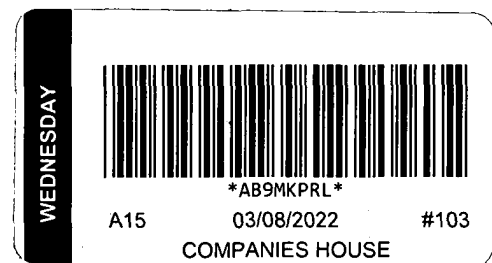


Arthur Bell & Sons Limited
Financial statements
30 June 2022

Registered number: SC011975



Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

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, a statement of comprehensive income nor a statement of changes in equity has been presented.

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

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

BALANCE SHEET

	Notes	30 June 2022 £	30 June 2021 £
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

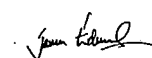
The notes on pages 3 to 10 form part of the financial statements.

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 2022;
- (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 10 were approved by the board of directors on 2 August 2022 and were signed on its behalf by:



J M C Edmunds
 Director

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

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 out 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 measured 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 preparation of financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 79(a)(iv) (comparative information requirements);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- The following paragraphs of IAS 8, 'Accounting policies, changes in accounting estimates and errors':
 - 30 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
 - 31 (disclosures relating to the new IFRS).
- The following paragraphs of IAS 24 'Related party disclosures':
 - 17 (key management compensation);
 - 18A (key management services provided by a separate management entity).

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives, and management's approach to determining these amounts).

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.

New accounting standards and interpretations

The following amendment to the accounting standards, issued by the IASB and endorsed by the UK and EU, has been adopted by the group and therefore by the company from 1 July 2021 with no impact on the company's results, financial position or disclosures:

- Amendments to IFRS 16 - Covid-19 - Related Rent Concessions beyond 30 June 2021;

The following amendment issued by the IASB and endorsed by the UK and EU, has been adopted by the company:

- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform (phase 2)

The following standard issued by the IASB has been endorsed by the UK and the EU and has not been adopted by the company:

- IFRS 17 – Insurance contracts (effective from the year ending 30 June 2024) is ultimately intended to replace IFRS 4.

There are a number of other amendments and clarifications to IFRSs, effective in future years, which are not expected to significantly impact the company's results or financial position.

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

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 income statement 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.

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.

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

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. Penalties and interest on tax liabilities are included in profit before taxation. In prior years penalties and interest on tax liabilities were provided for in the tax charge.

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.

The critical accounting policy, which the directors consider is of greater complexity and particularly subject to the exercise of judgements and estimates, is set out in detail in the accounting policy for investments in subsidiaries. A critical accounting judgement, specific to the company, is the assessment that recoverable amount of the company's investment in subsidiaries is greater than the carrying amount.

2. BUSINESS BACKGROUND

The company is incorporated and domiciled as a private company limited by shares in Scotland, United Kingdom. The registered address is 11 Lochside Place, Edinburgh, Scotland, EH12 9HA.

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

3. INCOME STATEMENT

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2021 - £nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TAXATION

	Year ended 30 June 2022 £	Year ended 30 June 2021 £ (restated)
(a) Analysis of tax for the year		
Current tax	—	—
Deferred tax	—	—
Taxation on result on ordinary activities	<u>—</u>	<u>—</u>
(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% (2021 - 19%)	—	—
Group relief surrendered for nil consideration	44	195
Other tax effects for reconciliation between accounting profit and tax income	<u>(44)</u>	<u>(195)</u>
Total tax for the year	<u>—</u>	<u>—</u>

Figures for the year ended 30 June 2021 have been restated following a review of the taxation note in order to ensure consistent application of gross and tax figures in the taxation note. The restatement has no impact on the tax position of the company for the year ended 30 June 2021.

The UK corporation tax rate for the year ended 30 June 2022 is 19% which has been effective since 1 April 2017. In the Spring Budget 2021, the UK Government announced an increase in the corporation tax rate to 25% which will apply from 1 April 2023. The legislation increasing the tax rate to 25% rate was substantively enacted on 24 May 2021.

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

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENTS

	Subsidiaries
	£
Cost	
At 30 June 2021 and at 30 June 2022	<u>552,000</u>
Provisions	
At 30 June 2021 and at 30 June 2022	<u>(552,000)</u>
Carrying amount	
At 30 June 2021 and at 30 June 2022	<u>—</u>

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			
<i>Subsidiary undertakings</i>			
Diageo (IH) Limited	(i)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%
Indirect holdings			
<i>Subsidiary undertakings</i>			
Trelawny Estates Limited	(ii)	7th Floor, Scotiabank Centre, Duke Street, Kingston, Jamaica	100%

(i) Dormant company

(ii) In liquidation

The investments in subsidiaries are held at cost less, where appropriate, provision for impairment in value. In the opinion of the directors, the investment in the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

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

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TRADE AND OTHER RECEIVABLES

	30 June 2022	30 June 2021
	£	£
Amounts owed by fellow group undertakings		
Diageo Scotland Limited	27,906	27,906
Justerini & Brooks, Limited	64	64
	<u>27,970</u>	<u>27,970</u>

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

7. TRADE AND OTHER PAYABLES

	30 June 2022	30 June 2021
	£	£
Amounts owed to fellow group undertakings		
Diageo (IH) Limited	22,906	22,906
	<u>22,906</u>	<u>22,906</u>

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

8. CALLED UP SHARE CAPITAL

	30 June 2022
	£
Allotted, called up and fully paid shares	
4 (2021 - 4) ordinary shares of 50p each	<u><u>2</u></u>

9. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Justerini & Brooks, Limited, a company incorporated and registered in England, United Kingdom.

The ultimate parent undertaking of the company is Diageo plc which is the ultimate controlling party of the group. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Diageo plc. Diageo plc is incorporated and registered in England, United Kingdom. The consolidated financial statements of Diageo plc can be obtained from the registered office at Diageo, 16 Great Marlborough Street, London, W1F 7HS, United Kingdom.

Arthur Bell & Sons Limited
Registered number: SC011975
Year ended 30 June 2022

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

K E Major