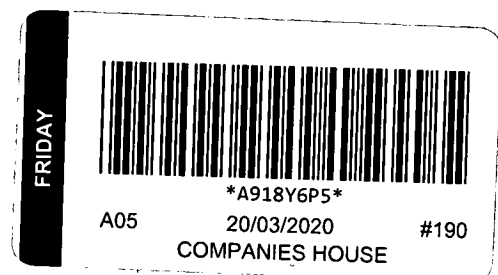


Grand Metropolitan Limited
Annual report and financial statements
30 June 2019

Registered number: 00291848



Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

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STRATEGIC REPORT

The directors present their strategic report for the year ended 30 June 2019.

Activities

The principal activity of the company is that of an investment holding company for the Diageo group ("the group"), owning subsidiaries which holds assets in the global alcoholic drink sector.

In June 2010, the group established a Pension Funding Partnership in which the UK Diageo Pension Scheme ('UK Scheme') acquired a limited interest, and as a partner, is entitled to a distribution of the profits of the Pension Funding Partnership each year, for 14 years. Under this structure the company, as a designated member, together with Lochside MWS Limited Partnership agreed to form Lakeside MWS Limited Liability Partnership ('Lakeside'), which was registered in the United Kingdom on 23 June 2010. The company, as a member, is entitled to a proportion of the distributed profits of Lakeside each year. During the year the company made a capital contribution of £105 million to Lakeside (2018 - £236 million) and, in line with the Partnership Agreement, excess cash of Lakeside was paid back to the company in the amount of £103million (2018 - £114 million) by withdrawing excess capital.

During the year ended 30 June 2019 Grand Metropolitan Capital Company Limited ('GMCCL', a subsidiary undertaking of the company) reduced its share capital from £3,005 million to £2. The company owned 83.361% of the shares and Justerini & Brooks, Limited (an indirect subsidiary undertaking of the company) owned 16.639% of the shares of GMCCL before the capital reduction. After the share capital reduction by GMCCL, the ownership structure in GMCCL changed to a 50% holding by the company and a 50% holding by Justerini & Brooks, Limited. The company passed 33.361% of its shareholding in GMCCL to Justerini & Brooks, Limited, by way of a capital contribution. As a result, the investment value of GMCCL held by the company reduced by £1,004 million, with the investment value held by the company in Justerini & Brooks, Limited increasing by the same amount.

During the year ended 30 June 2019, an intercompany loan receivable from GrandMet Foods (UK) Limited (a wholly owned subsidiary of the company) in the amount of £38 million written off, in order to enable the proposed dissolution and liquidation of the subsidiary undertaking.

During the year ended 30 June 2019, it was approved by the Board to liquidate GrandMet Foods (UK) Limited, therefore the cost of the investment and the provision held against the investment, both in the amount of £3 million, were written off, resulting in either a gain nor a loss to the company. Subsequent to the year-end, on 8 October 2019 GrandMet Foods (UK) Limited was dissolved.

The directors foresee no changes in the company's activities.

Business review

Development and performance of the business of the company during the financial year and position of the company as at 30 June 2019

The result for the year ended 30 June 2019 is shown on page 10.

The profit for the year, transferred to reserves is £2,541 million (2018 - £1,118 million). Income from shares in group undertakings increased by £1,459 million to £2,533 million in the year ended 30 June 2019 from £1,074 million in the year ended 30 June 2018. The company's net assets decreased by £659 million from £41,381 million to £40,722 million.

STRATEGIC REPORT (continued)

Business review (continued)

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 2019


The company believes the following to be the principal risks and uncertainties it faces. If any of these risks occur, the company's business, financial condition and operational results could suffer. 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.

The process surrounding the United Kingdom's future trading relationship with the European Union continues. The group remains of the view that, in the event of either a future free trade agreement (FTA) or a 'no FTA' outcome at the end of the implementation period between the UK and the EU, the direct financial impact to the company will not be material. The full implications of Brexit will not be understood until future trade, regulatory and tax arrangements to be entered into by the United Kingdom are established. Furthermore, the group could experience changes to laws and regulations post Brexit, in areas such as intellectual property rights, employment, environment, supply chain logistics, data protection, and health and safety.

A cross-functional working group is in place that meets on a regular basis to identify and assess the consequences of Brexit, with all major functions within the group's business represented. The group continues to monitor this risk area very closely, as well as the broader environment risks, including a continuing focus on identifying critical decision points to ensure potential disruption is minimised, and takes prudent actions to mitigate these risks wherever practical. More specific details on the impact of Brexit are included in the 2020 interim results presentation of Diageo plc which are publicly available.

An identified company specific risk is the recoverability of the company's investments in subsidiaries.

By order of the board



.....

G Kovacs
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

20 February 2020

Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

DIRECTORS' REPORT

The directors are pleased to submit their annual report, together with the audited financial statements for the year ended 30 June 2019.

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 pages 2 to 3. 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 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. 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 2019 is shown on page 10.

The profit for the year transferred to reserves was £2,541 million (2018 - £1,118 million).

Dividends paid during the year ended 30 June 2019 and 30 June 2018 were £3,200 million and £2,800 million respectively.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J M C Edmunds

G Kovacs (appointed 1 August 2018)

H Patel (appointed 28 September 2018)

P Viswanathan (appointed 4 December 2019)

K E Major (appointed 1 August 2018, resigned 28 September 2018)

D F Harlock (resigned 1 August 2018)

A Mahler (resigned 1 August 2018)

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2018 - £nil).

DIRECTORS' REPORT (continued)

Post balance sheet events

On 29 November 2019, the other reserve in the amount of £530 million and an unrealized reserve in the amount of £24,200 million, included in the company's retained earnings, were capitalized through the allotment and issuance of 98,920 million additional 25 pence ordinary shares to the sole shareholder of the company. Subsequent to the allotment and issuance of the ordinary shares, the issued share capital of the company was reduced from £25,419,786,236.50 to £0.25 following the cancellation of 101,679,144,945 of the ordinary shares of £0.25 each. In addition, the share premium reserve of £9,070,257,426 was cancelled and extinguished. An equivalent value of the cancellations of the ordinary shares and the share premium reserve were credited to retained earnings.

On 10 December 2019, Grand Metropolitan International Holdings Limited, a wholly owned subsidiary of the company, paid an interim dividend of £6,511 million to the company. Subsequent to the dividend receipt, the company paid an interim dividend to its immediate parent undertaking, Diageo Holdings Limited, of £11,411 million.

On 12 December 2019, indirect wholly owned subsidiaries of the company sold Diageo Brands B.V., Diageo France Investments S.A.S., Diageo Inc., Diageo Turkey Holdings Limited and Selviac Nederland B.V. to Diageo Molenwerf BV, a fellow 100% owned group company, and Diageo Hungary Finance Limited Liability Company to Tanqueray Gordon and Company Limited, a fellow 100% owned group company. Consideration in the amount of £42,717 million relating to these transactions has been received as a dividend in specie by the company and subsequently paid as a dividend in specie in the amount of £42,717 million to Diageo Holdings Limited, the company's parent company. These transactions will result in an impairment charge against the company's investment in Grand Metropolitan International Holdings Limited.

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 2019 on page 75 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.

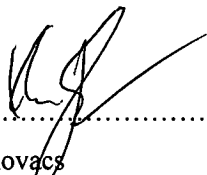
Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

DIRECTORS' REPORT (continued)

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


.....
G Kovacs
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

20 February 2020

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 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.

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.

Independent auditors' report to the members of Grand Metropolitan Limited

Report on the audit of the financial statements

Opinion

In our opinion, Grand Metropolitan Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 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 2019; 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 2019 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 7, 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.



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

20 February 2020

Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 30 June 2019	Year ended 30 June 2018
	Notes	£ m	£ m
Operating costs	2	(37)	—
Income from shares in group undertakings	4	2,533	1,074
Operating profit		2,496	1,074
Finance income	5	70	61
Profit before taxation on ordinary activities		2,566	1,135
Taxation on profit on ordinary activities	6	(25)	(17)
Profit for the financial year and total comprehensive income for the year		2,541	1,118

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.

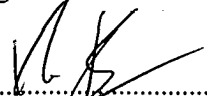
Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

BALANCE SHEET

	Notes	30 June 2019 £ m	30 June 2018 £ m
Non-current assets			
Investments in subsidiaries	7	38,050	37,272
Deferred tax assets	9	19	34
		<u>38,069</u>	<u>37,306</u>
Current assets			
Trade and other receivables	8	5,277	6,727
Cash and cash equivalents		—	—
Total assets		<u>43,346</u>	<u>44,033</u>
Current liabilities			
Trade and other payables	10	(2,619)	(2,649)
Corporate tax payable	6	(5)	(3)
		<u>(2,624)</u>	<u>(2,652)</u>
Non-current liabilities			
Post employment benefit liabilities	3	—	—
Total liabilities		<u>(2,624)</u>	<u>(2,652)</u>
Net assets		<u>40,722</u>	<u>41,381</u>
Equity			
Called up share capital	11	690	690
Share premium		9,070	9,070
Other reserves		530	530
Retained earnings		30,432	31,091
Total equity		<u>40,722</u>	<u>41,381</u>

The accounting policies and other notes on pages 13 to 49 form part of the financial statements.

These financial statements on pages 10 to 49 were approved by the Board on 20 February 2020 and were signed on its behalf by:



G Kovacs

Director

STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	Called up share capital £ m	Share premium £ m	Other reserves £ m	Retained earnings £ m	Total £ m
Balance at 30 June 2017	690	9,070	530	32,773	43,063
Profit for the financial year	—	—	—	1,118	1,118
Dividends to shareholders	—	—	—	(2,800)	(2,800)
Balance at 30 June 2018	690	9,070	530	31,091	41,381
Profit for the financial year	—	—	—	2,541	2,541
Dividends to shareholders	—	—	—	(3,200)	(3,200)
Balance at 30 June 2019	690	9,070	530	30,432	40,722

Further information about other reserves is disclosed in note 11.

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

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 measured 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 preparation of financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 79(a)(iv) (comparative information requirements);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- The following paragraphs of IAS 8, 'Accounting policies, changes in accounting estimates and errors':
 - 30 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
 - 31 (disclosures relating to the new IFRS).
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets' (disclosures when the recoverable amount is fair value less costs of disposal, assumptions involved in estimating recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives, and management's approach to determining these amounts).
- The following paragraphs of IAS 24 'Related party disclosures':
 - 17 (key management compensation);
 - 18A (key management services provided by a separate management entity).
- IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The company has taken advantage of the exemption by virtue of section 400 under Companies Act 2006, 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.

New accounting standards and interpretations

The following amendments to the accounting standards, issued by the IASB which have been endorsed by the EU, have been adopted by the group and therefore by the company from 1 July 2018 with no impact on the company's results, financial position or disclosures:

- Amendments to IAS 40 - Transfers of Investment Property;
- Amendments to IFRS 2 - Classification and Measurement of Share-based payment transactions;
- Amendments to IFRS 4 - Applying IFRS 9 with IFRS 4 Insurance contracts;
- Improvements to IFRS 1 - First-time Adoption of International Financial Reporting Standards: Deletion of short-term exemptions for first-time adopters;
- Improvements to IAS 28 - Investments in Associates and Joint Ventures: Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice;
- IFRIC 23 Uncertainty over Income Tax Treatments.

Functional and presentational currency

These financial statements are presented in sterling (£), which is the company's functional currency.

All financial information presented in sterling (£) has been rounded to the nearest million unless otherwise stated.

Finance income

Finance income is recognised in the statement of comprehensive income in the year in which it is earned.

Investments in subsidiaries

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 to reflect an impairment against the carrying value. Where an event results in the asset's recoverable amount being higher than the previously impaired carrying value, the original impairment may be reversed through the statement of comprehensive income in subsequent periods.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

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. Allowances 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 allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

Trade and other payables Trade payables are non-interest bearing and are stated at their nominal value as they are due on demand. 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. Penalties and interest on tax liabilities are included in profit before taxation.

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

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- **Investment in subsidiaries:** A critical accounting judgement is the assessment that recoverable amount of the company's investment is greater than the carrying amount.
- **Taxation:** The evaluation of deferred tax assets recoverability requires judgements to be made regarding the availability of future taxable income. The directors believe that the company will generate sufficient future taxable income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. OPERATING COSTS

	Year ended 30 June 2019 £ m	Year ended 30 June 2018 £ m
Operating costs		
Other operating income	1	—
Other operating expenses	(38)	—
	<u>(37)</u>	<u>—</u>

Other operating expense relates to the write-off of the intercompany loan receivable from GrandMet Foods (UK) Limited (a wholly owned subsidiary of the company) in the amount of £38 million in order to enable the proposed dissolution and liquidation of the subsidiary undertaking.

The auditors' remuneration of £4,000 (2018 - £4,000) 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 (2018 - £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 (2018 - £nil).

3. POST EMPLOYMENT BENEFIT LIABILITIES

The company operates the GrandMet Brewing medical plan which provides former employees with post employment benefits in respect of medical costs. The plan is unfunded. The measurement dates used to calculate the amounts recorded in the financial statement are the respective balance sheet dates.

The following assumptions were used to determine the company's deficit/surplus in its post employment plan at 30 June in the relevant year:

	Year ended 30 June 2019 %	Year ended 30 June 2018 %
Discount rate for plan liabilities	<u>2.5</u>	<u>3.5</u>
		£ m
Plan liabilities at 30 June 2019 and at 30 June 2018		<u>—</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year ended 30 June 2019 £ m	Year ended 30 June 2018 £ m
Dividend income from shares in group undertakings		
Grand Metropolitan International Holdings Limited	2,317	—
Grand Metropolitan Estates Limited	14	13
Grand Metropolitan Capital Company Limited	2	1
Diageo Great Britain Limited	200	1,060
	<u>2,533</u>	<u>1,074</u>

Dividends of £2,533 million (2018 - £1,074 million) have been settled by receiving an amount due from fellow group undertakings.

5. FINANCE INCOME

	Year ended 30 June 2019 £ m	Year ended 30 June 2018 £ m
Interest income from fellow group undertakings		
Diageo Finance plc	46	36
Lakeside MWS Limited Liability Partnership	24	25
Total finance income	<u>70</u>	<u>61</u>

Include within interest income from a fellow group undertakings is an interest receivable from Lakeside of £24 million (2018 - £25 million) (Note 7).

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION

	Year ended 30 June 2019 £ m	Year ended 30 June 2018 £ m
(a) Analysis of taxation charge for the year		
Current tax		
UK corporation tax	(10)	(8)
Adjustments in respect of prior years	—	(3)
Total current tax charge	<u>(10)</u>	<u>(11)</u>
Deferred tax		
Current year	(11)	(9)
Adjustments in respect of prior years	(5)	2
Changes in tax rates	1	1
Total deferred tax charge	<u>(15)</u>	<u>(6)</u>
Taxation on profit on ordinary activities	<u><u>(25)</u></u>	<u><u>(17)</u></u>
(b) Factors affecting total tax charge for the year		
Profit on ordinary activities before taxation	<u>2,566</u>	<u>1,135</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 19% (2018-19%)	(488)	(216)
Expenses not deductible for tax purposes	(7)	—
Items not chargeable for tax purposes	481	204
Adjustments in respect of prior periods	(5)	(1)
Deferred tax expense relating to changes in tax rates or laws	1	1
Other tax effects for reconciliation between accounting profit and tax income	(7)	(5)
Total tax charge for the year	<u><u>(25)</u></u>	<u><u>(17)</u></u>

The UK tax rate is 19% effective from 1 April 2017 which is applied for year ended 30 June 2019. A further reduction to 17% (effective from 1 April 2020) was enacted in September 2016. Deferred taxes at 30 June 2019 have been measured using these enacted tax rates (17%) and reflected in these financial statements (note 9).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES

	30 June 2019	30 June 2018
	£ m	£ m
Shares in group undertakings (i)	37,848	37,072
Loan to fellow group undertaking (ii)	202	200
	38,050	37,272

(i) Shares in group undertakings and other investments

	Subsidiaries
	£ m
Cost	
At 30 June 2018	37,075
Additions	1,780
Disposals	(1,007)
At 30 June 2019	37,848
Provisions	
At 30 June 2018	(3)
Disposals	3
At 30 June 2019 and at 30 June 2018	—
Carrying amount	
At 30 June 2019	37,848
At 30 June 2018	37,072

During the year ended 30 June 2019 Grand Metropolitan Capital Company Limited ('GMCCCL', a subsidiary undertaking of the company) reduced its share capital from £3,005 million to £2. The company owned 83.361% of the shares and Justerini & Brooks, Limited (an indirect subsidiary undertaking of the company) owned 16.639% of the shares of GMCCCL before the capital reduction. After the share capital reduction by GMCCCL, the ownership structure in GMCCCL changed to a 50% holding by the company and a 50% holding by Justerini & Brooks, Limited. The company passed 33.361% of its shareholding in GMCCCL to Justerini & Brooks, Limited, by way of a capital contribution. As a result, the investment value of GMCCCL held by the company reduced by £1,004 million, with the investment value held by the company in Justerini & Brooks, Limited increasing by the same amount.

On 17 August 2018 and on 9 April 2019 the right was granted to the company to subscribe for shares in its subsidiary, Grand Metropolitan International Holdings Limited, in the amount of £696,958,261, and in the amount of £78,835,578 respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

During the year ended 30 June 2019, it was approved by the Board to liquidate GrandMet Foods (UK) Limited, therefore the cost of the investment and the provision held against the investment, both in the amount of £3 million, were written off, resulting in either a gain nor a loss to the company. Subsequent to the year-end, on 8 October 2019 GrandMet Foods (UK) Limited was dissolved.

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 %*	Proportion of effective interest %**
Direct holdings				
<i>Subsidiary undertakings</i>				
Diageo Group Insurance Company Limited		Heritage Hall, Le Marchant Street, St Peter Port, GY1 4HY, Guernsey	100%	100%
Grand Metropolitan Estates Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Grand Metropolitan International Holdings Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
GrandMet Foods (UK) Limited	(i, xii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo DV Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Great Britain Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Healthcare Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo CL1 Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Grand Metropolitan Capital Company Limited	(xxxii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
The Pimm's Drinks Company Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
DV Technology LLC		1209 Orange Street, New Castle, Delaware 19801, United States	100%	100%
Lakeside MWS Limited Liability Partnership	(x)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom		

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
1759 Property Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Agropecuarias Las Marias I.C.A.	(xxvi)	Carretera Nacional Acarigua-Barquisimeto Casa Agropecuaria Las Marias I.C.A.S-N Sector los Guayones La Miel, Lara, Venezuela	100%	100%
AGS Employee Shares Nominees (Ireland) Designated Activity Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Allsopp (East Africa) Limited	(i)	Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	97%	48.52%
Anejos de Altura, Sociedad Anonima		0 calle 8-19 zona 9, Quetzaltenango, Quetzaltenango, Guatemala	100%	50%
Anyslam Investments	(xxv)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Arran Tradings, C.A.	(xxvi)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%
Arthur Bell & Sons Limited		Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Arthur Guinness Son & Company (Dublin)	(i)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Atalantaf Limited		Victoria Place, 5th floor 31 Victoria Street, Hamilton HM10, Bermuda	100%	100%
Ballroom Acquisition, Inc.	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Belsazar GmbH		Reeperbahn 1., 20359 Hamburg, Germany	100%	100%
Brandhouse Beverages (Pty) Limited	(i, xxv)	Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Bundaberg Distilling Company Pty. Limited	(iv)	Whitted Street, Bundaberg, QLD 4670, Australia	100%	100%
Bundaberg Distilling Investments Pty Ltd	(ii)	Level 1, 162 Blues Point Road, McMahon's Point, NSW 2060, Australia	100%	100%
California Simulcast Inc	(i, xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	80%	80%
Carillon U.K. Limited	(i, xi)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Casamigos Spirits Company LLC	(xxv)	3411, Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810, United States	100%	100%
Casamigos Tequila LLC	(xxv)	3411, Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810, United States	100%	100%
Cellarers (Wines) Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Chengdu Jianghai Trade Development Co. Limited		No. 9, Quanxing Road, Jinniu District, 610036, Chengdu, China	63.14%	63.14%
Chengdu Jiayuan Liquor Marketing Co. Limited	(i, ix)	No. 9, Quanxing Road, Jinniu District, 610036, Chengdu, China	63.14%	63.14%
Chengdu Rongshangfang Marketing Co. Limited	(ix)	Qionglai city Linqiong Industrial Park Road 318 W, 611538, China	63.14%	63.14%
Chengdu Ruijin Trade Co. Limited		No. 9, Quanxing Road, Jinniu District, 610036, Chengdu, China	63.14%	63.14%
Chengdu Swellfun Liquor Co. Limited		Qionglai city Linqiong Industrial Park Road 318 W, 611538, China	63.14%	63.14%
Chengdu Swellfun Marketing Co. Limited		Chengdu City, Jinjiang District Shuijing Street No 21, China	63.14%	63.14%
Chengdu Tengyuan Liquor Marketing Co. Limited		No. 9, Quanxing Road, Jinniu District, 610036, Chengdu, China	63.14%	63.14%
Clyde Trading C.A.	(iv, xxvi)	Av. Circunvalacion Norte (Jose Asuncion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
Copper Dog Whisky Limited		Edinburgh Park, 5 Lochside Way, Edinburgh EH12 9DT, United Kingdom	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Crescendo Australia Pty Ltd	(ii, ix)	Level 1, 162 Blues Point Road, McMahon's Point, NSW 2060, Australia	100%	100%
Cupar Trading, C.A.	(iv, xxvi)	Av. Circunvalacion Norte (Jose Asuncion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
D Distribution Joint-Stock Company	(xxvi)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	100%
D.C.L (Holdings) Australia Proprietary Limited	(i, ii)	Level 1, 162 Blues Point Road, McMahon's Point, NSW 2060, Australia	100%	100%
D/CE Holdings LLC	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	50%	50%
DEF Investments Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo (IH) Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo (Shanghai) Limited	(xxv)	No. 28, Jiafeng Road, 2502, 5, Pudong District, 200137, Shanghai, China	100%	100%
Diageo Americas Supply Quebec Distribution Inc.	(xxv)	Boul Henri-Bourassa E., 9225, Local A, Quebec, H1E 1P6, Montreal, Canada	100%	100%
Diageo Americas Supply, Inc.	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Americas, Inc.	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Angola Limitada		Rua Fernao de Sousa, Condominio Bengo, Letter A, 11.s floor, Fraction A37, neighbourhood Vila Alice, Municipality of Luanda, Province of Luanda, Angola	100%	100%
Diageo Asia Pacific Shared Services Centre Limited, Inc.	(xxv)	Lower G/F, Unit A Eight West Campus Le Grand Avenue, McKinley West Fort Bonifacio, Taguig City, NCR Fourth District, Philippines, 1630	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Atlantic B.V.		Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo Australia Limited	(ii)	Level 1, 162 Blues Point Road, McMahon's Point, NSW 2060, Australia	100%	100%
Diageo Austria GmbH	(xxv)	Teinfaltstrasse 8, 1010 Wien, Austria	100%	100%
Diageo Balkans Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Beer Company USA	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Belgium N.V.	(xxvi)	Z.3 Doornveld 150, 1731 Zellik, Belgium	100%	100%
Diageo Brands B.V.	(xxiv)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo Brands Distributors LLC	(xxvi)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	100%
Diageo Brands Nigeria Ltd	(ix)	24 Oba Akran Avenue, PMB 21071, Ikeja, Lagos, Nigeria	100%	100%
Diageo Brasil Ltda	(xxvi)	Rua Olimpiadas, 205, 14 and 15th floor, Vila Olimpia, Sao Paulo/SP, CEP 04551-000, Brazil	100%	100%
Diageo Bulgaria Ltd	(xxv)	7 Iskarsko Shose Blvd., Trade Center Europe, building 12, floor 2, 1528, Sofia, Bulgaria	100%	100%
Diageo Business Services India Private Limited	(xxvi)	Kempapura Main Road, Opp Nagawara Lake, Karle SEZ Tower, 2nd floor, Karnataka, Bangalore – 560 045, India	100%	100%
Diageo Business Services Limited		1132 Budapest, Vaci ut 20-26, Hungary	100%	100%
Diageo Canada Holdings Inc.	(xxv)	134 Peter Street, Suite 1501, Toronto, ON M5V 2H2, Canada	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Canada Inc.	(xx, xxv)	134 Peter Street, Suite 1501, Toronto, ON M5V 2H2, Canada	100%	100%
Diageo Chile Limitada	(xxvi)	Cerro El Plomo 5630 Piso 13 Las Condes, Chile	100%	100%
Diageo China Limited	(xxv)	No. 209 Gonghe Road, Tower 2, Enterprise Centre, 2101, 21, Jing'an District, 200070, Shanghai, China	100%	100%
Diageo Colombia S.A.	(xxvi)	100 street No.13 21 Office 502. Bogota, Colombia	100%	100%
Diageo Costa Rica S.A.	(xxv)	Llorente de Tibas, 1Km este del Periodico La Nacion. San Jose, Costa Rica	100%	100%
Diageo Croatia d.o.o.za usluge		Hektoroviceva ulica 2 10000 Zagreb, Croatia	100%	100%
Diageo Czech Marketing Services LLC	(xxvi)	Na Pankráci 1724/129, Postal code 140 00, Prague, Czech Republic	100%	100%
Diageo de Argentina S.A.	(xxvi)	Bernardo de Irigoyen 972, floor 7, office A, CABA, Argentina	100%	100%
Diageo Del Peru S.A.		Ciudadela Zofratana Mz. D Lt. 8,9,10,15,16 y 17 Carretera Panamericana Sur Km 13, Tacna, Peru	100%	100%
Diageo Denmark AS	(xxv)	Sundkrogsgade 21, 2100 Copenhagen, Denmark	100%	100%
Diageo Distilleries Private Limited	(v)	Block E, 2nd Floor, the MIRA, Plot 1&2, Ishwar Nagar, Mathura Road New Delhi South Delhi DL 110065, India	100%	100%
Diageo Distribution Company Limited		Lakeside Drive Park Royal London NW10 7HQ United Kingdom	100%	100%
Diageo Dominicana S.R.L		A J Aybar 204 SD, Santo Domingo, Dominican Republic	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Eire Finance & Co	(ii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Employee Ownership Program Organization		1132 Budapest, Vaci ut 20-26, Hungary	99.94%	99.94%
Diageo Espana S.A.	(xxv)	Avda. de la Victoria 32, Edificio Spirit, 28023, Madrid, Spain	100%	100%
Diageo Europe Holdings Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Export SR Inc.	(i, xxv)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634, Philippines	99.8%	99.8%
Diageo Finance US Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Financing Turkey Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo France Holdings S.A.S.	(xvi)	73, Rue de Provence 75009 Paris, France	100%	100%
Diageo France Investments S.A.S.	(xxiv)	73, Rue de Provence 75009 Paris, France	100%	100%
Diageo France S.A.S.	(xxv)	73, Rue de Provence 75009 Paris, France	100%	100%
Diageo Germany GmbH		Reeperbahn 1 20359 Hamburg, Germany	100%	100%
Diageo Global Supply IBC Limited		3rd Floor Capital House, 3 Upper Queen Street, Belfast, United Kingdom	100%	100%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo GTME Pte Ltd	(ix, xxv)	112 Robinson Road #05-01, Singapore 68902, Singapore	100%	100%
Diageo Hellas S.A.	(xxvi)	27, Agiou Thoma street, Marousi, 151 24, Athens, Greece	99.99%	99.99%
Diageo Highlands Holding B.V.		Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo Holdings Netherlands B.V.		Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo Hungary Finance Limited Liability Company	(xxviii)	1132 Budapest, Vaci ut 20-26, Hungary	100%	100%
Diageo Hungary Marketing Services Limited Liability Company		1132 Budapest, Vaci ut 20-26, Hungary	100%	100%
Diageo Inc.	(iv, xxiv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo India Private Limited	(xxvi)	Ganpatrao Kadam Marg., Piramal Towers 4, Maharashtra, Mumbai - 400 013, India	100%	100%
Diageo International Spirits Company Limited	(xviii)	31/F Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong kong	100%	100%
Diageo Investment Corporation	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Investment Holdings Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Ireland		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Finance 1 Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Finance 2 Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Ireland Finance 3 Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Finance Unlimited Company	(xxix)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Holdings Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Pension Trustee Designated Activity Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Quebec Distribution Inc.		Boul Henri-Bourassa E., 9225, Local A, Quebec, H1E 1P6, Montreal, Canada	100%	100%
Diageo Italia S.p.A.	(xxv)	Via Ernesto Lugaro 15 - 10126 - Torino, Italy	100%	100%
Diageo Jamaica Limited	(ix)	214 Spanish Town Road. P.O. Box 190. Kingston 11, Jamaica	100%	100%
Diageo Japan K.K		Nakano-ku 4-10-2, Nakano Central Park South, 17, Tokyo, Japan	100%	100%
Diageo Kazakhstan LLP.		Almaty city, Bostandik district, 050040, Timiryazev street 28 V, Kazakhstan	100%	100%
Diageo Kenya Limited		L R NO 1870/1/569, 2nd Floor, Apollo Centre, Ring Road, Parklands, Westlands, PO BOX 764 00606 Nairobi, Kenya	100%	100%
Diageo Korea Company Limited		46 Dumujae-ro, Bubal-eup, Icheon-shi, Gyeonggi-do, 17317, Icheon, South Korea	100%	100%
Diageo Latin America & Caribbean LLC	(xxv)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
Diageo Lebanon Holding SAL	(xxv)	Ibiza Building, Verdun Str., PO Box 113-5631, Beirut, Lebanon	99.8%	99.8%
Diageo Lebanon SAL	(xxv)	Beirut Symposium Bldg., 10th Floor. PO Box 113-5250, Beirut, Lebanon	85%	85%
Diageo LENA Offshore SAL	(xxv)	Ibiza Building, Verdun Str., PO Box 113-5631, Beirut, Lebanon	99.9%	99.9%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Mexico Comercializadora S.A. de C.V.		Av. Ejercito Nacional 843-B Piso 2, Torre Paseo, Acceso B, 2, 11520 Mexico D.F., Mexico	100%	100%
Diageo Mexico II SA de CV Sociedad Financiera de Objeto Multiple		Av. Ejercito Nacional 843-B Piso 2, Torre Paseo, Acceso B, 2, 11520 Mexico D.F., Mexico	100%	100%
Diageo Mexico Operaciones, S.A. de C.V.		Porfirio Diaz # 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	100%
Diageo Mexico SA de CV		Av. Ejercito Nacional 843-B Piso 2, Torre Paseo, Acceso B, 2, 11520 Mexico D.F., Mexico	100%	100%
Diageo Mozambique Lda.	(ix)	Avenida Marginal parcela 141 2do Andar - Predio da Global Alliance Caixa Postal 96 Maputo, Mozambique	100%	100%
Diageo Nederland B.V.	(xxv)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo New Zealand Limited	(ii)	123 Carlton Gore Road, Level 2, Newmarket, 1023, Auckland, New Zealand	100%	100%
Diageo North America Foundation, Inc.	(xxv)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
Diageo North America, Inc.	(iv, xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Norway AS	(xxv)	Apotekergata 10, 0180, Oslo, Norway	100%	100%
Diageo Nueva Esparta, C.A.	(i, xxvi)	Av. Circunvalacion Norte (Jose Asuncion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	99.9%	99.9%
Diageo Operations Italy S.p.A.	(xxv)	Strada Statale 63 - 12069 Santa Vittoria d'Alba - Cuneo, Italy	100%	100%
Diageo Overseas Holdings Limited	(v)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo Panama S.A.	(xxv)	Avenida la Rotonda Business Park, Torre V Piso 15, Costa del Este, Ciudad de Panama, Panama	100%	100%
Diageo Paraguay S.R.L.	(xxvi)	Avda Aviadores del Chaco 2050. Edificio World trade center, Torre 3 piso 11, Paraguay	100%	100%
Diageo Peru S.A.	(xxvi)	Víctor Andrés Belaunde 147, Via Principal 133, Interior 107, Piso 10, San Isidro, Lima, Peru	100%	100%
Diageo Philippines Free Port Inc	(i)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634, Philippines	100%	100%
Diageo Philippines, Inc	(xxv)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634, Philippines	99.99%	99.99%
Diageo Polska Sp. z o.o.	(xxv)	Warsaw, Przyokopowa Str. 31, PL 01 – 208 Warsaw, Poland	100%	100%
Diageo Portugal - Distribuidora de Bebidas, Unipessoal, Lda	(xxv)	Avenida D. Joao II, No 50, piso 2, letra D, Edificio Mar Vermelho, 1990-095, Lisboa, Portugal	100%	100%
Diageo Retirement Savings Plan Designated Activity Company		St. James's Gate, Dublin 8, Republic	100%	100%
Diageo Reunion SA	(xxvi)	14, rue Jules Thirel A30 97460 Saint Paul, La Reunion	100%	100%
Diageo RTD Hong Kong Limited	(xxv)	11 Hoi Shing Road, 11 Hoi Shing Road, Room 7, 18, Tsuen Wan, New Territories, 999077, Hong Kong	100%	100%
Diageo Scotland Investment Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Scotland Limited		Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Diageo Singapore Pte Ltd.	(xxv)	112 Robinson Road #05-01, Singapore 68902, Singapore	100%	100%
Diageo Singapore Supply Pte. Ltd.		112 Robinson Road #05-01, Singapore 68902, Singapore	100%	100%
Diageo South Africa (Pty) Limited	(xxvi)	Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%	100%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo South Africa Empowerment Trust	(xxv)	17 Greenhills Road, Elandsfontein, Germiston, 1601, South Africa	100%	100%
Diageo Southern Africa Markets (Pty) Ltd		Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%	100%
Diageo Suisse S.A.	(xxvi)	Rue du Grand-Pre 2 b CH-1007 Lausanne, Switzerland	100%	100%
Diageo Supply Marracuene Lda.		Estrada Nacional numero 1, Micanhine, Marracuene, Mozambique	100%	100%
Diageo Sweden AB	(xxv)	Gavlegatan street 22/C Stockholm 11330, Sweden	100%	100%
Diageo Taiwan Inc.	(xxv)	Panama, West Boulevard, PH ARIFA, 9th and 10th, Santa Maria Business, Panama	100%	100%
Diageo Treasury Australia LLP		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Turkey Holdings Limited	(xxiv)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo UK Turkey Finance Limited	(xxvii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo UK Turkey Holdings Limited	(v)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo UK Turkey Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Ukraine LLC	(xxvi)	Ukraine, 02152, Kyiv, 1v Pavla Tychyny avenue, office V704, Ukraine	100%	100%
Diageo United Kingdom Limited	(i, xvii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Uruguay SA	(xxv)	Av. Luis A. de Herrera, 1.248, WTC-Torre II - office 1074, Montevideo, Uruguay	100%	100%
Diageo US Holdings	(iv)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Diageo US Investments		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo US Turkey LLC		Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo USVI, Inc	(xxv)	1131 King Street, Christiansted, St. Croix, U.S. Virgin Islands 00820-4971, United States	100%	100%
Diageo Venezuela C.A	(xxvi)	Ave. San Felipe Urbanización La Castellana, Edificio Centro Coinasa, Piso 6. Caracas, 1060, Venezuela	100%	100%
Diageo Vietnam		No. 157, 21/8 Street, Phuoc My Ward, Phan Rang - Thap Cham City, Ninh Thuan Province, Vietnam	100%	100%
DIREF Industria de Bebidas, Lda-Angola JV		Rua Dom Eduardo André Muaca, S/ No, Lote C4, Angola	50.1%	50.1%
Don Julio Agavera S.A. de C.V.		Porfirio Diaz # 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	100%
Don Julio Agricultura y Servicios S.A. de C.V.		Porfirio Diaz # 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	100%
DV Paraguana, C.A.	(xxvi)	Av Intercomunal Ali Primera, Los Taques, Estado Falcón, Venezuela	100%	100%
DV Release, C.A.	(xxvi)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita; Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%
DV Trading, C.A.	(iv, xxvi)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
EABL (Tanzania) Limited	(i)	2nd Floor, East Wing TDFL Building, Ohio street. P.O. Box 32840 Dar es Salaam, Tanzania	100%	50.03%
EABL International Limited	(i)	Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	100%	50.03%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
East African Beverages (Southern Sudan) Limited		Southern Sudan African Park Hotel, Juba Town, South Sudan	99%	49.53%
East African Breweries Limited		Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	50.03%	50.03%
East African Breweries Rwanda Limited		Kimihurura, Gasabo, Umujyi was Kigali, 7130 Port Bell Luzira, Rwanda	100%	50.03%
East African Maltings (Uganda) Limited	(i)	Plot 3-17 Port Bell Road Luzira Kampala P.O. Box 7130 Kampala, Uganda	100%	50.03%
East African Maltings Limited		Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	99.99%	50.02%
Gilbeys New Zealand Limited	(ii, xxv)	80 Queen Street, Auckland, 1010, New Zealand	99.99%	99.99%
Gilbeys of Ireland (R&D) Unlimited Company	(xix)	St. James's Gate, Dublin 8, Ireland	100%	100%
Gilbeys of Ireland Unlimited Company		Nangor House, Western Estate, Nangor Road, Dublin 12, Republic of Ireland	100%	100%
Global Farming Initiative B.V.		Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Grand Metropolitan (Cayman Islands) Limited	(i)	Second Floor, Century Yard, P O Box 448GT, Cricket Square, Grand Cayman, Cayman Islands	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Guinness Canada Limited		Labatt House, Suite 299, 207 Queen's Quay West, Toronto ON, M5J 1A7, Canada	51%	51%
Guinness France Holdings S.A.S	(xxv)	73, Rue de Provence 75009 Paris, France	100%	100%
Guinness Ghana Breweries Plc		Guinness Brewery, Plot 1 Block L, Industrial Area, Kaasi, P. O. Box 1536, Kumasi, Ghana	80.4%	80.4%
Guinness Nigeria plc		24 Oba Akran Avenue, PMB 21071, Ikeja, Lagos, Nigeria	58.02%	58.02%
Guinness Overseas Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Guinness Storehouse Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Horizon Developments Limited	(i)	3 Themistokli Dervi Ave, Julia House, 1066, Nicosia, Cyprus	100%	100%
Industrias Pampero C.A.	(xxvi)	Ave. San Felipe Urbanización La Castellana, Edificio Centro Coinasa, Piso 6. Caracas, 1060, Venezuela	96.8%	96.8%
International Distillers - Zimbabwe (Private) Limited	(i, xxv)	48 Midlothian Avenue, Eastlea, Harare, Zimbabwe	100%	100%
International Distillers Uganda Limited		Plot No 1 Malt Road, Portbell Luzira P.O. Box 3221 Kampala, Uganda	100%	50.03%
Irish Ale Breweries Holdings Unlimited Company	(ii, xxv)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Irish Ale Breweries Limited	(xxv)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Islay Trading, C.A.	(xxvi)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
James Buchanan & Company Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Jiangsu Diageo Spirits Co., Limited		Room 1101, Building 3, No.68, Aoti Street, Jianye District, Nanjing City, China	100%	100%
John Haig & Company Limited		Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
John Walker and Sons Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Justerini & Brooks, Limited		61 St. James's Street, London, SW1A 1LZ, United Kingdom	100%	100%
Kenya Breweries Limited	(iv)	Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	99.99%	50.03%
Ketel One Worldwide B.V.	(iii)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	50%	50%
L4L Trading, C.A.	(xxvi)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%
Liquor Investment Llc.	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Lismore Trading, C.A.		Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%
Lochside MWS Limited Partnership	(x)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom		
Mey Alkollu Ickiler Sanayi ve Ticaret A.S	(xxv)	Büyükdere Caddesi, Bahar Sokak, River Plaza, N0:13, 25-29, Bipli, 34394, Istanbul, Turkey	100%	100%
Mey Icki Sanayi ve Ticaret A.S.	(xxv)	Büyükdere Caddesi, Bahar Sokak, River Plaza, N0:13, 25-29, Bipli, 34394, Istanbul, Turkey	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Mull Trading, C.A.	(xxvi)	Av La Hormiga con Intersección de la Carretera via Payara, C.C. Tierra Buena. Acarigua, Estado Portuguesa, Venezuela	100%	100%
Myers Rum Company (Jamaica) Limited	(i)	Lot 14, Gilbert Drive, Lakeside Park, Discovery Bay, St. Ann, Jamaica	100%	100%
National Sorghum Breweries Properties Proprietary Limited	(i, xxv)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	100%
Newshelf 1167 Proprietary Limited	(xxv)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	100%
North Island United Enterprise Holdings Inc	(i, xxv)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634, Philippines	100%	100%
Otford Estates Limited	(xxvii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Powtom 11 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 12 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 13 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 14 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 16 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 17 Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Powtom 18 Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
PT Gitaswara Indonesia	(vi)	Sudirman Plaza, Plaza Marein 15th floor, Jl. Jend Sudirman Kav.76-78, Jakarta 12910, Indonesia	100%	100%
PT Langgeng Kreasi Jayaprima		Jalan Jend. Sudirman Kav. 29-31, Gedung World Trade Center I, 16th Floor, Setiabudi, South Jakarta, 12920, Jakarta, Indonesia	80%	80%
R & A Bailey & Co		Nangor House, Western Estate, Nangor Road, Dublin, 12, Republic of Ireland	100%	100%
R&A Bailey Pension Trustee Designated Activity Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Reldann Investments No. 12 Proprietary Limited	(i, xxv)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	100%
Rum Creation & Products, Inc.	(iii)	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	50%	50%
S & B Production Limited		3rd Floor Capital House, 3 Upper Queen Street, Belfast, United Kingdom	100%	100%
Selviac Nederland B.V.	(xxiv)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Serengeti Breweries Limited	(ii, v)	Plot 117/2, Access Road, Nelson Mandela Expressway, Chang'Ombe Industrial Area, P.O. Box 41080, Dar es Salaam, Tanzania	51%	25.52%
Servicios Agavera, S.A. de C.V.		Porfirio Diaz # 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	100%
Seychelles Breweries Limited		O'Brien House, PO Box 273, Le Roucher, Mahe, Seychelles	50.4%	50.4%
Sichuan Chengdu Shuijingfang Group Co., Ltd		No. 9, Quanxing Road, Jinniu District, 610036, Chengdu City, China	100%	100%
Sichuan Swellfun Liquor Marketing Co. Limited	(i, ix, xiii)	Qionglai city Linchiung Industrial Park Management Committee 2 floor, China	63.14%	63.14%
Sichuan Swellfun Co., Ltd		No. 9, Quanxing Road, Jinniu District, Chengdu, China	63.14%	63.14%
Skye Trading, C.A.	(xxvi)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
Soh Spirits Llc		222 Cliffwood Avenue, Los Angeles, CA 90049, United States	100%	100%
Streetcar Investment Holding Pte. Ltd.		112 Robinson Road #05-01, Singapore 68902, Singapore	100%	100%
Sumagro Limited	(i)	CRB Africa Legal Attorneys, Plot 60, Ursino Street P.O. Box 32840, Dar es Salaam, Tanzania	99.99%	99.99%
Tembo Properties Limited	(i)	Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	99.98%	50.02%
The Bulleit Distillery, Inc.	(xxv)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
The Distillers Company (Biochemicals) Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
The Lochnagar Distillery Limited	(xv)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
The Pierre Smirnoff Company Limited	(iv, xxvi)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
The Pimm's Drinks Company Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Trelawny Estates Limited		7th Floor, Scotiabank Centre, Duke Street, Kingston, Jamaica	100%	100%
Turk Alkollu Icki ve Sarap Endustri Ltd.	(xxv)	Kucuk Sanayi Bölgesi 48, 99450, Sehit Mehmet Cetin Sokak Gazi Mađusa, North Cyprus	66%	66%
Tusker Football Club		Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	100%	50.03%
UDV (SJ) Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
UDV Ireland Group (Trustees) Designated Activity Company		Nangor House, Western Estate, Nangor Road, Dublin, 12, Republic of Ireland	100%	100%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Subsidiary undertakings</i>				
UDV Kenya Limited		Tusker House, Ruaraka, PO BOX 30161, 00100 Nairobi GPO, Kenya	76.85%	76.85%
Uganda Breweries Limited		Plot 3-17 Port Bell Road Luzira Kampala P.O. Box 7130 Kampala, Uganda	98.2%	49.13%
ULM Holdings Inc	(i)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634 Philippines	40%	40%
United Distillers & Vintners Philippines Inc	(i)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634. Philippines	99.99%	99.99%
United Distillers France Limited	(i)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
United Distillers France SAS		73, Rue de Provence 75009 Paris, France	100%	100%
United Distillers UK Limited	(i, xii)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
United National Breweries (SA) Proprietary Limited	(i, xxv)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	100%
Vast Fund Limited		3/F, 21 Li Yuen Street West Central, Hong Kong	100%	100%
Vietnam Spirits and Wine LTD		621 Pham Van Chi Street, District 6, Ho Chi Minh City, Vietnam	55%	55%
William Sanderson and Son Limited	(i)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Ypioca Agricola LTDA	(xxvi)	Fazenda Santa Eliza, s/n, Ceará, 62685-000, Paraipaba, Brazil	100%	100%
Ypioca industrial de Bebidas S.A.	(xxvi)	Av. Washington Soares, 1280 Ceará, 60810-350, Fortaleza, Brazil	100%	100%
Zepf Technologies UK Limited		Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Zeta Importers, C.A.	(iv, xxvi)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Associate undertakings</i>				
Anna Seed 83 Limited	(xiv)	Suites 5 & 6 Woodlands Court, Burnham Road, Beaconsfield, Buckinghamshire, United Kingdom, HP9 2SF	20%	20%
Ballindalloch Distillery LLP		Ballindalloch Castle, Ballindalloch, Banffshire AB37 9AX, United Kingdom	33.33%	33.33%
Caleno Drinks Limited		1 Orchard Road, St George, Bristol, England BS5 7HS	20%	20%
Cambridge Distillery Limited		Cambridge Distillery, 20 High Street, Grantchester, Cambridge, England CB3 9NF	33%	33%
Canbrew B.V.	(iii)	Ceresstraat 1, 4811 CA Breda, The Netherlands	28.16%	28.16%
Clarendon Distillers Limited		2nd Floor, 2-6 Grenada Crescent; Kingston 5, Jamaica	27%	27%
Compania Cervecera De Canarias, S.A.		Carrtera La Cuesta Taco Km 0.5, La Laguna, Santa Cruz De Tenerife, Spain	71.03%	20%
Conscious Drinks Ltd		44 Rectory Lane, Kings Langley, WD4 8EY, England	20%	20%
Del Professore Limited		17 Grosvenor Street, Mayfair, London, W1K 4QG, United Kingdom	20%	20%
El Bandarra S.L		Calle General Vara del Rey 5, 1 Piso, 26003 Logroño, La Rioja, Spain	25%	25%
Equal Parts, LLC	(xxxii)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	20%	20%
Gourmet Grade, Llc	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	21.57%	21.57%
Grand Street Beverages LLC	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	35%	35%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Associate undertakings</i>				
Hanoi Liquor Joint Stock Company (Halico)		94 Lo Duc Street, Pham Dinh Ho Ward, Hai Ba Trung District, Ha Noi City, Vietnam	45.57%	45.57%
House Spirits Distillery LLC	(xxv)	Diageo NA, New York; Greenwich Street, 3 World Trade Center 175, 10007, United States	32.5%	32.5%
International Brand Developers N.V.	(ii, xxv)	Citco Curacao, Schottegatweg Oost 44, Willemstad, Curacao	25%	25%
London Botanical Drinks Limited		28 Vale Road, Claygate, Esher, KT10 0NJ, England	20%	20%
Longflint Drinks Limited		1st Floor, Colina House, Colina Mews, London, N15 3HS, United Kingdom	20%	20%
Melius Drinks Ltd		64 New Cavendish Street, London W1G 8TB, United Kingdom	7.89%	7.89%
Modern Spirits, LLC	(xxv)	2459 E 8th Street, Los Angeles, California 90021, United States	20%	20%
Moet Hennessy International	(xxv)	24/32 rue Jean Goujon – 75008 Paris, France	34%	34%
Moet Hennessy, SAS	(xxv)	24/32 rue Jean Goujon – 75008 Paris, France	34%	34%
Mr Black Spirits Pty Ltd.	(xxi)	Cabel Partners, Level 5, 1 James Place, North Sydney, NSW 2060, Australia	20%	20%
Naam Som LLC	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	30%	30%
Nevada Spirits DE, LLC	(xxv)	1045 Dodge Lane Fallon, NV 89406, United States	25%	25%
New World Whisky Distillery PTY Limited		50 Bertie Street, Port Melbourne, Victoria 3207, Australia	30%	30%
Nicocktails S.R.L.		Via Tortona 15, 20144, Milan, Italy	20%	20%

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** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Associate undertakings</i>				
Pekoe B.V.	(xxii)	Wichersstraat 26, 1051 ML Amsterdam, The Netherlands	20%	20%
Ron Santiago, S.A.	(xxx)	Calle 246 y Quinta Avenida, Complejo Barlovento, Jaimanitas, Playa, La Habana, Republica de Cuba	50%	50%
Seedlip Ltd	(xiv)	Suites 5 & 6 Woodlands Court, Burnham Road, Beaconsfield, Buckinghamshire, United Kingdom, HP9 2SF	20%	20%
Stauning Whisky Holding ApS		Stauningvej 38, 6900 Skjern, Denmark	40%	40%
The Scotch Whisky Heritage Centre Limited	(v)	354 Castlehill, The Royal Mile. Edinburgh, EH1 2NE, United Kingdom	22.38%	22.38%
Tipplesworth Limited	(xxiii)	Lakeside Drive, Park Royal London, NW10 7HQ	20%	20%
Valdomino Premium Spirits, S.L.		Tomino (Pontevedra), 36750, Parroquia de Goian, Barrio de Centinela, 1, Spain	20%	20%
Zwack Unicum plc		26 Soroksari ut, Budapest, 1095, Hungary	26%	26%
<i>Joint venture undertakings</i>				
Lothian Distillers Limited		9 Wheatfield Road, Edinburgh, EH11 2PX, United Kingdom	50%	50%
North British Distillery Company Limited		9 Wheatfield Road, Edinburgh, EH11 2PX, United Kingdom	99.99%	50%
Seagram Ukraine Limited	(i, xxv)	Chervonoarmiyska Street, bld. 9/2, apt. 70, Kyiv, Ukraine	60.9%	60.9%
<i>Joint operation undertakings</i>				
Diageo Kirin Company Limited	(xxv)	Nakano-ku 4-10-2, Nakano Central Park South, 17, Tokyo, 164-0001, Japan	51%	51%
Diageo Moet Hennessy (Thailand) Limited	(viii, xxv)	No. 944, Mitrtown Office Tower, 12th Floor, Rama 4 Road, Wangmai, Pathumwan, Bangkok, 10330, Thailand	94.06%	63.02%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
Indirect holdings				
<i>Joint operation undertakings</i>				
Diageo-Moet Hennessy B.V.	(iv, xxv)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	67%	67%
Gist Dominicana S.A.	(ix, xxv)	Independencia Street, No. 129, Santiago, Dominican Republic	60.25%	60.25%
HA&COM Bebidas del Mundo, SA		Llorete de Tibas, 1Km este del Periodico La Nacion. San Jose, Costa Rica	50%	50%
Industria de Licores Internacionales S.A.	(ix, xxv)	Segunda (2da) Street, Los Platanitos, Santiago, Dominican Republic	59.71%	59.71%
MHD Moet Hennessy Diageo K.K.	(vii, xxv)	Jinbocho Mitsui Bldg, Chiyodaku, Kandajinbocho, Tokyo, Japan	100%	67%
Moet Hennessy Diageo (China) Co Ltd	(vii, xxv)	702A, Taiping Finance Tower, 488 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, China	100%	67%
Moet Hennessy Diageo Hong Kong Limited	(vii, xxv)	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	100%	67%
Moet Hennessy Diageo Macau Limited	(vii, xxv)	Unit 43 & 45, Level 20, AIA Tower, Nos 251A - 301 Avenida Comercial de Macau, Macau	100%	67%
Moet Hennessy Diageo Malaysia Sdn Bhd.	(vii, xxv)	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	100%	67%
Moet Hennessy Diageo Singapore Pte. Ltd	(vii, xxv)	83 Clemenceau Ave, #09-01 UE Square, Singapore 239920, Singapore	100%	67%
Seagram Dominicana S.A.	(ix, xxv)	Salvador Sturla Street, Ensanche Naco, Santo Domingo, Dominican Republic	60.83%	60.83%
Trafalgar Metropolitan Homes Limited	(i)	Goldsworth House, The Goldsworth Park Centre, Woking, Surrey, GU21 3LF, England	50%	50%

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

- (i) Dormant company.
- (ii) Ownership held in class of A shares.
- (iii) Ownership held in class of B shares.
- (iv) Ownership held in class of A shares and B shares.
- (v) Ownership held in equity shares and preference shares.
- (vi) Companies controlled by the group based on management's assessment.
- (vii) Operation is managed by Moët Hennessy.
- (viii) Operation is managed by Diageo.
- (ix) In liquidation.
- (x) No percentage is disclosed as Lochside MWS and Lakeside MWS Limited Liability Partnership are partnerships.
- (xi) The company was dissolved on 13 August 2019.
- (xii) The company was dissolved on 8 October 2019.
- (xiii) The company's name was changed from Sichuan Shuijingfang Jiuye Co. Limited to Sichuan Swellfun Liquor Marketing Co. Limited.
- (xiv) On 6 August 2019 further shares were acquired in Seedlip Limited and Anna Seed 83 Limited, therefore the percentage owned by the company increased to 91% and 100%, respectively.
- (xv) The company's name was changed from Diageo Distilling Limited to The Lochnagar Distillery Limited
- (xvi) The company was dissolved on 19 July 2019.
- (xvii) The company was dissolved on 14 January 2020.
- (xviii) On 12 November 2019 the company's shareholding in Diageo International Spirits Company Limited decreased to 50%.
- (xix) The company was dissolved on 4 December 2019.
- (xx) Ownership held in class of D shares.
- (xxi) On 9 July 2019 further shares were acquired in Mr Black Spirits Pty Ltd., therefore the percentage owned by the company increased to 45%.
- (xxii) On 12 July 2019, the company divested its shares in Pekoe B.V.
- (xxiii) On 27 November 2019 further shares were acquired in Tipplesworth Limited, therefore the percentage owned by the company increased to 100%.
- (xxiv) On 12 December 2019 100% of the direct ownership held by the company was transferred to Diageo Molenwerf B.V. (see 'Note 9').
- (xxv) On 12 December 2019 100% of the indirect ownership held by the company was transferred to Diageo Molenwerf B.V. (see 'Note 9').
- (xxvi) On 12 December 2019 the indirect ownership of between 0% and 99.99% held by the company was transferred to Diageo Molenwerf B.V. (see 'Note 9')
- (xxvii) The company was dissolved on 17 December 2019.
- (xxviii) On 12 December 2019 100% of the direct ownership held by the company was transferred to Tanqueray and Gordon Company Limited (see 'Note 9').
- (xxix) On 12 December 2019 100% of the indirect ownership held by the company was transferred to Tanqueray and Gordon Company Limited (see 'Note 9').
- (xxx) In August 2019, a 50% shareholding in Ron Santiago S.A. was acquired by Diageo Highlands Holding BV.

* The percentage of shares held owned by the immediate shareholder(s) of the subsidiary

** Effective percentage of shares held owned by the company

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS IN SUBSIDIARIES (continued)

(xxxi) The company owns 100% in GMCCL; 50% of the shares is directly owned, and 50% is indirectly.

(xxxii) On 19 December 2019, the company divested its shares in Equal Parts LLC.

The investments in subsidiaries 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.

(ii) Loan to fellow group undertaking

	Amounts owed by Lakeside £ m
At 30 June 2017	78
Capital contribution made during the year	236
Capital withdrawal made during the year	(114)
At 30 June 2018	<u>200</u>
Capital contribution made during the year	105
Capital withdrawal made during the year	(103)
At 30 June 2019	<u><u>202</u></u>

In June 2010, the group established a Pension Funding Partnership in which the UK Diageo Pension Scheme ('UK Scheme') acquired a limited interest, and as a partner, is entitled to a distribution of the profits of the Pension Funding Partnership each year, for 14 years. Under this structure the company, as a designated member, together with Lochside MWS Limited Partnership agreed to form Lakeside MWS Limited Liability Partnership ('Lakeside'), which was registered in the United Kingdom on 23 June 2010. The company, as a member, is entitled to a proportion of the distributed profits of Lakeside each year. During the year the company made a capital contribution of £105 million to Lakeside (2018 - £236 million) and, in line with the Partnership Agreement, excess cash of Lakeside was paid back to the company in the amount of £103million (2018 - £114 million) by withdrawing excess capital. As the distributions represent a contractual right for the company to receive cash from Lakeside, the capital contribution is shown as a loan to fellow group undertaking and the profit distribution received is presented as an interest receivable (Note 5).

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TRADE AND OTHER RECEIVABLES

	30 June 2019	30 June 2018
	£ m	£ m
Amounts owed by fellow group undertakings		
Diageo Finance plc	4,997	6,399
Grand Metropolitan Estates Limited	264	263
Diageo DV Limited	—	48
Lakeside MWS Limited Liability Partnership	16	17
	<u>5,277</u>	<u>6,727</u>

Amounts owed by fellow group undertakings are unsecured and repayable on demand. The amount owed by Diageo Finance plc of £4,997 million (2018 – £6,399 million) is interest bearing, and all other amounts owed by fellow group undertakings are interest free.

On 4 December 2018 GrandMet Foods (UK) Limited (a wholly owned subsidiary undertaking of the company) novated its intercompany loan with Grand Metropolitan Limited to Diageo DV Limited and Grand Metropolitan Estates Limited in the amount of £117,355,000 and £1,368,000 respectively. The intercompany loan receivable from Diageo DV Limited turned to a loan payable (Note 10).

9. DEFERRED TAXATION

	Tax losses
	£ m
At 30 June 2017	40
Recognised in statement of comprehensive income	(6)
At 30 June 2018	<u>34</u>
Recognised in statement of comprehensive income	(15)
At 30 June 2019	<u>19</u>

Deferred tax assets have been recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Where this is not the case, deferred tax assets have not been recognised, as set out below:

	30 June 2019	30 June 2018
	£ m	£ m
Capital losses - indefinite	<u>26</u>	<u>26</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. TRADE AND OTHER PAYABLES

	30 June 2019	30 June 2018
	£ m	£ m
Amounts owed to fellow group undertakings		
Grand Metropolitan (Cayman Islands) Limited	2,562	2,562
GrandMet Foods (UK) Limited	—	78
Diageo Investment Holdings Limited	—	9
Diageo DV Limited	52	—
Diageo Scotland Limited	5	—
	<u>2,619</u>	<u>2,649</u>

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

On 4 December 2018 GrandMet Foods (UK) Limited (a wholly owned subsidiary undertaking of the company) novated its intercompany loan with Grand Metropolitan Limited to Diageo DV Limited in the amount of £117,355,000. The intercompany loan receivable from Diageo DV Limited turned to a loan payable.

Amount owed to Diageo Scotland Limited is in respect of corporate tax paid on behalf of the company during the year, and is expected to be settled in the following financial year.

11. SHARE CAPITAL AND RESERVES

(a) Share capital

Allotted, called up and fully paid:

	30 June 2019
	£ m
2,759,144,946 (2018 - 2,759,144,946) ordinary shares of 25p each	<u>690</u>

(b) Other reserves

'Other reserves' comprise a merger reserve of £62 million, a special reserve of £426 million, a preference share redemption reserve of £12 million, and other reserve of £30 million.

The merger reserve of £62 million arose in 1992 on the issue of shares at a premium in connection with an acquisition of McGlynn Bakeries Inc.

The special reserve was created with shareholders and court approval in 1988 by a transfer from the share premium reserve.

The other reserve of £30 million was created in 1998 with shareholder and court approval, following the cancellation and reissuance of the company's shares to Diageo plc. This reserve is distributable on agreement from all creditors of the company which were existing at the date of the scheme of arrangement, or until such time these creditors cease to exist.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CONTINGENT LIABILITIES

The company issued a non-binding letter of comfort to provide sufficient funds to fellow group undertakings to enable them to continue to be accounted as going concerns, as and when required.

13. RELATED-PARTY TRANSACTIONS

Transactions between the company and its related parties are made on terms equivalent to those that prevail in arm's length transactions.

The following transactions were carried out with related parties:

Loans to related parties

At 30 June 2019, amounts owed by fellow group companies includes £202 million (2018 - £200 million) in respect of a loan provided to Lakeside MWS Limited Liability Partnership (Note 7), which is not wholly owned by the Group. In the year ended 30 June 2019, the company was entitled to an interest income of £24 million (2018 - £25 million) (Note 5). Interest receivable at 30 June 2019 from Lakeside MWS Limited Liability Partnership is £16 million (2018 - £17 million) (Note 8).

14. POST BALANCE SHEET EVENTS

On 29 November 2019, the other reserve in the amount of £530 million and an unrealized reserve in the amount of £24,200 million, included in the company's retained earnings, were capitalized through the allotment and issuance of 98,920 million additional 25 pence ordinary shares to the sole shareholder of the company. Subsequent to the allotment and issuance of the ordinary shares, the issued share capital of the company was reduced from £25,419,786,236.50 to £0.25 following the cancellation of 101,679,144,945 of the ordinary shares of £0.25 each. In addition, the share premium reserve of £9,070,257,426 was cancelled and extinguished. An equivalent value of the cancellations of the ordinary shares and the share premium reserve were credited to retained earnings.

On 10 December 2019, Grand Metropolitan International Holdings Limited, a wholly owned subsidiary of the company, paid an interim dividend of £6,511 million to the company. Subsequent to the dividend receipt, the company paid an interim dividend to its immediate parent undertaking, Diageo Holdings Limited, of £11,411 million.

On 12 December 2019, indirect wholly owned subsidiaries of the company sold Diageo Brands B.V., Diageo France Investments S.A.S., Diageo Inc., Diageo Turkey Holdings Limited and Selviac Nederland B.V. to Diageo Molenwerf BV, a fellow 100% owned group company, and Diageo Hungary Finance Limited Liability Company to Tanqueray Gordon and Company Limited, a fellow 100% owned group company. Consideration in the amount of £42,717 million relating to these transactions has been received as a dividend in specie by the company and subsequently paid as a dividend in specie in the amount of £42,717 million to Diageo Holdings Limited, the company's parent company. These transactions will result in an impairment charge against the company's investment in Grand Metropolitan International Holdings Limited.

Grand Metropolitan Limited
Registered number: 00291848
Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Diageo Holdings Limited, 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.