 19% (2019 - 19%)	—	—
Group relief received for nil consideration	774	2,436,000
Other tax effects for reconciliation between accounting profit and tax income	(774)	(2,436,000)
Total tax for the year	—	—

The UK tax rate is 19% effective from 1 April 2017 which is applied for year ended 30 June 2019. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

The amount of other tax effects for reconciliation between accounting profit and tax expense consists of transfer pricing adjustments regarding intercompany loan relationships.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENTS

	Subsidiaries
	£
Cost	
At 30 June 2019 and at 30 June 2020	552,000
Provisions	
At 30 June 2019 and at 30 June 2020	(552,000)
Carrying amount	
At 30 June 2019 and at 30 June 2020	—

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows. Unless otherwise stated the percentage of shares held are in respect of ordinary share capital.

Name of investment	Notes	Registered office address	Proportion of ownership interest %*
Direct holdings			
Subsidiary undertakings			
Diageo (IH) Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
Indirect holdings			
Subsidiary undertakings			
Trelawny Estates Limited	(ii)	7th Floor, Scotiabank Centre, Duke Street, Kingston, Jamaica	100%
Myers Rum Company (Jamaica) Limited	(i)	Lot 14, Gilbert Drive, Lakeside Park, Discovery Bay, St. Ann, Jamaica	100%

(i) Dormant Company

(ii) Semi-dormant Company

*The percentage of shares held owned by the immediate shareholder(s) of the subsidiary and the effective percentage of shares held owned by the company are the same.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TRADE AND OTHER RECEIVABLES

	30 June 2020	30 June 2019
	£	£
Amounts owed by fellow group undertakings		
Diageo Scotland Limited	27,906	27,906
Justerini & Brooks, Limited	64	64
	27,970	**27970**

Amount owed by fellow group undertaking is unsecured, interest free and repayable on demand.

7. TRADE AND OTHER PAYABLES

	30 June 2020	30 June 2019
	£	£
Amounts owed to fellow group undertakings		
Diageo (IH) Limited	22,906	23,000
	22,906	**23,000**

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

8. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid shares

	30 June 2020
	£
Allotted, called up and fully paid	
4 (2019 - 4) ordinary shares of 50p each	2

9. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Justerini & Brooks, 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 group. Diageo plc is incorporated and registered in London, England. The consolidated financial statements of Diageo plc can be obtained from the registered office at Diageo, Lakeside Drive, Park Royal, London, NW10 7HQ.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J M C Edmunds

D Keresztesi (appointed 11 September 2020)

G Kovacs (resigned 1 September 2020)

K E Major