

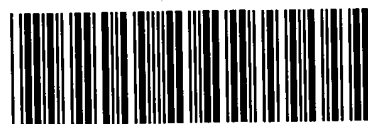
Anyslam Investments (unlimited company)

Directors' report and financial statements

30 June 2016

Registered number: 04108708

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Anyslam Investments (unlimited company)
Registered number: 04108708
Year ended 30 June 2016

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Anyslam Investments (unlimited company)

Registered number: 04108708

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.

The directors are entitled to take advantage of the small companies' exemption in not preparing a strategic report. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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.

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 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 7.

The profit for the year transferred to reserves is \$1,307,038,000 (2015 - loss of \$223,934,000 transferred from reserves).

Dividends paid during the year ended 30 June 2016 and 30 June 2015 were \$1,307,010,000 and \$nil 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.

Directors

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

S L Fennessy

D Harlock (appointed 26 May 2016)

E McShane

P D Tunnacliffe (resigned 30 June 2016)

J J Nicholls

Directors' remuneration

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

Anyslam Investments (unlimited company)

Registered number: 04108708

Year ended 30 June 2016

DIRECTORS' REPORT (continued)

Secretary

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

Directors' indemnity

As permitted by the Articles of Association, each of the directors has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each director during the last financial year, and is currently in force.

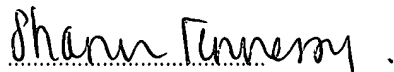
Auditors

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



S L Fennessy
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

16 December 2016

Anyslam Investments (unlimited company)

Registered number: 04108708

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 Anyslam Investments (unlimited company)

Report on the financial statements

Our opinion

In our opinion, Anyslam 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

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

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

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

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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.

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

16 December 2016

Anyslam Investments (unlimited company)
Registered number: 04108708
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)
Income from shares in associate undertakings	3	<u>1,307,010</u>	<u>99,433</u>
Operating profit		1,307,009	99,432
Net finance income/(charges)	4	<u>29</u>	<u>(323,366)</u>
Profit/(loss) before taxation on ordinary activities		1,307,038	(223,934)
Taxation on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year and total comprehensive income/(expense) for the year		<u><u>1,307,038</u></u>	<u><u>(223,934)</u></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.

Anyslam Investments (unlimited company)

Registered number: 04108708

Year ended 30 June 2016

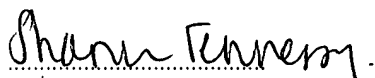
BALANCE SHEET

	Notes	30 June 2016 \$ 000	(As restated) 30 June 2015 \$ 000
Fixed assets			
Investments in associates	6	5,404,140	5,404,140
Current assets: due after one year			
Other receivables	7	8,936	8,909
Current assets: due within one year			
Cash and cash equivalents		1	-
Net current assets		8,937	8,909
Net assets		5,413,077	5,413,049
Equity			
Called up share capital		2,829,487	2,829,487
Share premium		-	2,829,477
Retained earnings/(deficit)		2,583,590	(245,915)
Total equity		5,413,077	5,413,049

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 10 to 16 form part of the financial statements.

These financial statements on pages 7 to 16 were approved by the Board on 16 December 2016 and were signed on its behalf by:



S L Fennessy

Director

Anyslam Investments (unlimited company)
Registered number: 04108708
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/ (deficit) \$ 000	Total \$ 000
Balance at 30 June 2014	2,829,487	2,829,477	(21,981)	5,636,983
Loss for the year	-	-	(223,934)	(223,934)
Balance at 30 June 2015	2,829,487	2,829,477	(245,915)	5,413,049
Profit for the year	-	-	1,307,038	1,307,038
Transfer	-	(2,829,477)	2,829,477	-
Dividends to shareholders	-	-	(1,307,010)	(1,307,010)
Balance at 30 June 2016	2,829,487	-	2,583,590	5,413,077

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

Anyslam Investments (unlimited company)

Registered number: 04108708

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.

Anyslam Investments (unlimited company)

Registered number: 04108708

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 associates

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.

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.

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.

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.

Anyslam Investments (unlimited company)

Registered number: 04108708

Year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

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 associates and joint ventures

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. INCOME FROM SHARES IN ASSOCIATE UNDERTAKINGS

	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
Dividend income from associate undertakings		
Diageo North America, Inc.	<u>1,307,010</u>	<u>99,433</u>

Anyslam Investments (unlimited company)
Registered number: 04108708
Year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. FINANCE INCOME AND CHARGES

	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
Net interest		
Interest income from fellow group undertakings		
Diageo Finance plc	29	15
Total interest income	29	15
Interest charge from fellow group undertakings		
Diageo Inc.	-	(101,361)
Fair market value difference on repayment of loan notes	-	(222,020)
Total interest charges	-	(323,381)
Net finance income/(charges)	29	(323,366)

On 13 November 2014, the company prepaid the loan notes (externally valued at a fair market value of \$3,322,020,000) plus accrued interest (of \$32,794,000) to Diageo Inc. at market value of \$3,354,814,000 resulting in a fair market value loss of \$222,020,000.

5. TAXATION

	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
(a) Analysis of taxation charge/(credit) for the year		
Current tax	-	-
Deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	-

Anyslam Investments (unlimited company)
Registered number: 04108708
Year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TAXATION (continued)

	Year ended 30 June 2016 \$ 000	Year ended 30 June 2015 \$ 000
(b) Factors affecting total tax charge/(credit) for the year		
Profit/(loss) on ordinary activities before taxation	<u>1,307,038</u>	<u>(223,934)</u>
Taxation on profit/(loss) on ordinary activities at UK corporation tax rate of 20% (2015 - 20.75%)	(261,408)	46,468
Items not chargeable for tax purposes	261,402	20,633
Group relief received/(surrendered) for nil consideration	<u>6</u>	<u>(67,101)</u>
Total tax charge/(credit) for the year	<u>-</u>	<u>-</u>

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.

6. INVESTMENTS

Shares in group undertakings and other investments

	Associates \$ 000
Cost and carrying amount	
At 30 June 2014, at 30 June 2015 and at 30 June 2016	<u>5,404,140</u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows. Unless otherwise stated the percentage of shares held are in respect of ordinary share capital.

Name of company	Country of incorporation (or residence)	Proportion of ownership interest %	Notes
Direct Holdings			
<i>Associate</i>			
Diageo North America, Inc.	US	43.68%	(i)
Indirect Holdings			
<i>Subsidiaries</i>			
Ballroom Acquisition, Inc.	US	100%	

Anyslam Investments (unlimited company)

Registered number: 04108708

Year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of company	Country of incorporation (or residence)	Proportion of ownership interest %	Notes
The Bulleit Distillery, Inc.	US	100%	
Carillon U.K. Limited	Scotland	100%	
Diageo Americas Supply, Inc.	US	100%	
Diageo Americas Supply Quebec Distribution Inc.	US	100%	
Diageo Americas, Inc.	US	100%	
Diageo Latin America & Caribbean LLC	US	100%	
Diageo North America Foundation, Inc.	US	100%	
DIAGEO - Guinness USA Inc.	US	100%	(ii)
The Pierre Smirnoff Company Limited	US	100%	
D/CE Holdings LLC	US	50%	
<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%	
Seagram Ukraine Limited	Ukraine	60.9%	
Seagram European Customer Services Limited	England	60.9%	

(i) Ownership in respect of B shares.

(ii) On 5 August, the company changed its name to Diageo Beer Company USA.

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.

Anyslam Investments (unlimited company)
Registered number: 04108708
Year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRADE AND OTHER RECEIVABLES

	30 June 2016		30 June 2015 (restated)	
	Due within one year \$ 000	Due after one year \$ 000	Due within one year \$ 000	Due after one year \$ 000
Amounts owed by fellow group undertakings				
Diageo Finance plc	-	8,936	-	8,909
	<u>-</u>	<u>8,936</u>	<u>-</u>	<u>8,909</u>

Amounts owed by fellow group undertakings bear interest at floating rates, 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.

8. SHARE CAPITAL AND RESERVES

(a) Share capital

Allotted, called up and fully paid:

	30 June 2016 \$ 000
2,829,487,035 (2015 - 2,829,487,035) ordinary shares of \$1 each	<u>2,829,487</u>

(b) Share premium

On 17 June 2016, the company undertook a capital reduction by way of reducing the share premium account by \$2,829,477,000, resulting in a realised profit of the same amount.

9. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Diageo Inc., a company incorporated and registered in the United States of America.

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.