

**Diageo US Investments (unlimited company)**  
**Annual Report and Financial Statements**  
**30 June 2016**

Registered number: 05666069



**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

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**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

## **STRATEGIC REPORT**

The directors present their strategic report for the year ended 30 June 2016.

### **Activities**

The principal activity of the company is to act as an investment holding company within the Diageo US sub-group.

The directors foresee no changes in the company's activities. The company is incorporated and its operations are based in the United Kingdom.

### **Business review**

*Development and performance of the business of the company during the financial year and position of the company as at 30 June 2016*

Profit before tax for the year ended 30 June 2016 decreased by 68% to USD14,286,000 as on 13 November 2014 the company assigned loan notes owed by a fellow group undertaking (Diageo Inc.) to its subsidiary undertaking, Diageo Hungary Finance Limited Liability Company. The company continues to earn interest on amounts owed by its direct subsidiary, Diageo US Holdings. Net assets have decreased by USD39,032,000 which resulted principally from dividends of USD41,684,000 paid during the year ended 30 June 2016.

### *Financial and other key performance indicators*

As the company is an intermediary holding company within the group, the principal key performance indicator used by management to analyse the development, performance and position of the company's business is adherence to the group dividend policy.

### *Principal risks and uncertainties facing the company as at 30 June 2016*

As the company forms part of the group's financial operations, the financial risk management measures used by management to analyse the development, performance and position of the company's business are mainly similar to those facing the Diageo group as a whole and are managed by the group's treasury department. A company specific risk identified, is the recoverability of the company's investment in subsidiaries.

Approved by the Board on 7 March 2017 and signed on its behalf by:



.....  
E McShane  
Director

**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

## **DIRECTORS' REPORT**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2016.

### **Going concern**

The company is expected to continue to generate profit for its own account and to remain in positive net asset position for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings. 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 2016 are shown on page 8.

The profit for the year transferred to reserves is \$2,652,000 (2015 - \$44,912,000).

Dividends paid during the year ended 30 June 2016 and 30 June 2015 were \$41,684,000 and \$12,425,000 respectively.

The transition to FRS 101 did not change the reported figures as at 30 June 2016 and 30 June 2015, nor for the year ended 30 June 2014, but required reclassifications within the balance sheet to comply with the presentation requirements.

### **Directors**

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

E McShane

J J Nicholls

P D Tunnacliffe (resigned 30 June 2016)

D Harlock (appointed 26 May 2016)

The following director resigned after the year end:

S L Fennessy (resigned 1 February 2017)

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2015 - \$nil).

### **Secretary**

On 5 November 2015, V Cooper was appointed as joint company secretary.

### **Directors' indemnity**

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

**Diageo US Investments (unlimited company)**  
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## **DIRECTORS' REPORT (continued)**

### **Post balance sheet events**

On 24 January 2017, the company received an interim dividend of \$254,000,000 from Diageo Hungary Finance Limited Liability Company.

### **Internal control and risk management over financial reporting**

The company operates under the financial reporting processes and controls of the Diageo group. The internal control and risk management systems over the financial reporting process of Diageo plc, which include those of the company, are discussed in the Group's Annual Report 2016 on pages 60 to 61 at [www.diageo.com](http://www.diageo.com), which does not form part of this report.

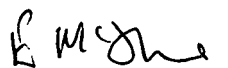
### **Auditors**

Following an audit tender conducted during last year, PricewaterhouseCoopers LLP were selected as auditors for the Diageo group. Accordingly, PricewaterhouseCoopers LLP were appointed to replace KPMG LLP as auditors for the year ended 30 June 2016.

### **Disclosure of information to the auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



.....  
E McShane  
Director

Lakeside Drive  
Park Royal  
London  
NW10 7HQ

7 March 2017

**Diageo US Investments (unlimited company)**  
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**Year ended 30 June 2016**

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

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 accounting 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;
- notify its shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 auditors' report to the members of Diageo US Investments (unlimited company)***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, Diageo US Investments (unlimited company)'s financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

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The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 June 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

## **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



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

7 March 2017



Diageo US Investments (unlimited company)  
Registered number: 05666069  
Year ended 30 June 2016

# STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
Operating costs	2	(1)	(1)
Net finance income	3	14,287	44,913
<b>Operating profit</b>		<u>14,286</u>	<u>44,912</u>
<b>Profit before taxation on ordinary activities</b>		14,286	44,912
Taxation on profit on ordinary activities	4	<u>(11,634)</u>	<u>-</u>
<b>Profit for the financial year and total comprehensive income for the year</b>		<u>2,652</u>	<u>44,912</u>

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

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

**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

## **BALANCE SHEET**

	Notes	30 June 2016 \$ 000	30 June 2015 (restated) \$ 000
<b>Fixed assets</b>			
Investments in subsidiaries	5	<u>9,436,165</u>	<u>9,436,165</u>
<b>Current assets: due after one year</b>			
Other receivables	6	1,355,870	1,396,367
<b>Current assets: due within one year</b>			
Trade and other receivables	6	555,257	542,159
Cash and cash equivalents		<u>1</u>	<u>-</u>
		1,911,128	1,938,526
<b>Creditors: amounts falling due within one year</b>			
Trade and other creditors	7	<u>(11,634)</u>	<u>-</u>
<b>Net current assets</b>		<u>1,899,494</u>	<u>1,938,526</u>
<b>Net assets</b>		<u>11,335,659</u>	<u>11,374,691</u>
<b>Equity</b>			
Called up share capital	8	9,612,725	9,612,725
Share premium		194,486	194,486
Retained earnings		<u>1,528,448</u>	<u>1,567,480</u>
<b>Total equity</b>		<u>11,335,659</u>	<u>11,374,691</u>

Figures for the year ended 30 June 2015 have been represented following the review of amounts owed by fellow group undertakings, which are not expected to be repaid in the foreseeable future and are reclassified to current assets due after one year.

The accounting policies and other notes on pages 11 to 20 form part of the financial statements.

These financial statements on pages 8 to 20 were approved by the Board on 7 March 2017 and were signed on its behalf by:

  
 .....

E McShane  
 Director

Diageo US Investments (unlimited company)  
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Year ended 30 June 2016

## STATEMENT OF CHANGES IN EQUITY

### ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	Called up share capital \$ 000	Share premium \$ 000	Retained earnings \$ 000	Total \$ 000
Balance at 30 June 2014	9,612,725	194,486	1,534,993	11,342,204
Profit for the year	-	-	44,912	44,912
Dividends to shareholders	-	-	(12,425)	(12,425)
Balance at 30 June 2015	9,612,725	194,486	1,567,480	11,374,691
Profit for the year	-	-	2,652	2,652
Dividends to shareholders	-	-	(41,684)	(41,684)
<b>Balance at 30 June 2016</b>	<u>9,612,725</u>	<u>194,486</u>	<u>1,528,448</u>	<u>11,335,659</u>

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

**Diageo US Investments (unlimited company)**  
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**Year ended 30 June 2016**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

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

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

#### **Transition to FRS 101**

The company has applied FRS 101 for the first time for the year ended 30 June 2016 with comparative information for the year ended 30 June 2015 also prepared under FRS 101. The accounting policies applicable to the company from 1 July 2014 are set out below. This involved preparation of an opening FRS 101 balance sheet as at 1 July 2014, which is the company's date of transition to FRS 101 reporting.

The transition to FRS 101 did not change the reported figures as at 30 June 2016 and 30 June 2015, nor for the year ended 30 June 2014.

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

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available.

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

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

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

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

The company has taken advantage of the exemption under IAS 27, 'Consolidated and separate financial statements', from the requirement to prepare consolidated financial statements as it and its subsidiaries are included in the consolidated financial statements of its parent, Diageo plc.

These financial statements are separate financial statements.

**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1. ACCOUNTING POLICIES (continued)**

#### **Functional and presentational currency**

These financial statements are presented in US dollar (\$), which is the company's functional currency.

All financial information presented in US dollar (\$) has been rounded to the nearest thousand unless otherwise stated.

#### **Finance costs**

Finance costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### **Investments in subsidiaries**

Investments in subsidiaries are recorded at cost including transaction costs less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent.

#### **Financial assets**

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

**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.

#### **Financial liabilities**

**Trade creditors** 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. Interests and penalties on tax liabilities are provided in the tax charge.

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

**Diageo US Investments (unlimited company)**  
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**Year ended 30 June 2016**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1. ACCOUNTING POLICIES (continued)**

#### **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.

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

The directors make estimates and assumptions concerning the future of the company. The resulting accounting estimates will, by definition, seldom equate to actual results. The company's directors are of the opinion that there are no estimates and assumptions that have a significant risk of casting material adjustment to the carrying value of the assets and liabilities for the company within the next financial year due to the nature of the business.

The critical accounting policies, which the directors consider are of greater complexity and/or particularly subject to the exercise of judgements, are set out in detail in the relevant accounting policies:

- Investment in subsidiaries: The carrying value of the investments was assessed to ensure that the investments are worth at least the amount at which they are stated in the financial statements. The impairment review involves management judgement and estimates.

**Diageo US Investments (unlimited company)**  
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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. OPERATING COSTS**

Other external charges include bank charges of \$1,000 (2015 - \$1,000).

The auditors' remuneration of \$1,600 (2015 - \$2,800) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditors in respect of non-audit services (2015 - \$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 (2015 - \$nil).

### **3. FINANCE INCOME AND CHARGES**

	<b>Year ended 30 June 2016 \$ 000</b>	<b>Year ended 30 June 2015 \$ 000</b>
<b>Net interest</b>		
Interest income from fellow group undertakings		
Diageo Finance plc	1,189	658
Diageo Inc.	-	101,360
Diageo US Holdings	<u>13,098</u>	<u>5,291</u>
<b>Total interest income</b>	<u>14,287</u>	<u>107,309</u>
Amortisation of fair market value difference on loan notes	-	(21,911)
Other finance charges	<u>-</u>	<u>(40,485)</u>
<b>Total other finance charges</b>	<u>-</u>	<u>(62,396)</u>
<b>Net finance income</b>	<u><u>14,287</u></u>	<u><u>44,913</u></u>

On 13 November 2014, the company assigned loan notes with a par value of \$3,100,000,000 externally valued at a fair market value of \$3,322,020,000 (resulting in a fair market value gain of \$222,020,000) plus accrued interest of \$32,794,000 owed by a fellow group undertaking (Diageo Inc.) to its subsidiary undertaking, Diageo Hungary Finance Limited Liability Company, for consideration of \$3,354,814,000. The loan notes were carried at amortised cost of \$3,362,505,000 plus accrued interest of \$32,794,000 resulting in a loss of \$40,485,000.

Diageo US Investments (unlimited company)  
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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. TAXATION

	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
<b>(a) Analysis of taxation charge for the year</b>		
<b>Current tax</b>		
UK corporation tax	(11,634)	-
<b>Current tax</b>	(11,634)	-
<b>Deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	(11,634)	-
	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
<b>(b) Factors affecting total tax charge for the year</b>		
Profit on ordinary activities before taxation	14,286	44,912
Taxation on profit on ordinary activities at UK corporation tax rate of 20% (2015 - 20.75%)	(2,857)	(9,320)
Items not chargeable for tax purposes	-	22,267
Items not deductible for tax purposes	(11,907)	(67,872)
Group relief received for nil consideration	10,760	54,925
Other tax effects for reconciliation between accounting profit and tax income	(7,630)	-
<b>Total tax charge for the year</b>	(11,634)	-

The UK tax rate reduced from 21% to 20% on 1 April 2015. In November 2015 a reduction to 19% was substantively enacted (effective from 1 April 2017), whilst a further reduction to 17% (effective from 1 April 2020) was substantively enacted in September 2016.

### 5. INVESTMENTS

#### *Shares in group undertakings and other investments*

	Subsidiaries \$ 000
<b>Cost and carrying amount</b>	
At 30 June 2014, at 30 June 2015 and at 30 June 2016	9,436,165



**Diageo US Investments (unlimited company)**

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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **5. INVESTMENTS (continued)**

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.

<b>Name of subsidiary</b>	<b>Country of incorporation (or residence)</b>	<b>Proportion of ownership interest %</b>	<b>Notes</b>
<b>Direct Holdings</b>			
<i>Subsidiaries</i>			
Diageo Hungary Finance LLC	Hungary	100%	
Diageo US Holdings	England	100%	
<b>Indirect Holdings</b>			
<i>Subsidiaries</i>			
Diageo Inc.	US	93.14%	
Anyslam Investments	England	100%	
Diageo Overseas Holdings Limited	England	93.14%	(ii)
Irish Ale Breweries Holdings	Republic of Ireland	100%	
California Simulcast Inc.	US	80%	
Diageo North America, Inc.	US	100%	
Diageo Investment Corporation	US	100%	
Ballroom Acquisition, Inc.	US	100%	
Diageo Americas Supply, Inc.	US	100%	
Carillon U.K. Limited	England	100%	
The Bulleit Distillery, Inc.	US	100%	
Diageo Americas Supply Quebec Distribution Inc.	US	100%	
Diageo Americas, Inc.	US	100%	
Diageo Latin America & Caribbean LLC	US	100%	

**Diageo US Investments (unlimited company)**  
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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **5. INVESTMENTS (continued)**

<b>Name of subsidiary</b>	<b>Country of incorporation (or residence)</b>	<b>Proportion of ownership interest %</b>	<b>Notes</b>
Diageo North America Foundation, Inc.	US	100%	
Irish Ale Breweries	Republic of Ireland	99.9%	
DIAGEO - Guinness USA Inc.	US	100%	(i)
The Pierre Smirnoff Company Limited	US	25%	
D/CE Holdings LLC	US	50%	
Diageo Ireland Finance Unlimited Company	Republic of Ireland	100%	
<i>Associates</i>			
Diageo UK Turkey Holdings Limited	England	15%	(ii)
Diageo UK Turkey Limited	England	15%	(ii)
Diageo Europe Holdings Limited	Republic of Ireland	15%	(ii)
Diageo Turkey Holdings Limited	Republic of Ireland	15%	(ii)
Mey Icki Sanayi ve Ticaret A.S.	Turkey	15%	(ii)
Mey Alkollu Ickiler Sanayi ve Ticaret A.S.	Turkey	15%	(ii)
Turk Alkollu Icki ve Sarap Endustrisi Ltd.Sti.	Turkey	10%	(ii)
Diageo US Turkey LLC	US	15%	(ii)
Diageo UK Turkey Finance Limited	England	15%	(ii)
<i>Joint ventures</i>			
Gist Dominicana S.A.	Dominican Republic	60.9%	
Industria de Licores Internacionales S.A.	Dominican Republic	60.9%	
Seagram Dominicana S.A.	Dominican Republic	60.9%	

**Diageo US Investments (unlimited company)**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. INVESTMENTS (continued)**

<b>Name of subsidiary</b>	<b>Country of incorporation (or residence)</b>	<b>Proportion of ownership interest %</b>	<b>Notes</b>
Seagram Ukraine Limited	Ukraine	60.9%	
Seagram European Customer Services Limited	England	60.9%	

- (i) On 5 August, the company changed its name to Diageo Beer Company USA.  
(ii) Ownership held in preference shares.

The investments in subsidiaries, associates and jointly controlled entities 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.

**Diageo US Investments (unlimited company)**  
**Registered number: 05666069**  
**Year ended 30 June 2016**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **6. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2016</b>		<b>30 June 2015</b> <b>(restated)</b>	
	<b>Due within one year \$ 000</b>	<b>Due after one year \$ 000</b>	<b>Due within one year \$ 000</b>	<b>Due after one year \$ 000</b>
Amounts owed by fellow group undertakings				
Diageo US Holdings	555,257	-	542,159	-
Diageo Finance plc	-	1,355,870	-	1,396,367
	<u>555,257</u>	<u>1,355,870</u>	<u>542,159</u>	<u>1,396,367</u>

The amount owed by Diageo US Holdings is a loan which is unsecured, repayable on demand and bears interest at a floating rate.

The amount owed by Diageo Finance plc includes an interest free loan of \$1,000,000,000 (2015 - \$1,000,000,000) and a loan of \$355,870,000 (2014 - \$396,367,000) which bears interest at a floating rate. Both loans are unsecured and repayable on demand.

Amounts owed by fellow group undertakings represent transactions with companies in the Diageo group with which the company has a long term financing relationship. These financing relationships are expected to continue for the foreseeable future. Certain amounts owed by fellow group undertakings are reclassified to current assets due after one year as they are not expected to be repaid in the foreseeable future. Amounts owed by group undertakings are considered to have a fair value which is not materially different to the book value.

### **7. TRADE AND OTHER CREDITORS**

	<b>30 June 2016 \$ 000</b>	<b>30 June 2015 \$ 000</b>
Amounts owed to fellow group undertakings		
Diageo plc	<u>11,634</u>	<u>-</u>
	<u>11,634</u>	<u>-</u>

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

Diageo US Investments (unlimited company)  
Registered number: 05666069  
Year ended 30 June 2016

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. SHARE CAPITAL

*Allotted, called up and fully paid:*

	Number of shares	30 June 2016 \$ 000
Ordinary shares of £1 each at 1.6115/£	<u>5,965,171,554</u>	<u>9,612,725</u>

### 9. POST BALANCE SHEET EVENTS

On 24 January 2017, the company received an interim dividend of \$254,000,000 from Diageo Hungary Finance Limited Liability Company.

### 10. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Diageo Holdings Netherlands B.V., a company incorporated and registered in the Netherlands.

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