

Diageo Finance US Limited
(Formerly Diageo Spare Company No. 5 Limited)

Financial statements
30 June 2013

Registered number 4036745



Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2013

Activities

During the financial year, the company got involved in financing the Diageo US sub-group. The directors foresee no changes in the company's activities. The company's operations are based in the United Kingdom.

The functional currency of the company is GBP.

The company changed its name from Diageo Spare Company No. 5 Limited to Diageo Finance US Limited, by a resolution passed in a meeting of the Board of Directors held on 16 April 2013. The change is effective from the date of the Certificate of Incorporation on Change of Name given at Companies House on 19 April 2013.

Going concern

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diageo group to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future 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 results for the year ended 30 June 2013 are shown on page 5.

The profit for the year transferred to reserves is £10,671,000 (2012 - £nil).

No dividend was paid during the year (2012 - £nil).

Directors

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

G Geiszl	(appointed 28 February 2013)
D Heginbottom	(appointed 28 February 2013)
N Makos	(resigned 27 February 2013)
J J Nicholls	
M Pais	(appointed 28 February 2013)
P D Tunnacliffe	

On 1 October 2013, G Geiszl resigned as a director of the company.

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 (2012 - £nil)


Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is deemed to be reappointed and will continue in office

Disclosure of information to auditor

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

By order of the board



M Pais
Director
Lakeside Drive
Park Royal
London
NW10 7HQ

19 February 2014

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Diageo Finance US Limited (formerly Diageo Spare Company No. 5 Limited)

We have audited the financial statements of Diageo Finance US Limited (formerly Diageo Spare Company No. 5 Limited) for the year ended 30 June 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

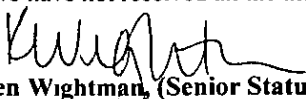
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


Karen Wightman, (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date 20th February 2014

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Operating profit	<i>1</i>	149	-
Interest receivable	<i>4</i>	10,522	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		10,671	-
Taxation on profit on ordinary activities	<i>5</i>	-	-
		<hr/>	<hr/>
Profit for the financial year		10,671	-
		<hr/>	<hr/>

The accounting policies and other notes on pages 7 to 11 form part of the financial statements

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements

There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis


All results arise from continuing operations

Balance sheet

	<i>Notes</i>	30 June 2013 £'000	30 June 2012 £'000
Current assets			
Debtors due within one year	6	10,671	-
Debtors due after one year	6	1,370,126	-
Creditors: due within one year	7	(1,370,126)	-
Net assets		10,671	-
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	10,671	-
Shareholders' funds	10	10,671	-

The accounting policies and other notes on pages 7 to 11 form part of the financial statements.

These financial statements on pages 5 to 11 were approved by the board of directors on 19 February 2014 and were signed on its behalf by


M Pais
Director

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No. 1 (Revised 1996)

The company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions (but not balances) with entities that are wholly owned by a member of the Diageo plc group ("group undertakings")

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings

Foreign currencies

In accordance with Statement of Standard Accounting Practice Number 20 Foreign Currency Translation (SSAP 20), transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or if hedged forward, at the rate of exchange under the related foreign currency contract. Assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates. Exchange gains and losses are taken to the profit and loss account

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Except as otherwise required by FRS 19, deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Any interest or penalties on tax liabilities are provided in the tax charge

Notes to the financial statements

1. Operating profit

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Other operating income	149	-

Other operating income includes foreign exchange gain of £149,000 (2012 - £ nil)

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking Fees in respect of services provided by the auditor were statutory audit - £3,120 (2012 - £nil)

2. Staff costs

The company did not employ any staff during either the current or prior year

3. Directors' remuneration

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2012 - £nil)

4. Interest receivable

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Interest receivable on loans to fellow group undertakings		
Diageo Inc	9,163	-
Diageo North America, Inc	1,359	-
	10,522	-

All amounts are at a fixed rate of interest

Notes to the financial statements (continued)

5. Taxation

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	10,671	-
Taxation on profit on ordinary activities at UK corporation tax rate of 23.00%	(2,454)	-
Income not subject to tax	2,366	-
Group relief surrendered for nil consideration	88	-
Current ordinary tax charge for the year	-	-

6. Debtors: due within one year

	30 June 2013 Due within one year £'000	30 June 2013 Due after one year £'000	30 June 2012 Due within one year £'000	30 June 2012 Due after one year £'000
Amounts owed by fellow group undertakings				
Diageo North America, Inc	-	712,231	-	-
Diageo Inc	-	657,895	-	-
Diageo Finance plc	10,671	-	-	-
	10,671	1,370,126	-	-

During the financial year, as a result of a group restructuring project the company acquired via assignment a \$1,000,000,000 long-term loan with Diageo Inc from Diageo US Holdings and a \$1,082,592,000 long-term loan with Diageo North America Inc from Diageo Brands B V for cash consideration. The loans are unsecured, bear interest at a fixed rate and are repayable in 2 years.

The amount owed by Diageo Finance plc represents a loan which bears interest at a floating rate and is repayable on demand.

Notes to the financial statements (continued)

7. Creditors: due within one year

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Amount owed to fellow group undertaking Diageo Ireland Finance 2	1,370,126	-

The amount owed to Diageo Ireland Finance 2 is an unsecured, interest free loan which is repayable on demand

8. Share capital

	30 June 2013 £	30 June 2012 £
<i>Allotted, called up and fully paid:</i>		
1 ordinary share of £1	1	1

On 28 February 2013, UDV (SJ) Limited, a fellow group undertaking, acquired the entire share capital of the company from Diageo Great Britain Limited for a cash consideration of £1

Notes to the financial statements (continued)

9. Reserves

	Profit and loss account £'000
At 30 June 2012	-
Profit for the financial year	10,671
	<hr/>
At 30 June 2013	10,671
	<hr/> <hr/>

10. Reconciliation of movement in shareholders' funds

	30 June 2013 £'000	30 June 2012 £'000
Profit for the financial year	10,671	-
	<hr/>	<hr/>
Net addition to shareholders' funds	10,671	-
Shareholders' funds at beginning of year	-	-
	<hr/>	<hr/>
Shareholders' funds at end of year	10,671	-
	<hr/> <hr/>	<hr/> <hr/>

11. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is UDV (SJ) Limited, a company incorporated and registered in the UK

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