

Diageo UK Turkey Holdings Limited
Annual Report and Financial Statements
30 June 2018

Registered number: 08447006



Diageo UK Turkey Holdings Limited
Registered number: 08447006
Year ended 30 June 2018

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Diageo UK Turkey Holdings Limited
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STRATEGIC REPORT

The directors present their strategic report for the year ended 30 June 2018.

Activities

The principal activity of the company is the holding of the Diageo group's ("the group") investments in Turkey.

Business review

Development and performance of the business of the company during the financial year and position of the company as at 30 June 2018

Profit before tax for the year ended 30 June 2018 has increased by TRY 655,924,000 to 712,065,000. Income from shares in group undertakings has increased by TRY 697,458,000 to 931,642,000. Net finance charges have increased by 23% in line with an increase in TRLIBOR rates.

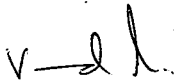
Financial and other key performance indicators

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 2018

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 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 27 November 2018 and signed on its behalf by:



.....
V Rao
Director

Diageo UK Turkey Holdings Limited
Registered number: 08447006
Year ended 30 June 2018

DIRECTORS' REPORT

The directors are pleased to submit their annual report, together with the audited financial statements for the year ended 30 June 2018.

The directors foresee no changes in the company's activities. The company is incorporated and domiciled as a private limited company in the United Kingdom. The registered address is Lakeside Drive, Park Royal, London, NW10 7HQ.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the strategic report on page 2. The company is expected to continue to generate profit on its own account and to remain in positive net asset position for the foreseeable future. The company participates in the group's centralised treasury arrangements and the parent and fellow group undertakings are expected to provide financial support for the foreseeable future. The company is not reliant on external third party financing. 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 company 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 as a fellow group undertaking has agreed to provide financial support for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial

The result for the year ended 30 June 2018 is shown on page 8.

The profit for the year transferred to reserves is TRY 712,065,000 (2017 - TRY 56,141,000).

Dividends paid during the year ended 30 June 2018 and 30 June 2017 were TRY 712,084,000 and TRY 55,444,000 respectively.

Directors

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

J M C Edmunds (appointed 8 March 2018)

E McShane (resigned 31 August 2017)

J J Nicholls (resigned 9 March 2018)

V Rao

P Viswanathan (appointed 31 August 2017)

The following director was appointed after the year end:

K E Major (appointed 1 August 2018)

The following director resigned after the year end:

D F Harlock (resigned 1 August 2018)

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DIRECTORS' REPORT (continued)

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2017 - TRYnil).

Secretary

On 5 January 2018, C E Matthews resigned as secretary of the company.

On 5 January 2018, J M Guttridge was appointed, and on 20 April 2018, resigned as secretary of the company.

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.

Internal control and risk management over financial reporting

The company operates under the financial reporting processes and controls of the group. Diageo Plc's internal control and risk management systems including its financial reporting process of Diageo plc, which include those of the company, are discussed in the Group's Annual Report 2018 on pages 66 to 67 at www.diageo.com, which does not form part of this report.

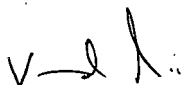
Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors, PricewaterhouseCoopers LLP, have been reappointed and will continue in office as auditors of the company.

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



.....
V Rao
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

27 November 2018

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Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Diageo UK Turkey Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Diageo UK Turkey Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; 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 Auditors' 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.

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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' 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, except to the extent otherwise explicitly stated in this report, 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.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 November 2018

Diageo UK Turkey Holdings Limited
Registered number: 08447006
Year ended 30 June 2018

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 June 2018 TRY 000	Year ended 30 June 2017 TRY 000
Operating costs	2	(1)	(1)
Income from shares in group undertakings	3	931,642	234,184
Operating profit		931,641	234,183
Net finance charges	4	(219,576)	(178,042)
Profit before taxation on ordinary activities		712,065	56,141
Taxation on profit on ordinary activities	5	-	-
Profit for the financial year and total comprehensive income for the year		<u>712,065</u>	<u>56,141</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.

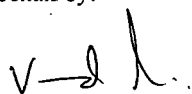
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BALANCE SHEET

	Notes	30 June 2018 TRY 000	30 June 2017 TRY 000
Non-current assets			
Investments in subsidiaries	6	3,802,931	3,802,931
Trade and other receivables	7	16,850	14,723
		<u>3,819,781</u>	<u>3,817,654</u>
Current assets			
Trade and other receivables	7	-	34,000
Cash and cash equivalents		2	3
		<u>2</u>	<u>3</u>
Total assets		<u>3,819,783</u>	<u>3,851,657</u>
Current liabilities			
Trade and other payables	8	(6,376)	(1,488,231)
Non-current liabilities			
Trade and other payables	8	(1,450,000)	-
		<u>(1,456,376)</u>	<u>(1,488,231)</u>
Total liabilities		<u>(1,456,376)</u>	<u>(1,488,231)</u>
Net assets		<u>2,363,407</u>	<u>2,363,426</u>
Equity			
Called up share capital	9	460,220	460,220
Share premium		1,892,691	1,892,691
Retained earnings		10,496	10,515
		<u>2,363,407</u>	<u>2,363,426</u>
Total equity		<u>2,363,407</u>	<u>2,363,426</u>

The accounting policies and other notes on pages 11 to 19 form part of the financial statements.

These financial statements on pages 8 to 19 were approved by the Board on 27 November 2018 and were signed on its behalf by:



.....
V Rao
Director

Diageo UK Turkey Holdings Limited
Registered number: 08447006
Year ended 30 June 2018

STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	Called up share capital TRY 000	Share premium TRY 000	Retained earnings TRY 000	Total TRY 000
Balance at 30 June 2016	460,220	1,892,691	9,818	2,362,729
Profit for the year	-	-	56,141	56,141
Dividends to shareholders	-	-	(55,444)	(55,444)
Balance at 30 June 2017	460,220	1,892,691	10,515	2,363,426
Profit for the year	-	-	712,065	712,065
Dividends to shareholders	-	-	(712,084)	(712,084)
Balance at 30 June 2018	460,220	1,892,691	10,496	2,363,407

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

Diageo UK Turkey Holdings Limited
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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.

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 ultimate parent, Diageo plc.

These financial statements are separate financial statements.

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

New accounting policies

The following standard, issued by the IASB and endorsed by the EU, has been early adopted by the company from 1 July 2017:

- **IFRS 9 - Financial instruments replaces IAS 39** (Financial instruments - Recognition and measurement) and addresses the classification and measurement of financial instruments, introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets. All classes of financial assets and financial liabilities had as at 1 July 2017 the same carrying values under IFRS 9 as they had under IAS 39. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debt based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The adoption of the ECL approach did not result in any additional impairment loss for trade and other receivables as at 1 July 2017.

Functional and presentational currency

These financial statements are presented in Turkish Lira (TRY), which is the company's functional currency.

All financial information presented in Turkish Lira (TRY) 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.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Turkish Lira at the financial year end exchange rates and these foreign exchange differences are recognised in the statement of comprehensive income.

Investments in subsidiaries

The investments in subsidiaries are stated at historical cost less impairment provisions for any permanent decrease in value. The carrying amounts of the company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the statement of comprehensive income and reflected in an allowance against the carrying value. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities

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

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

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 amortised cost. Non-interest bearing trade payables are stated at their nominal value as they are due on demand.

Taxation

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax benefits are not recognised unless it is probable that the tax positions are sustainable. Once considered to be probable, tax benefits are reviewed each year to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. Tax provisions are included in current liabilities. Penalties and interest on tax liabilities for the year ended 30 June 2018 are included in profit before taxation. In prior years penalties and interest on tax liabilities were provided for in the tax charge.

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

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 and is based on the expected manner of realisation or settlement of the carrying 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.

Dividends paid and received

The interim dividend is included in the financial statements in the year in which they are 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 causing a 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.

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

2. OPERATING COSTS

Other external charges include bank charges of TRY2,000 (2017 - TRY1,000).

The auditors' remuneration of TRY15,480 was paid on behalf of the company by a fellow group undertaking (2017 - TRY12,780). There were no fees payable to the auditors in respect of non-audit services (2017 - TRYnil).

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 (2017 - TRYnil).

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year ended 30 June 2018 TRY 000	Year ended 30 June 2017 TRY 000
Dividend income from shares in group undertakings		
Diageo UK Turkey Limited	<u>931,642</u>	<u>234,184</u>

4. FINANCE INCOME AND CHARGES

	Year ended 30 June 2018 TRY 000	Year ended 30 June 2017 TRY 000
Net interest		
Interest income from fellow group undertakings		
Diageo Finance plc	<u>2,127</u>	<u>1,624</u>
Total interest income	<u>2,127</u>	<u>1,624</u>
Interest charge from fellow group undertakings		
Diageo Financing Turkey Limited	<u>(221,703)</u>	<u>(179,666)</u>
Total interest charges	<u>(221,703)</u>	<u>(179,666)</u>
Net finance charges	<u>(219,576)</u>	<u>(178,042)</u>

5. TAXATION

	Year ended 30 June 2018 TRY 000	Year ended 30 June 2017 TRY 000
(a) Analysis of taxation for the year		
Current tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TAXATION (continued)

	Year ended 30 June 2018 TRY 000	Year ended 30 June 2017 TRY 000
(b) Factors affecting total tax for the year included in equity		
Profit on ordinary activities before taxation	<u>712,065</u>	<u>56,141</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 19% (2017 - 19.75%)	(135,292)	(11,088)
Items not chargeable for tax purposes	177,012	46,253
Group relief surrendered for nil consideration	<u>(41,720)</u>	<u>(35,165)</u>
Total tax for the year	<u>-</u>	<u>-</u>

The UK tax rate is 19% effective from 1 April 2017 which is applied for year ended 30 June 2018. A further reduction to 17% (effective from 1 April 2020) was enacted in September 2016.

6. INVESTMENTS IN SUBSIDIARIES

Shares in group undertakings and other investments

	Subsidiaries TRY 000
Cost and carrying amount	
At 30 June 2018 and at 30 June 2017	<u>3,802,931</u>

Diageo UK Turkey Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS IN SUBSIDIARIES (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.

Name of investment	Notes	Registered office address	Proportion of ownership interest %
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Direct holdings

Subsidiary undertaking

Diageo UK Turkey Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
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Name of investment	Registered office address	Proportion of ownership interest %
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Indirect holdings

Subsidiary undertakings

Diageo Europe Holdings Limited	St. James's Gate, Dublin 8, Republic of Ireland	100%
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Diageo US Turkey LLC	801 Main Avenue, Norwalk, CT, 06851, United States	100%
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Diageo UK Turkey Finance Limited	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
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Diageo Turkey Holdings Limited	St. James's Gate, Dublin 8, Republic of Ireland	100%
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Mey Icki Sanayi ve Ticaret A.S.	Büyükdere Cad. Bahar Sok. No:13 River Plaza Kat:25-29 34394 Beşiktaş/İstanbul, Turkey	100%
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Mey Alkollu İçkiler Sanayi ve Ticaret A.S.	Büyükdere Cad. Bahar Sok. No:13 River Plaza Kat:25-29 34394 Beşiktaş/İstanbul, Turkey	100%
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Türk Alkollu İçki ve Sarap Endüstri Ltd.	Şehit Mehmet Çetin Sokak, Küçük Sanayi Bölgesi, 48, 99450, Gazi Magusa, North Cyprus	66%
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS IN SUBSIDIARIES (continued)

The investment in subsidiary is held at cost less, if appropriate, provision for impairment in value.

In the opinion of the directors, the investment in the company's subsidiary undertaking is worth at least the amount at which they are stated in the financial statements.

7. TRADE AND OTHER RECEIVABLES

	30 June 2018		30 June 2017	
	Due within one year TRY 000	Due after one year TRY 000	Due within one year TRY 000	Due after one year TRY 000
Amounts owed by fellow group undertakings				
Diageo Finance plc	-	16,850	34,000	14,723
	-	16,850	34,000	14,723

Amounts, due after one year, owed by fellow group undertakings represent transactions with companies in the 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 non-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.

The amount, due within one year, owed by the fellow group undertaking, was a loan bearing interest at floating rates, which was utilised to pay interest obligation due to Diageo Financing Turkey Limited in the current financial year.

Diageo UK Turkey Holdings Limited
Registered number: 08447006
Year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER PAYABLES

	30 June 2018		30 June 2017	
	Amounts falling due within one year TRY 000	Amounts falling due after one year TRY 000	Amounts falling due within one year TRY 000	Amounts falling due after one year TRY 000
Amounts owed to fellow group undertakings				
Diageo Financing Turkey Limited	6,356	1,450,000	1,488,211	-
Diageo US Turkey LLC	10	-	10	-
Diageo UK Turkey Limited	10	-	10	-
	<u>6,376</u>	<u>1,450,000</u>	<u>1,488,231</u>	<u>-</u>

Amounts owed to Diageo Financing Turkey Limited represent a loan which is unsecured and bears interest at a floating rate. According to the original agreement the loan was repayable on 24 April 2018, but the maturity of the agreement was extended to 23 October 2021 in the current financial year.

Amounts owed to Diageo UK Turkey Limited and Diageo US Turkey LLC are interest free promissory notes repayable on demand.

9. SHARE CAPITAL

Allotted, called up and fully paid:

	30 June 2018 TRY 000
110,219,749 (2017 - 110,219,749) ordinary shares of TRY1 each	110,220
19,450,544 (2017 - 19,450,544) preference shares of \$10 each at 1.7994/\$	<u>350,000</u>
	<u>460,220</u>

10. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

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

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