

# **Grand Metropolitan International Holdings Limited**

## **Financial statements**

**30 June 2015**

Registered number: 970624

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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 2015.

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. 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 2015 are shown on page 5.

The profit for the year transferred to reserves is £120,494,000 (2014 - £nil).

Dividends paid during the year ended 30 June 2015 and 30 June 2014 were US\$180,000,000 (which is equivalent to £120,494,000) (US\$ 1.751 per share) and £nil respectively.

### **Directors**

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

I A Hockney	(appointed 1 October 2014)
N Mákos	(resigned 1 August 2014)
J J Nicholls	
P D Tunnacliffe	

On 5 November 2015, I A Hockney resigned and A Mahler was appointed as a director 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 (2014 - £nil).

### **Secretary**

On 5 November 2015, V Cooper was appointed as joint Company Secretary.

## **Directors' report (continued)**

### **Post balance sheet events**

On 18 November 2015, the company received a final dividend of £5,000,000,000 in respect of the year ended 30 June 2015 and an interim dividend of £274,107,000 from its subsidiary, UDV (SJ) Limited, and subsequently on the same day, paid an interim dividend of £5,274,107,000 to its parent undertaking.

On 1 December 2015, the company received an interim dividend of £88,136,000 from its subsidiary, UDV (SJ) Limited, and subsequently on the same day, paid an interim dividend of £88,136,000 to its parent undertaking.

### **Auditor**

Following an audit tender conducted during the year, PricewaterhouseCoopers LLP were selected as auditor for the Diageo group. Accordingly, it is intended that PricewaterhouseCoopers LLP will be appointed to replace KPMG LLP as auditor for the year ending 30 June 2016.

### **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



A Mahler  
Director  
Lakeside Drive  
Park Royal  
London  
NW10 7HQ

3 December 2015

## **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 Grand Metropolitan International Holdings Limited**

We have audited the financial statements of Grand Metropolitan International Holdings Limited for the year ended 30 June 2015 set out on pages 5 to 19. 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 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](http://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 2015 and of its profit 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**

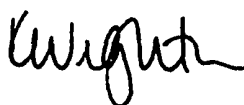
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

### **Other matter – Prior period financial statements**

In forming our opinion on the financial statements, which is not qualified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

**Karen Wightman (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*



15 Canada Square  
London  
E14 5GL

Date:

7 December 2015

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2015 £'000</b>	<b>Year ended 30 June 2014 £'000 (unaudited)</b>
Income from shares in group undertaking	2	<b>120,494</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>120,494</b>	-
Taxation on profit on ordinary activities	3	-	-
<b>Profit for the financial year</b>		<b>120,494</b>	-

The accounting policies and other notes on pages 7 to 19 form part of the financial statements.

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as 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 a historical cost basis.

All results arise from continuing operations.

# Balance sheet

		30 June 2015		30 June 2014	
	Notes	£'000	£'000	£'000	£'000
				(unaudited)	(unaudited)
<b>Fixed assets</b>					
Investments	4		14,529,538		14,529,538
<b>Net assets</b>			14,529,538		14,529,538
<b>Capital and reserves</b>					
Called up share capital	5		102,815		102,815
Share premium account	6	14,052,871		14,052,871	
Profit and loss account	6	373,852		373,852	
			14,426,723		14,426,723
<b>Shareholders' funds</b>	7		14,529,538		14,529,538

The accounting policies and other notes on pages 7 to 19 form part of the financial statements.

These financial statements on pages 5 to 19 were approved by the board of directors on 3 December 2015 and were signed on its behalf by:



A Mahler  
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 will adopt FRS 101, for its financial statements, for the year ending 30 June 2016. Based on a preliminary assessment the company believes the change will have no significant impact on its results or financial position.

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.

### **Fixed asset investments**

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

### **Dividends paid and received**

The interim dividend is included in the financial statements in the year in which it is approved by the directors, and the final dividend in the year in which it is approved by shareholders. Dividends received are included in the financial statements in the year in which they are receivable.

## **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 of £2,000 (2014 - £nil) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2014 - £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 (2014 - £nil).

### 2. Income from shares in group undertakings

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 (unaudited)
Dividend income from shares in group undertaking: UDV (SJ) Limited	120,494	-

### 3. Taxation

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 (unaudited)
<b>(i) Analysis of taxation credit for the year</b>		
Current tax	-	-
Deferred tax	-	-
Taxation on profit on ordinary activities	-	-

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 (unaudited)
<b>(ii) Factors affecting current tax credit for the year</b>		
Profit on ordinary activities before taxation	120,494	-
Taxation on profit on ordinary activities at UK corporation tax rate of 20.75% (2014 - 22.5%)	(25,003)	-
Income not taxable for tax purposes	25,003	-
Current ordinary tax credit for the year	-	-

## Notes to the financial statements (continued)

### 4. Fixed asset investments

	Subsidiary undertaking £'000
<b>Cost and net book value</b>	
At 30 June 2014 and 30 June 2015	<b>14,529,538</b>

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.

#### *Direct holding:*

Subsidiary undertaking	Country of incorporation	Principal activity	Percentage of shares owned
UDV (SJ) Limited	England	Investment holding company	100%

#### *Indirect holdings:*

##### **Subsidiary undertakings**

DIAGEO Hungary Marketing Services Limited Liability Company	Hungary	Marketing	100%
Diageo Ireland Finance 1	Republic of Ireland	Treasury operations	100%
Diageo Ireland Finance 2	Republic of Ireland	Treasury operations	100%
Diageo Financing Turkey Limited	England	Treasury operations	100%
Diageo Investment Holdings Limited	England	Holding company	100%
ULM Holdings Inc. <sup>(i)</sup>	Philippines	Dormant	40%
Diageo Finance US Limited	England	Treasury operations	100%
RUM CREATION & PRODUCTS, INC.	British Virgin Islands	Brand owner	50% of class B shares
1759 Property Limited	Republic of Ireland	Property company	100%
AGS Employee Shares Nominees (Ireland) Limited	Republic of Ireland	Dormant	100%
Alexander & James B.V.	Netherlands	Distribution, marketing	100%
Allegro GmbH & Co. KG	Germany	Treasury operations	100%
Allegro Verwaltungs GmbH	Germany	Partnership	100%
Allsopp (East Africa) Limited <sup>(i)</sup>	Kenya	Dormant	48.52%
Anyslam Investments	England	Holding company	100%
Arran Tradings; C.A.	Venezuela	Distribution	100%
Arthur Guinness Son & Company (Dublin)	Republic of Ireland	Dormant	100%
Atalantaf Limited	Bermuda	Holding company	100%
Ballroom Acquisition, Inc.	USA	Holding company	100%
Beijing Johnnie Walker House Ltd	China	Distribution	100%
Bundaberg Distilling Company Pty. Limited	Australia	Manufacturing	100% of class A and class B shares
California Simulcast Inc	USA	Dormant	80%
Carillon U.K. Limited	Scotland	Dormant	100%
Central Glass Industries	Kenya	Manufacturing	50.03%
Chengdu Jianghai Trade Development Co. Limited <sup>(i)</sup>	China	Distribution	39.71%
Chengdu Jiayuan Jiuye Marketing Co. Limited <sup>(i)</sup>	China	Dormant	39.71%
Chengdu Rongshangfang Marketing Co. Limited <sup>(i)</sup>	China	Distribution	39.71%

Notes to the financial statements (continued)

4. Fixed assets – investments (continued)

*Indirect holdings (continued):*

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Chengdu Ruijin Trade Co. Limited <sup>(i)</sup>	China	Distribution	39.71%
Chengdu Shuijingfang Jiuye Co. Limited <sup>(i)</sup>	China	Holding company	39.71%
Chengdu Shuijingfang Marketing Co. Limited <sup>(i)</sup>	China	Distribution	39.71%
Chengdu Tengyuan Jiuye Marketing Co. Limited <sup>(i)</sup>	China	Distribution	39.71%
CJSC D Distribution	Russia	Distribution, marketing	100%
CJSC IDV Selviac	Russia	Dormant	100%
Clyde Trading, C.A.	Venezuela	Distribution	100% of class A and class B shares
Colorado Drinks, S.L.U.	Spain	Holding company	100%
Crescendo Australia Pty Ltd	Australia	Holding company	100% of class A shares
Cupar Trading, C.A.	Venezuela	Distribution	100% of class A shares
D/CE Holdings LLC	USA	Corporate operations	50%
Deasy & Co. Limited	Republic of Ireland	Dormant	100%
DEF Investments Limited	England	Holding company	100%
Desnoes & Geddes Limited <sup>(v)</sup>	Jamaica	Distribution, manufacturing	57.87%
DIAGEO - Guinness USA Inc.	USA	Distribution	100%
Diageo (Shanghai) Limited	China	Distribution	100%
Diageo Africa B.V.	Netherlands	Holding company	100%
Diageo Americas Supply Quebec Distribution Inc.	Canada	Distribution	100%
Diageo Americas Supply, Inc.	USA	Manufacturing	100%
Diageo Americas, Inc.	USA	Distribution	100%
Diageo Angola Limitada	Angola	Marketing and distribution	50%
Diageo Argentina S.A. <sup>(vii)</sup>	Argentina	Distribution and manufacturing	100%
Diageo Asia Pacific Shared Services Centre Limited, Inc.	Philippines	Shared services centre	100%
Diageo Atlantic B.V.	Netherlands	Holding company	100%
Diageo Australia Limited	Australia	Distribution	100% of class A shares
Diageo Austria GmbH	Austria	Distribution, marketing	100%
Diageo Belgium N.V.	Belgium	Distribution, marketing	100%
Diageo Brands B.V.	Netherlands	Distribution	100%
Diageo Brands Holdings B.V.	Netherlands	Holding company	100%
Diageo Brands Nigeria Ltd	Nigeria	Distribution, marketing	100%
Diageo Brasil Ltda	Brazil	Distribution	100%
Diageo Bulgaria Ltd	Bulgaria	Marketing	100%
Diageo Canada Holdings Inc.	Canada	Holding company	100%
Diageo Canada Inc.	Canada	Distribution	100%
Diageo Capital B.V.	Netherlands	Treasury operations	100%
Diageo Chateau & Estate Wines Company <sup>(vi)</sup>	USA	Distribution, manufacturing	100%
Diageo Chile Limitada	Chile	Distribution	100%
Diageo China Limited	China	Distribution	100%
Diageo Colombia S.A.	Colombia	Distribution	100%

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### *Indirect holdings (continued):*

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Diageo Costa Rica S.A.	Costa Rica	Distribution	100%
Diageo Czech Marketing Services LLC	Czech Republic	Marketing	100%
Diageo Dagitim Satis Ve Pazarlama A.S.	Turkey	Dormant	100%
Diageo Del Peru S.A.	Peru	Distribution	100%
Diageo Denmark AS	Denmark	Distribution, marketing	100%
Diageo Distilleries Private Limited	India	Manufacturing, marketing	100%
Diageo Dominicana S.R.L	Dominican Republic	Import, marketing and distribution	100%
Diageo Eire Finance & Co	England	Treasury operations	100%
Diageo Employees Benefit Trust	Jersey	Corporate operations	
Diageo Espana S.A.	Spain	Distribution, marketing	100%
Diageo Europe Holdings Limited	Republic of Ireland	Holding company	100%
Diageo Export SR Inc.	Philippines	Dormant	99.8%
Diageo Finance B.V.	Netherlands	Treasury operations	100%
Diageo France Holdings S.E.	Netherlands	Holding company	100%
Diageo France Holdings SAS	France	Holding company	100%
Diageo France Investments S.E.	Netherlands	Holding company	100%
Diageo France Investments SAS.	France	Holding company	100%
Diageo France S.A.S.	France	Holding company	100%
Diageo Germany GmbH	Germany	Distribution, marketing	100%
Diageo Greater China Limited	Hong Kong	Dormant	100%
Diageo GTME Pte Ltd	Singapore	Distribution, marketing	100%
Diageo Hellas S.A.	Greece	Distribution, marketing	100%
Diageo Highlands B.V.	Netherlands	Holding company	100%
Diageo Highlands Holding B.V.	Netherlands	Holding company	100%
Diageo Holdings Netherlands B.V.	Netherlands	Holding company	100%
DIAGEO HUNGARY FINANCE Limited Liability Company	Hungary	Treasury operations	100%
Diageo Inc.	USA	Corporate operations	100%
Diageo India Private Limited	India	Manufacturing, marketing	100% of equity shares
Diageo Investment Corporation	USA	Treasury operations	100%
Diageo Investment Holdings B.V.	Netherlands	Holding company	100%
Diageo Ireland	Republic of Ireland	Brand owner, distribution, manufacturing	100%
Diageo Ireland Finance 3	Republic of Ireland	Treasury operations	100%
Diageo Ireland Holdings	Republic of Ireland	Dormant	100%
Diageo Ireland Pension Trustee Company Limited	Republic of Ireland	Holding company, corporate trustee	100%
Diageo Ireland Quebec Distribution Inc.	Canada	Distribution	100%
Diageo Italia S.p.A.	Italy	Distribution, marketing	100%
Diageo Jamaica Limited	Jamaica	Non-trading	100%
Diageo Japan K.K.	Japan	Marketing	100%
Diageo Kazakhstan LLP.	Kazakhstan	Distribution, marketing	100%
Diageo Kenya Limited	Kenya	Holding company	100%
Diageo Korea Company Limited	South Korea	Distribution, manufacturing	100%

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### *Indirect holdings (continued):*

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Diageo Latin America & Caribbean LLC	USA	Distribution	100%
Diageo Lebanon Holding SAL	Lebanon	Holding company	99.98%
Diageo Lebanon SAL	Lebanon	Distribution	84.99%
Diageo Mexico Comercializadora SA de CV	Mexico	Distribution	100%
Diageo Mexico II, S.A. de C.V.	Mexico	Distribution	100%
Diageo Mexico S.A. de C.V.	Mexico	Administrative services	100%
Diageo Mozambique Lda.	Mozambique		100%
Diageo Nederland B.V.	Netherlands	Distribution, marketing	100%
Diageo North America Foundation, Inc.	USA	Charitable organization	100%
Diageo North America, Inc.	USA	Brand owner, corporate operations	100% of class A and class B shares
Diageo Norway AS	Norway	Distribution, marketing	100%
Diageo Nueva Esparta, C.A.	Venezuela	Distribution	100%
Diageo Operations Italy S.p.A.	Italy	Distribution, manufacturing	100%
Diageo Overseas B.V.	Netherlands	Holding company	100%
Diageo Overseas Holdings Limited	England	Holding company	100% of ordinary and preference shares
Diageo Panama S.A.	Panama	Manufacturing	100%
Diageo Paraguay S.R.L.	Paraguay	Marketing	100%
Diageo Peru S.A.	Peru	Distribution	100%
Diageo Philippines Free Port Inc	Philippines	Dormant	100%
Diageo Philippines, Inc	Philippines	Distribution, manufacturing	100%
Diageo Polska LLC	Poland	Distribution, manufacturing	100%
Diageo Portugal - Distribuidora de Bebidas, Unipessoal, Lda	Portugal	Distribution, marketing	100%
Diageo Premier Holdings B.V.	Netherlands	Holding company	100%
Diageo Puerto Rico, Inc	Puerto Rico	Distribution, marketing	100%
Diageo Reunion 2 SAS	La Reunion	Dormant	100%
Diageo Reunion SA	La Reunion	Distribution	100%
Diageo RTD Hong Kong Limited	Hong Kong	Distribution	100%
Diageo Singapore Pte Ltd.	Singapore	Management services, manufacturing, brandowner	100%
Diageo Singapore Supply Pte. Ltd.	Singapore	Provision of labelling, packaging and logistics services to related corporations	100%
Diageo South Africa (Pty) Limited	South Africa	Production, distribution, marketing	49%
Diageo Southern Africa Markets (Pty) Ltd	South Africa	Distribution, marketing	50%
Diageo Suisse S.A.	Switzerland	Distribution, marketing	54.87%
Diageo Supply Marracuene Lda.	Mozambique		100%
Diageo Sweden AB	Sweden	Distribution, marketing	100%
Diageo Taiwan Inc.	Panama	Holding company	100%
Diageo Treasury Australia LLP	England	Treasury operations	100%
Diageo Turkey Holdings Limited	Republic of Ireland	Dormant	100%
Diageo UK Turkey Finance Limited	England	Treasury operations	100%

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### Indirect holdings (continued):

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Diageo UK Turkey Holdings Limited	England	Holding company	100% of ordinary and preference shares
Diageo UK Turkey Limited	England	Holding company	100%
Diageo Ukraine LLC	Ukraine	Marketing and consulting services	100%
Diageo Uruguay SA	Uruguay	Distribution	100%
Diageo US Holdings	England	Holding company	100%
Diageo US Investments	England	Holding company	100%
Diageo US Turkey LLC	USA	Treasury operations	100%
Diageo USVI, Inc.	USA	Manufacturing	100%
Diageo Venezuela C.A.	Venezuela	Manufacturing	100%
Diageo Vietnam	Vietnam	Distribution	100%
Don Julio Agavera S.A. de C.V.	Mexico	Manufacturing	100%
DV Paraguana, C.A.	Venezuela	Distribution	100%
DV Release, C.A.	Venezuela	Distribution	100%
DV Trading, C.A.	Venezuela	Distribution	100% of class A and class B shares
E. Smithwick & Sons Limited	Republic of Ireland	Dormant	100%
EABL (Tanzania) Limited	Tanzania	Dormant	50.03%
EABL International Limited	Kenya	Distribution	50.03%
East African Beverages (Southern Sudan) Limited	Republic of South Sudan	Distribution	74.52%
East African Breweries Limited	Kenya	Holding company	50.03%
East African Maltings (Uganda) Limited	Uganda	Distribution	50.03%
East African Maltings Limited	Kenya	Distribution, manufacturing	50.03%
Franchise Acceptance Corporation	Republic of Ireland	Treasury operations	100%
Gilbey Canada Investments Limited	Canada	Holding company	100%
Gilbeys New Zealand Limited	New Zealand	Administrative services	99.99%
Gilbeys of Ireland (R&D) Limited	Republic of Ireland	Dormant	100%
Gilbeys of Ireland Limited	Republic of Ireland	Distribution	100%
Global Farming Initiative B.V.	Netherlands	Holding company	100%
Guinness Canada Limited	Canada	Distribution, manufacturing	51%
Guinness France Holdings S.A.S	France	Holding company	100%
Guinness Ghana Breweries Limited <sup>(v)</sup>	Ghana	Manufacturing, distribution	52.42%
Guinness Hopstore Limited	Republic of Ireland	Dormant	100%
Guinness Nigeria plc <sup>(iv)</sup>	Nigeria	Manufacturing, marketing, distribution	54.32%
Guinness Overseas Limited	England	Holding company	100%
Guinness Storehouse Ireland Pension Trustees Limited	Republic of Ireland	Trustee	100%
Guinness Storehouse Limited	Republic of Ireland	Dormant	100%
Guinness UDV Korea Limited	South Korea	Dormant	100%
Guinness Ventures Limited	Republic of Ireland	Holding company	100%
Harp Ireland Limited	Republic of Ireland	Dormant	100%
Industrias Pampero C.A.	Venezuela	Dormant	96.80%
International Brands Developers N.V. <sup>(i)</sup>	Curacao	Manufacturing, distribution	25.00%
International Distillers - Zimbabwe (Private) Limited	Zimbabwe	Dormant	100%
International Distillers Uganda Limited	Uganda	Non-trading	50.03%
Irish Ale Breweries	Republic of Ireland	Treasury operations	100%
Irish Ale Breweries (Sales) Limited	Republic of Ireland	Dormant	100%
Irish Ale Breweries Holdings	Republic of Ireland	Dormant	100%
Islay Trading, C.A.	Venezuela	Distribution	100%
Joseph E. Seagram & Sons Limited	Canada	Dormant	100%
Kenya Breweries Limited	Kenya	Distribution, manufacturing	50.03%

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### Indirect holdings (continued):

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Ketel One Worldwide B.V.	Netherlands	Brand owner	50.00% of class B shares
L4L Trading, C.A.	Venezuela	Distribution	100%
Lamington Company	Republic of Ireland	Dormant	99.99%
Lismore Trading, C.A.	Venezuela	Distribution	100%
LLC Diageo Brands Distributors	Russia	Distribution	100%
LLC Society for Revival of Traditions of P.A.Smirnov	Russia	Dormant	100%
Macardle Moore & Company Limited	Republic of Ireland	Dormant	100%
Masterplan (Kenya) Limited	Kenya	In liquidation	50.03%
Mey Alkollu Ickiler Sanayi ve Ticaret A.S	Turkey	Manufacturing, distribution	100%
Mey Icki Sanayi ve Ticaret A.S.	Turkey	Manufacturing, distribution	100%
Mull Trading, C.A.	Venezuela	Distribution	100%
Nangor Holdings	Republic of Ireland	Dormant	100% of class A shares
National Sorghum Breweries Properties Proprietary Limited	South Africa	Dormant	100%
Newshelf 1167 Proprietary Limited	South Africa	Distribution, manufacturing	100% of class A and class B shares
Nicholas Doyle (New Ross) Limited	Republic of Ireland	Dormant	100%
North Island United Enterprise Holdings Inc	Philippines	Holding company	100%
Phenix Gabon SARL	Gabon	In liquidation	99.75%
Powtom 11 Limited	Republic of Ireland	Property company	100%
Powtom 12 Limited	Republic of Ireland	Property company	100%
Powtom 13 Limited	Republic of Ireland	Property company	100%
Powtom 14 Limited	Republic of Ireland	Property company	100%
Powtom 16 Limited	Republic of Ireland	Property company	100%
Powtom 17 Limited	Republic of Ireland	Property company	100%
Powtom 18 Limited	Republic of Ireland	Property company	100%
Powtom 19 Limited	Republic of Ireland	Property company	100%
Powtom 20 Limited	Republic of Ireland	Property company	100%
PT Langgeng Kreasi Jayaprima	Indonesia	Manufacturing	100%
R & A Bailey & Co	Republic of Ireland	Brand owner, distribution, manufacturing	100%
R&A Bailey Pension Trustee Company Limited	Republic of Ireland	Dormant	100%
Reldann Investments No. 12 Proprietary Limited	South Africa	Dormant	100%
Salopia Limited	Kenya	In liquidation	50.03%
Seagram Ukraine Limited	Ukraine	Dormant	60.9%
Selviac Nederland B.V.	Netherlands	Holding company	100%
Serengeti Breweries Limited <sup>(iii)</sup>	Tanzania	Distribution, manufacturing, marketing	25.52%
Servicios Agavera, S.A.de C.V.	Mexico	Outsourcing services	100%
Seychelles Breweries Limited	Seychelles	Distribution, manufacturing	50.4%
Sichuan Chengdu Shuijingfang Group Co., Ltd	China	Holding company	100%
Sichuan Shuijingfang Company Ltd <sup>(i)</sup>	China	Production, marketing and distribution	39.71%
Sichuan Shuijingfang Jiuye Co. Limited <sup>(i)</sup>	China	Dormant	39.71%

Notes to the financial statements (continued)

4. Fixed assets – investments (continued)

*Indirect holdings (continued):*

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Skye Trading, C.A.	Venezuela	Distribution	100%
St. James's Gate Trading Company	Republic of Ireland	Dormant	100%
Streetcar Investment Holding Pte. Ltd.	Singapore	Holding company	100%
Sumagro Limited	Tanzania	Dormant	100%
Tembo Properties Limited	Kenya	Dormant	50.03%
Tequila Don Julio S.A. de C.V.	Mexico	Brand owner, manufacturing	100%
Tequila Don Julio Servicios, S.A.de C.V.	Mexico	Outsourcing services	100%
The Bulleit Distillery, Inc.	USA	Manufacturing	100%
The Connacht Mineral Water Company Limited	Republic Of Ireland	Dormant	100%
The Pierre Smirnoff Company Limited	USA	Dormant	100% of class A and class B shares
Turk Alkollu Icki ve Sarap Endustrisi Ltd.Sti.	North Cyprus	Manufacturing, distribution	66.00%
Tusker Football Club	Kenya	Holding company	50.03%
Udiam Holdings AB	Sweden	Holding company	100%
UDV Ireland Group	Republic of Ireland	Dormant	100%
UDV Ireland Group (Trustees) Limited	Republic of Ireland	Trustee	100%
UDV Operations Ireland Limited	Republic of Ireland	Dormant	100%
Uganda Breweries Limited <sup>(i)</sup>	Uganda	Distribution	49.03%
United Beverages Pension Trustees Limited	Republic of Ireland	Trustee	100%
United Beverages Sales Limited	Republic of Ireland	Dormant	100%
United Distillers (Guernsey) Limited	Guernsey	Dormant	100%
United Distillers Canada Inc.	Canada	Distribution	100%
United National Breweries (SA)Proprietary Limited	South Africa	Distribution, manufacturing	100%
Ursus Vodka Holding N.V.	Netherlands	Holding company	100%
Vast Fund Limited	Hong Kong	Holding company	100%
Vietnam Spirits and Wine LTD	Vietnam	Manufacturing	55%
Vignobles Internationaux S.A.S.	France	Distribution	100%
Wed.A.P.Boonekamp B.V.	Netherlands	Holding company	100%
Ypioca Agricola LTDA	Brazil	Manufacturing	100%
Ypioca industrial de Bebidas S.A.	Brazil	Manufacturing	100%
Zeta Importers, C.A.	Venezuela	Distribution	100% of class A and class B shares

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### Indirect holdings (continued):

Associate undertakings	Country of incorporation	Principal activity	Percentage of shares owned
Canbrew B.V.	Netherlands	Holding company	28.16%
Compania Cervecera De Canarias, S.A.	Spain	Distribution	20%
DHN Drinks (Pty) Ltd <sup>(iii)</sup>	South Africa	Marketing, distribution	44.58%
Hanoi Liquor Joint Stock Company (Halico)	Vietnam	Distribution, manufacturing	45.56%
Moet Hennessy International	France	Holding company	34%
Moet Hennessy, SNC	France	Holding company	34%
NBL Investment Holdings (Pty) Limited	Namibia	Distribution, manufacturing	22.15%
Sedibeng Brewery (Pty) Ltd.	South Africa	Distribution, manufacturing	25%
The Pierre Smirnoff Company Limited	USA	Marketing Dormant	100% of class B shares
Zwack Unicum plc	Hungary	Distribution, manufacturing Marketing	26%
<b>Joint venture undertakings</b>			
Celebrations Brand Limited	Jamaica	Distribution	28.9%
DC Brands B.V.	Netherlands	Brand owner, corporate operations	50%
GAPL Pte Limited <sup>(v)</sup>	Singapore	Distribution, holding, marketing	49.99%
Guinness Anchor Berhad <sup>(v)</sup>	Malaysia	Distribution, manufacturing	25.5%
Guinness Anchor Marketing Sendirian Berhad <sup>(v)</sup>	Malaysia	Distribution, marketing	25.5%
Guinness Sabah Sendirian Berhad <sup>(v)</sup>	Malaysia	Dormant	25.5%
Malayan Breweries (Malaya) Sendirian Berhad <sup>(v)</sup>	Malaysia	Holding company	25.5%
Ramaha Corporation (M) Sendirian Berhad <sup>(v)</sup>	Malaysia	Holding company	25.5%
<b>Joint operation undertakings<sup>(ii)</sup></b>			
Brandhouse Beverages (Pty) Limited <sup>(iii)</sup>	South Africa	Distribution, marketing	72.29%
Diageo Heineken Namibia B.V.	Netherlands	Holding company	50%
Diageo Kirin Company Limited	Japan	Marketing	51%
Diageo Moet Hennessy (Thailand) Limited	Thailand	Distribution	63.02%
Diageo Moet Hennessy B.V.	Netherlands	Holding company	67%
Gist Dominicana S.A.	Dominican Republic	Dormant	60.9%
HA&COM Bebidas del Mundo, SA	Costa Rica	Distribution	50%
Holcom Industrial, SA	Costa Rica	Manufacturing	47.35%
Industria de Licores Internacionales S.A.	Dominican Republic	Dormant	59.71%
MHD Moet Hennessy Diageo K.K.	Japan	Distribution	67%
Moet Hennessy Diageo (China) Co Ltd	China	Distribution, trading	67%
Moet Hennessy Diageo Hong Kong Limited	Hong Kong	Distribution	67%

## Notes to the financial statements (continued)

### 4. Fixed assets – investments (continued)

#### *Indirect holdings (continued):*

Joint operation undertakings <sup>(ii)</sup>	Country of incorporation	Principal activity	Percentage of shares owned
Moët Hennessy Diageo Macau Limited	Macau	Distribution	67%
Moët Hennessy Diageo Malaysia Sdn Bhd.	Malaysia	Distribution	67%
Moët Hennessy Diageo Singapore Pte. Ltd	Singapore	Distribution	67%
Seagram Dominicana S.A.	Dominican Republic	Dormant	60.9%
Seagram European Customer Services Limited	England	In liquidation	60.9%

<sup>(i)</sup> companies disclosed as subsidiaries are those that are controlled by the Diageo group based on management's assessment

<sup>(ii)</sup> Diageo shares joint control over the company under a shareholders' agreement, and Diageo's rights to the profit, assets and liabilities of the company are dependent on the performance of the group's brands rather than the effective equity ownership of the company.

<sup>(iii)</sup> On 28 July 2015 the ultimate holding company has agreed to sell its 42.25% indirect shareholding in DHN Drinks (Proprietary) Limited and its 25% indirect shareholding in Sedibeng Brewery (Pty) Ltd., associate undertakings, to Heineken N.V. In addition, the group has agreed to acquire the remaining 27.71% shares in Brandhouse Beverages (Pty) Limited, which will become a wholly-owned subsidiary of Diageo. The transaction is expected to be completed before the end of the calendar year. The gain arising from the sale of shares will appear in the accounts of the parent companies of the respective entities.

<sup>(iv)</sup> On 9 September 2015, the ultimate holding company determined to make an offer to increase its equity stake in Guinness Nigeria from 54.3% up to a maximum of 70% and to maintain Guinness Nigeria's listing on the Nigerian Stock Exchange. The offer is awaiting regulatory approval.

<sup>(v)</sup> On 7 October 2015 the ultimate holding company sold its 50% indirect shareholding in GAPL Pte Limited (GAPL) and its subsidiaries and associates including its investment in Anchor Guinness Berhad and its 57.87% indirect shareholding in Desnoes & Geddes Limited, to Heineken International. The gain arising from the sale of shares will appear in the accounts of the immediate parent companies of the respective entities. In addition, Diageo acquired Heineken's 20% shareholding in Guinness Ghana Breweries Limited (GGBL) which will increase Diageo's shareholding in GGBL to 72.42%.

<sup>(vi)</sup> On 13 October 2015, the ultimate holding company announced that it has agreed to sell the majority of its wine interests in North America and the United Kingdom including Diageo Chateau & Estate Wines Company to Treasury Wine Estates. The transaction, which is subject to regulatory approval, is expected to be completed by the end of the calendar year.

<sup>(vii)</sup> On 5 November 2015, the ultimate holding company announced that it has agreed the sale of its wine interests in Argentina to Grupo Peñaflor. The transaction is expected to be completed in early 2016.

The investments in subsidiary undertakings are held at cost less, where appropriate, provision for impairment in value.

In the opinion of the directors, the investment in and amounts due from the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

### 5. Share capital

	30 June 2015 £'000	30 June 2014 £'000 (unaudited)
<i>Allotted, called up and fully paid</i>		
102,815,194 (2014 - 102,815,194) ordinary shares of £1 each	<u>102,815</u>	<u>102,815</u>

## Notes to the financial statements (continued)

### 6. Reserves

	Share premium £'000	Profit and loss account £'000	Total £'000
At 30 June 2014	14,052,871	373,852	14,426,723
Profit for the financial year	-	120,494	120,494
Dividends paid	-	(120,494)	(120,494)
<b>At 30 June 2015</b>	<b>14,052,871</b>	<b>373,852</b>	<b>14,426,723</b>

On 20 April 2015, the company paid an interim dividend of US\$180,000,000 (which is equivalent to £120,494,000) (US\$ 1.751 per share) to Grand Metropolitan Limited, the immediate parent undertaking.

### 7. Reconciliation of movement in shareholders' funds

	30 June 2015 £'000	30 June 2014 £'000 (unaudited)
Profit for the financial year	120,494	-
Dividends paid	(120,494)	-
<b>Net addition to shareholders' funds</b>	<b>-</b>	<b>-</b>
Shareholders' funds at the beginning of the year	14,529,538	14,529,538
<b>Shareholders' funds at the end of the year</b>	<b>14,529,538</b>	<b>14,529,538</b>

### 8. Post balance sheet events

On 18 November 2015, the company received a final dividend of £5,000,000,000 in respect of the year ended 30 June 2015 and an interim dividend of £274,107,000 from its subsidiary, UDV (SJ) Limited, and subsequently on the same day, paid an interim dividend of £5,274,107,000 to its parent undertaking.

On 1 December 2015, the company received an interim dividend of £88,136,000 from its subsidiary, UDV (SJ) Limited, and subsequently on the same day, paid an interim dividend of £88,136,000 to its parent undertaking.

### 9. 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.