

UB Sports Management Overseas Limited
Directors' Report and Financial Statements
31 March 2019

Registered number: 61000

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UB Sports Management Overseas Limited

Management and Administration

Directors	Paul Dennis Pirouet R&H Corporate Services (Jersey) Limited
Registered Office	Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Administrator	R&H Trust Co (Jersey) Limited PO Box 83 Ordnance House 31 Pier Road St Helier Jersey JE4 8PW
Secretary	Woodbourne Secretaries (Jersey) Limited (appointed 24 June 2016)
Independent Auditor	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Banker	HSBC Bank plc 62-76 Park Street London SE1 9DZ

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

The directors present the financial statements for the year ended 31 March 2019.

INCORPORATION

The Company was incorporated in Jersey on 31 January 1995, named “JIHL Nominees Limited”. As set out in Note 1 to the financial statements, the name was changed to “UB Sports Management Overseas Limited” on 6 September 2012.

PRINCIPAL ACTIVITIES

The profit and loss account for the year is set out on page 7. The principal activities of the Company are unchanged since last year and the Company’s principal activity is an investment holding company with no operation other than receipts and repayment of Inter-Company loans.

DIRECTORS’ RESPONSIBILITY

The directors are responsible for preparing the financial statements in accordance with applicable law and UK Accounting Standards / International Financial Reporting Standards (“IFRS”).

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and the profit and loss for that year.

In preparing those financial statements the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue the business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. 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.

Directors' Report (Continued)

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS

The details of directors who acted during the year and subsequently are given under Management and Administration details.

RESULTS FOR THE YEAR

The Company made a loss for the year of USD \$ 23,857 (2018: \$149,149). This loss has been charged to reserves.

DIVIDENDS

The Company did not pay any dividends during the year (2018: Nil).

GOING CONCERN

The directors have prepared the financial statements on a going concern basis. The directors consider this to be appropriate as they have received assurance from the Company's parent company to the effect that it will continue to arrange Inter-Company transfers as necessary to make funds available to the company. United Spirits Limited has provided a letter of support to the company giving assurance that it will support the company as a going concern for at least 12 months following the signing of these accounts. The directors have concluded that the parent company's ability to provide support is reasonable.

MERGER WITH PALMER INVESTMENT GROUP LIMITED

The Board of Directors of United Spirits Limited (USL), the holding company of UB Sports Management Overseas Limited, has on 24 May 2018 approved merger of UB Sports Management Overseas Limited as a going concern, with Palmer Investment Group Limited. The UB Sports Management Overseas Limited proposes to file necessary documents to effect the merger in due course.

SECRETARY

Woodbourne Secretaries (Jersey) Ltd continue to be Company Secretary of the Company.

INDEPENDENT AUDITOR

As per Section 113(5) of Companies (Amendment No. 4) (Jersey) Regulations 2009, the auditor, PricewaterhouseCoopers LLP, is deemed to be reappointed and will continue in office until the next financial year.

Directors' Report (Continued)

REGISTERED OFFICE

UB Sports Management Overseas Limited, Jersey

By Order of the Board

Jen Geddes

on behalf of R&H Corporate Services (Jersey) Ltd

Director

15 May 2019

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note		31-03-19 USD	31-03-18 USD
ASSETS:				
NON-CURRENT ASSETS				
			-	-
		Total non-current assets	-	-
CURRENT ASSETS				
		Due from related parties	6	-
		Cash and cash equivalents	7	37,345
		Total current assets	37,345	57,897
		Total assets	37,345	57,897
EQUITY				
		Share capital	8	10
		Retained earnings		16,472
		Total equity	16,482	40,339
LIABILITIES:				
CURRENT LIABILITIES				
		Due to related parties	6	-
		Accrued expenses	9	20,863
		Total current liabilities	20,863	17,558
		Total equity and liabilities	37,345	57,897

The accompanying notes on pages 11 to 16 are an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved and authorised by the board of directors on 15 May 2019 and signed on their behalf by:

Jen Geddes
on behalf of R&H Corporate Services (Jersey) Ltd
Director

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	31-03-19 USD	31-03-18 USD
Foreign exchange (losses)/gains		(3,604)	5,132
Operating expenses	10	(26,932)	(41,928)
		(30,536)	(36,796)
Reversal of impairment/(impairment) of receivables from fellow group undertaking	6	6,679	(112,353)
		(23,857)	(149,149)
Loss before taxation		(23,857)	(149,149)
Taxation on loss		-	-
		(23,857)	(149,149)
Loss for the year		(23,857)	(149,149)

The accompanying notes on pages 11 to 16 are an integral part of these financial statements.
The company had no other comprehensive income or expense during the current and previous year.

UB SPORTS MANAGEMENT OVERSEAS LIMITED
 JERSEY (Registered number: 61000)
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2019

	(Amount in USD)		
<u>PREVIOUS YEAR</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance as at 31 March 2017	10	189,478	189,488
Loss and total comprehensive expense for the year	-	(149,149)	(149,149)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2018	10	40,329	40,339
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>CURRENT YEAR</u>			
Balance as at 31 March 2018	10	40,329	40,339
Loss and total comprehensive expense for the year	-	(23,857)	(23,857)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2019	10	16,472	16,482
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 11 to 16 are an integral part of these financial statements.

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	31-03-19	31-03-18
	USD	USD
Cash flows from operating activities		
Loss before taxation on ordinary activities	(23,857)	(149,149)
Adjustments for non-operating & non-cash items	-	-
	<hr/>	<hr/>
Operating (loss) before working capital changes	(23,857)	(149,149)
Change in balance due from related parties	-	177,475
Change in balance due to related parties	(6,679)	-
Change in accrued expenses and provisions	9,984	(21,330)
	<hr/>	<hr/>
Net cash (used in) / generated operating activities	(20,552)	6,996
	<hr/>	<hr/>
Cash flows from investing activities		
	<hr/>	<hr/>
Net cash (used in) / generated from investing activities	-	-
	<hr/>	<hr/>
Cash flows from financing activities		
	<hr/>	<hr/>
Net cash (used in) / generated from financing activities	-	-
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(20,552)	6,996
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	57,897	50,901
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	37,345	57,897
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 11 to 16 are an integral part of these financial statements.

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019

1. Reporting entity

'UB Sports Management Overseas Ltd' here-in-after called 'the Company' is an Offshore Private Company limited by shares incorporated in Jersey under the Companies (Jersey) Law 1991.

The Company was originally incorporated with the name 'JIHL Nominees Limited' and it changed its name to 'UB Sports Management Overseas Limited' with effect from 6 September 2012 as per the Certificate of Company Name Change, issued by the Licensing Authority.

2. Reporting Period

These financial statements cover the year from 1 April 2018 to 31 March 2019. The previous year figures are for the year 1 April 2017 to 31 March 2018.

3. Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, which includes International Accounting Standards (IAS) and its Interpretations.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Basis of accounting

The Company follows the accrual basis of accounting. Under accrual basis, the transactions and events are recognised as and when they occur and are recorded in the financial statements for the period to which they relate to.

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 material liabilities at the balance sheet date are in respect of balances due to fellow group undertakings.

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019 (continued)

Functional and presentation currency

These financial statements are expressed in US Dollars ('USD') which is the functional and presentation currency of the Company, rounded to the nearest USD.

4. Significant accounting policies

Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

- Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. They are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised on the trade date. It includes loans and borrowings, bank overdrafts and trade and other payables. These financial liabilities (except trade and other payables) are recognised at fair value plus any directly attributable transaction costs. Subsequently they are measured at amortised cost using effective interest method.

Impairment of assets

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. Allowance 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 allowance are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

UB SPORTS MANAGEMENT OVERSEAS LIMITED
JERSEY (Registered number: 61000)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019 (continued)

4. Significant accounting policies (continued)

Financial assets and liabilities (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less at acquisition, including money market deposits, commercial paper and investments.

Trade and other payables

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

Foreign currency transactions

Transactions in foreign currencies are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to USD at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated to USD at the foreign exchange rates ruling at the dates the values were determined. All differences are taken to profit or loss.

Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.

Taxation

The company operates in Jersey and is not subject to any taxes on income.

5. Use of estimates and judgements

There are no judgements or estimates that management have made in preparing these financial statements that have a significant effect on the amounts recognised in the financial statements.

UB SPORTS MANAGEMENT OVERSEAS LIMITED
 JERSEY (Registered number: 61000)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019 (continued)

6. Related party transactions and balances

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the shareholders or directors or over which they exercise significant management influence.

There were no significant transactions with the related parties during the current and previous year.

Balances between the company and its related parties as at 31 March are as below:

	31-03-19	31-03-18
	USD	USD
Due from related parties		
Asian Opportunities & Investments Ltd., Mauritius (AOIL)	177,475	177,475
USL Holdings Ltd.	10,160,541	10,167,220
Less: allowance for doubtful receivables	(10,338,016)	(10,344,695)
	<u>-</u>	<u>-</u>

Due to related parties

	31-03-19	31-03-18
	USD	USD
Montrose International S.A.	-	6,679
	<u>-</u>	<u>6,679</u>

7. Cash and cash equivalents

	31-03-19	31-03-18
	USD	USD
Cash in hand	-	-
HSBC - (Currency GBP)	37,345	57,898
	<u>37,345</u>	<u>57,898</u>

UB SPORTS MANAGEMENT OVERSEAS LIMITED
 JERSEY (Registered number: 61000)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019 (continued)

8. Share capital	31-03-19	31-03-18
	USD	USD
<i>Authorised:</i>		
1,000 Ordinary Shares of USD 1 each	1,000	1,000
	<hr/> <hr/>	<hr/> <hr/>
<i>Allotted, called up and fully paid:</i>		
10 Ordinary Shares of USD 1 each	10	10
	<hr/> <hr/>	<hr/> <hr/>
9. Accrued expenses	31-03-19	31-03-18
	USD	USD
Expenses payable	20,863	10,879
	<hr/> <hr/>	<hr/> <hr/>
10. Operating expenses	31-03-19	31-03-18
	USD	USD
Professional fee and rates and taxes	17,198	31,341
Bank charges	92	412
Auditor remuneration fee	9,642	10,175
	<hr/> <hr/>	<hr/> <hr/>
	26,932	41,928
	<hr/> <hr/>	<hr/> <hr/>

The auditor's remuneration was £6,180 (2018 - £6,000). There were no fees payable to the auditor in respect of non-audit services (2018 -nil).

11. Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Palmer Investment Group Limited (incorporated in British Virgin Islands).

The ultimate parent undertaking of the company is Diageo plc, which is the ultimate controlling party of 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.

Transactions between the company and its related parties are made on terms equivalent to those that prevail in an arm's length transactions.

12. Staff cost and Directors' emoluments

There were no employees other than the Directors of the company. The Directors did not receive any remuneration during the period.

13. Financial risk management

Credit risk

Financial assets, which potentially subject the company to credit risk, comprises mainly of bank balances and receivables due from related parties (however all these have been fully impaired). Bank balances are with regulated financial institutions.

Interest rate risk

The company does not have any credit facilities from any bank.

Exchange rate risk

The company is exposed to exchange rate risk for an amount of £26,441 (2018: £41,358) in bank balances. All other assets and liabilities are denominated in USD.

Liquidity risk

The table below summarizes the maturity profile of the company's financial liabilities based on contractual payment dates.

Financial liabilities as at 31-03-2019	< 3 mths	Total
Accrued expenses	20,863	20,863
Total	20,863	20,863

Financial liabilities as at 31-03-2018	< 3 mths	Total
Accrued expenses	10,879	10,879
Total	10,879	10,879

14. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the company includes due from related parties, bank balances and cash. Financial liabilities of the company includes due to related parties and accrued expenses. The fair values of the financial assets and liabilities are not materially different from their carrying values unless stated otherwise.

15. Subsequent events

There were no significant events occurring after the statement of financial position date which will have any material effect on the working or the financial statements of the company.

Independent auditor's report to the members of UB Sports Management Overseas Limited

Report on the audit of the financial statements

Opinion

In our opinion, UB Sports Management Overseas Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report") which comprise: the Statement of financial position as at 31 March 2019; the Statement of comprehensive income, the Statement of cash flows, and the Statement of changes in equity for the year then ended; the accounting policies; 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 Auditor's 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's 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 or 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibility 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 Article 113A of the Companies (Jersey) Law 1991 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 (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 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
- proper accounting records have not been kept; or
- proper 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.

We have no exceptions to report arising from this responsibility.

Christopher Richmond
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
London
15 May 2019