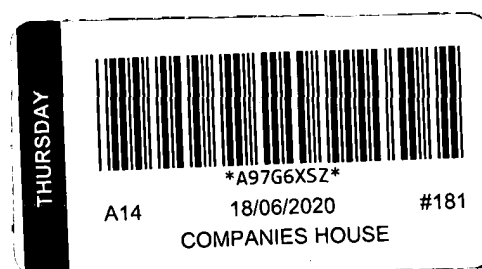


Grand Metropolitan International Holdings Limited

Annual report and financial statements

30 June 2019

Registered number: 00970624



Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

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Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

STRATEGIC REPORT

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

Activities

The principle activity of the company is to act as an investment holding company for the Diageo group ("the group").

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

Income from shares in group and associate undertakings increased by £2,332,168,000 from £nil in the year ended 30 June 2018 to £2,332,168,000 in the year ended 30 June 2019.

On 17 August 2018, the company acquired 99,127,820 shares in Sichuan Swellfun Co., Ltd ("SJF") for a total consideration of RMB 6,084,305,053 (£695,769,611), representing a 20.29% equity shareholding in SJF. On 9 April 2019, the company completed the purchase of a further 15,341,956 shares, representing 3.14% of the share capital of SJF for RMB 690,388,020 (£78,592,181), which took the company's shareholding in SJF from 20.29% to 23.43%.

The company owns shares in SJF, which company's shares are publicly traded in China. The share price decreased significantly during the financial year, resulting in a provision for impairment to be recognized in the amount of £107,234,000 (2018 - £nil).

On 17 August 2018 and 9 April 2019, the directors were authorised to allot shares in the company and granted the right to Grand Metropolitan Limited, the immediate parent undertaking, to subscribe for shares in the amount of £696,958,261 and £78,835,578, respectively.

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.

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

STRATEGIC REPORT (continued)

Business review (continued)

Principal risks and uncertainties facing the company as at 30 June 2019

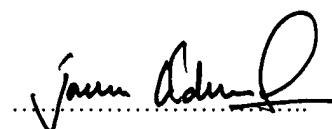
The company believes the following to be the principal risks and uncertainties it faces. If any of these risks occur, the company's business, financial condition and operational results could suffer. As the company forms part of the group's financial operations, the financial risk management measures 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.

One company-specific risk has been identified, which is the recoverability of the company's investment in subsidiaries.

By order of the board



J M C Edmunds
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

29 April 2020

Grand Metropolitan International Holdings Limited
Registered number: 00970624
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 2-3.

The company is expected 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 £2,222,151,000 (2018 - loss of £31,000 transferred from reserves).

Dividends paid during the year ended 30 June 2019 and 30 June 2018 were £2,317,177,000 and £nil, respectively and there is no dividend proposed to be distributed to the shareholders in regards to the financial year (2018 - £nil). Subsequent to year-end, the company received dividends of £6,511,000,000 and £42,716,800,000, additionally, the company proposed and distributed dividends of £6,511,000,000 and £42,716,800,000. These have not been included as a liability as it was not approved before the balance sheet date. Additional details are disclosed in the Post balance sheet event note of these financial statements.

Directors

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

E A Brown (resigned 28 September 2018)

J M C Edmunds (appointed 1 August 2018)

D F Harlock (resigned 1 August 2018)

G Kovacs (appointed 1 August 2018)

A Mahler (resigned 1 August 2018)

K E Major (appointed 28 September 2018)

P Viswanathan (appointed 4 December 2019)

Grand Metropolitan International Holdings Limited**Registered number: 00970624****Year ended 30 June 2019****DIRECTORS' REPORT (continued)****Directors' remuneration**

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

Directors' indemnity

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

Post balance sheet events

On 29 November 2019, the share capital of the company was reduced from 102,816,047 ordinary shares to one ordinary share of £1 by cancellation of 102,816,046 of the unclassified shares of £1 each in issue. The share premium in the amount of £14,828,664,256 was cancelled and extinguished. The equivalent amounts of shares cancelled and the share premium were credited to the retained earnings.

On 10 December 2019, UDV (SJ) Limited, a wholly owned subsidiary of the company, paid an interim dividend in the amount of £6,511,000,000 to the company. Subsequent to the dividend receipt, the company paid an interim dividend to its immediate parent undertaking, Grand Metropolitan Limited in the amount of £6,511,000,000.

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 £42,716,800,000 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 £42,716,800,000 to Grand Metropolitan Limited, the company's parent company. These transactions will result in an impairment charge in the year ending 30 June 2020 against the company's investment in UDV (SJ) Limited.

At the beginning of calendar year 2020 a new coronavirus, referred to as 'COVID-19', emerged and has been classified as a pandemic due to its spread across the world. Given the global nature of the COVID-19 pandemic, and the uncertainty as to the severity and duration of the impact across multiple markets, it is difficult to accurately assess the impact the virus will have on the future financial performance of the company, although it is expected that the pandemic will not affect the ability of the group to operate as a going concern. On 9 April 2020 Diageo plc, the ultimate parent of the Company, issued an announcement relating to the impact of the COVID-19 outbreak. The announcement emphasised that the group has a strong balance sheet and is taking actions to maintain good liquidity of the group and will invest prudently to ensure that it is strongly positioned for a recovery in consumer demand. The directors are therefore comfortable that the group is able to provide support for a period of at least 12 months from the date of the signed financial statements, should it be required.

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.

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

DIRECTORS' REPORT (continued)

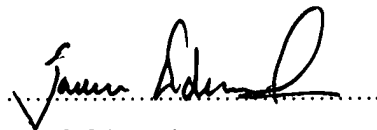
Auditors

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

Disclosure of information to the auditors

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

By order of the board

A handwritten signature in black ink, appearing to read 'J M C Edmunds', is written over a horizontal dotted line.

J M C Edmunds
Director

Lakeside Drive
Park Royal
London
NW10 7HQ

29 April 2020

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

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 International Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Grand Metropolitan International Holdings 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 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.



Christopher Richmond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 April 2020

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
Operating costs	2	(68)	—
Income from shares in group undertakings	3	2,317,177	—
Income from shares in associate undertakings	3	14,991	—
Provision against associate undertakings	6	(107,234)	—
Operating profit		2,224,866	—
Net finance charges	4	(1,216)	(31)
Profit/(loss) before taxation on ordinary activities		2,223,650	(31)
Taxation on profit/(loss) on ordinary activities	5	(1,499)	—
Profit/(loss) for the financial year and total comprehensive income for the year		2,222,151	(31)

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.

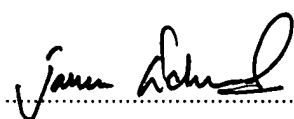
Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

BALANCE SHEET

	Notes	30 June 2019 £ 000	30 June 2018 £ 000
Non-current assets			
Investments in subsidiaries	6	14,529,538	14,529,538
Investments in associates	6	667,128	—
		<u>15,196,666</u>	<u>14,529,538</u>
Current assets			
Trade and other receivables	7	13,492	—
Cash and cash equivalents		117	140,639
		<u>13,609</u>	<u>140,639</u>
Total assets		<u>15,210,275</u>	<u>14,670,177</u>
Current liabilities			
Trade and other payables	8	—	(140,670)
Net assets		<u>15,210,275</u>	<u>14,529,507</u>
Equity			
Called up share capital	9	102,816	102,815
Share premium	9	14,828,664	14,052,871
Retained earnings		278,795	373,821
Total equity		<u>15,210,275</u>	<u>14,529,507</u>

The accounting policies and other notes on pages 13 to 41 form part of the financial statements.

These financial statements on pages 10 to 41 were approved by the Board on 29 April 2020 and were signed on its behalf by:



J M C Edmunds
Director

Grand Metropolitan International Holdings Limited**Registered number: 00970624****Year ended 30 June 2019****STATEMENT OF CHANGES IN EQUITY****ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

	Called up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
Balance at 30 June 2017	<u>102,815</u>	<u>14,052,871</u>	<u>373,852</u>	<u>14,529,538</u>
Loss for the financial year	<u>—</u>	<u>—</u>	<u>(31)</u>	<u>(31)</u>
Balance at 30 June 2018	<u>102,815</u>	<u>14,052,871</u>	<u>373,821</u>	<u>14,529,507</u>
Profit for the financial year	<u>—</u>	<u>—</u>	<u>2,222,151</u>	<u>2,222,151</u>
Shares issued	<u>1</u>	<u>775,793</u>	<u>—</u>	<u>775,794</u>
Dividends to shareholders	<u>—</u>	<u>—</u>	<u>(2,317,177)</u>	<u>(2,317,177)</u>
Balance at 30 June 2019	<u>102,816</u>	<u>14,828,664</u>	<u>278,795</u>	<u>15,210,275</u>

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

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

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).
- The following paragraphs of IAS 24 'Related party disclosures':
 - 17 (key management compensation);
 - 18A (key management services provided by a separate management entity);
- 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);
- 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.

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.

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

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 (£), which is the company's functional currency.

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

Finance income/costs

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

Investments in subsidiaries and associates

Investments in subsidiaries and associates 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..

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities

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

Cash and cash equivalents Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

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.

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.

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

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.

Critical accounting estimates and assumptions

The company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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

- Investment in subsidiaries and associates : A critical accounting estimate 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 estimates to be made regarding the availability of future taxable income. The directors believe that the company will generate sufficient future taxable income.

2. OPERATING COSTS

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
Operating costs		
Other operating expenses	(68)	—
	<u>(68)</u>	<u>—</u>

Other operating expenses include administrative costs in respect of the acquisition of SJF in the amount of £68,000 (2018 - £nil).

The auditors' remuneration of £3,000 (2018 - £3,000) 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).

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. INCOME FROM SHARES IN GROUP AND ASSOCIATE UNDERTAKINGS

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
Dividend income from shares in group undertakings		
UDV (SJ) Limited	2,317,177	—
	<u>2,317,177</u>	<u>—</u>
Dividend income from associate undertakings		
Sichuan Swellfun Co., Ltd	14,991	—
	<u>14,991</u>	<u>—</u>

Net dividend income from associate investment of £13,492,000 (2018 - £nil) is due by receiving amounts due from associate undertaking (see note 7). Withholding tax suffered in respect of the dividend receipt amounted to £1,499,000 (2018 - £nil).

4. FINANCE INCOME AND CHARGES

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
Net interest		
Other interest income	87	—
Total interest income	<u>87</u>	<u>—</u>
Interest charge on bank loans and overdrafts	—	(31)
Interest charge to fellow group undertakings		
Diageo Finance plc	(1,303)	—
Total interest charges	<u>(1,303)</u>	<u>—</u>
Net finance charges	<u>(1,216)</u>	<u>(31)</u>

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TAXATION

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
(a) Analysis of taxation for the year		
Current tax		
Overseas corporation tax	(1,499)	—
Total current tax	(1,499)	—
Deferred tax	—	—
Taxation on profit/(loss) on ordinary activities	<u>(1,499)</u>	<u>—</u>
(b) Factors affecting total tax for the year		
Profit/(loss) on ordinary activities before taxation	<u>2,223,650</u>	<u>(31)</u>
Taxation on profit/(loss) on ordinary activities at UK corporation tax rate of 19% (2018 - 19%)	(422,494)	6
Expenses not deductible for tax purposes	(20,387)	—
Income not taxable	443,112	—
Group relief surrendered for nil consideration	(231)	(6)
Overseas corporation tax	(1,499)	—
Total tax charge for the year	<u>(1,499)</u>	<u>—</u>

The UK tax rate is 19% effective from 1 April 2017 which is applied for the year ended 30 June 2019. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Grand Metropolitan International Holdings Limited
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Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS

Shares in subsidiary and associate undertakings

	Subsidiaries	Associates	Total
	£ 000	£ 000	£ 000
Cost			
At 30 June 2018	14,529,538	—	14,529,538
Additions	—	774,362	774,362
At 30 June 2019	14,529,538	774,362	15,303,900
Provisions			
At 30 June 2018	—	—	—
Provided	—	(107,234)	(107,234)
At 30 June 2019	—	(107,234)	(107,234)
Carrying amount			
At 30 June 2019	14,529,538	667,128	15,196,666
At 30 June 2018	14,529,538	—	14,529,538

During the year the company acquired 23.43% shareholding in Sichuan Swellfun Co., Ltd ("SJF") for a total consideration of RMB 6,774,693,073 (£774,361,792).

During the year the company recognised a provision of £107,234,000 in respect of its investment in SJF (2018 - £nil).

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>				
UDV (SJ) Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
<i>Associate undertakings</i>				
Sichuan Swellfun Co., Ltd	(xv)	No. 9 Quanxing Road, Jinniu District, 610036, Chengdu City, China	63.14%	63.14%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
<i>Indirect holdings</i>				
<i>Subsidiary undertakings</i>				
1759 Property Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Agropecuarias Las Marias I.C.A.	(xx)	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	(xix)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Arran Tradings, C.A.	(xx)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos; estado Carabobo, Venezuela	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.	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Brandhouse Beverages (Pty) Limited	(i, xix)	Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%	49%
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%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited
Registered number: 00970624
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
California Simulcast Inc	(i, xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	80%	80%
Carillon U.K. Limited	(i, xii)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%	100%
Casamigos Spirits Company LLC	(xix)	3411, Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810	100%	100%
Casamigos Tequila LLC	(xix)	3411, Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810	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, x)	No. 9, Quanxing Road, Jinniu District, 610036, Chengdu, China	63.14%	63.14%
Chengdu Rongshangfang Marketing Co. Limited	(x)	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, 610011, PRC, 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, xx)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
Crescendo Australia Pty Ltd	(ii, x)	Level 1, 162 Blues Point Road, McMahon's Point, NSW 2060, Australia	100%	100%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

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Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Cupar Trading, C.A.	(iv, xx)	Av. Circunvalacion Norte (Jose Asunion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
D Distribution Joint-Stock Company	(xx)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	100%
D/CE Holdings LLC	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	50%	50%
DEF Investments Limited	(x)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo (Shanghai) Limited	(xix)	No. 28, Jiafeng Road, 2502, 5, Pudong District, Shanghai, China	100%	100%
Diageo Americas Supply Quebec Distribution Inc.	(xix)	Boul Henri-Bourassa E., 9225, Local A, Quebec, H1E 1P6, Montreal, Canada	100%	100%
Diageo Americas Supply, Inc.	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Americas, Inc.	(xix)	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	50%	50%
Diageo Asia Pacific Shared Services Centre Limited, Inc.	(xix)	Lower G/F, Unit A Eight West Campus Le Grand Avenue, Mckinley West Fort Bonifacio, Taguig City, NCR Fourth District, Philippines, 1630	100%	100%
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%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Austria GmbH	(xix)	Teinfaltstrasse 8, 1010 Wien, Austria	100%	100%
Diageo Beer Company USA	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Belgium N.V.	(xx)	Z.3 Doornveld 150, 1731 Zellik, Belgium	100%	100%
Diageo Brands B.V.	(xviii)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo Brands Distributors LLC	(xx)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	100%
Diageo Brands Nigeria Ltd	(x)	24 Oba Akran Avenue, PMB 21071, Ikeja, Lagos, Nigeria	100%	100%
Diageo Brasil Ltda	(xx)	Rua Olimpiadas, 205, 14 and 15th floor, Vila Olimpia, Sao Paulo/SP, CEP 04551-000, Brazil	100%	100%
Diageo Bulgaria Ltd	(xix)	7 Iskarsko Shose Blvd., Trade Center Europe, building 12, floor 2, 1528, Sofia, Bulgaria	100%	100%
Diageo Business Services India Private Limited	(xx)	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.	(xix)	134 Peter Street, Suite 1501, Toronto, ON M5V 2H2, Canada	100%	100%
Diageo Canada Inc.	(v, xix)	134 Peter Street, Suite 1501, Toronto, ON M5V 2H2, Canada	100%	100%
Diageo Chile Limitada	(xx)	Cerro El Plomo 5630 Piso 13 Las Condes, Chile	100%	100%
Diageo China Limited	(xix)	No. 209 Gonghe Road, Tower 2, Enterprise Centre, 2101, 21, Jing'an District, 200070, Shanghai, China	100%	100%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited
Registered number: 00970624
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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Colombia S.A.	(xx)	100 street No.13 21 Office 502, Bogota, Colombia	100%	100%
Diageo Costa Rica S.A.	(xix)	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	(xx)	Na Pankráci 1724/129, Postal code 140 00, Prague, Czech Republic	100%	100%
Diageo de Argentina S.A.	(xx)	Bernardo de Irigoyen 972, floor 7, office A, CABA, Argentina	100%	100%
Diageo Del Peru S.A.		Ciudadela Zofratacna Mz. D Lt. 8,9,10,15,16 y 17 Carretera Panamericana Sur Km 13, Tacna, Peru	100%	100%
Diageo Denmark AS	(xix)	Sundkrogsgade 21, 2100 Copenhagen, Denmark	100%	100%
Diageo Distilleries Private Limited	(vi)	Block E, 2nd Floor, the MIRA, Plot 1&2, Ishwar Nagar, Mathura Road New Delhi South Delhi DL 110065, India	100%	100%
Diageo Dominicana S.R.L		A J Aybar 204 SD, Santo Domingo, Dominican Republic	100%	100%
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.	(xix)	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, xix)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 3 1st 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%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited
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Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Financing Turkey Limited		Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo France Holdings S.A.S.	(xi)	73, Rue de Provence 75009 Paris, France	100%	100%
Diageo France Investments S.A.S.	(xviii)	73, Rue de Provence 75009 Paris, France	100%	100%
Diageo France S.A.S.	(xix)	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%
Diageo GTME Pte Ltd	(x, xix)	112 Robinson Road #05-01, Singapore 68902, Singapore	100%	100%
Diageo Hellas S.A.	(xx)	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	(xxiii)	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, xviii)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo India Private Limited	(xx)	Ganpatrao Kadam Marg., Piramal Towers 4, Maharashtra, Mumbai - 400 013, India	100%	100%
Diageo Investment Corporation	(xix)	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%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

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NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
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	(xvi)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Finance 3 Unlimited Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo Ireland Finance Unlimited Company	(xxiv)	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.	(xix)	Via Ernesto Lugaro 15 - 10126 - Torino, Italy	100%	100%
Diageo Jamaica Limited	(x)	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	(xix)	801 Main Avenue - Norwalk, CT 06851, United States	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 directly and indirectly

Grand Metropolitan International Holdings Limited**Registered number: 00970624****Year ended 30 June 2019****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Lebanon Holding SAL	(xix)	Ibiza Building, Verdun Str., PO Box 113-5631, Beirut, Lebanon	99.98%	99.98%
Diageo Lebanon SAL	(xix)	Beirut Symposium Bldg., 10th Floor. PO Box 113-5250, Beirut, Lebanon	85%	85%
Diageo LENA Offshore SAL	(xix)	Ibiza Building, Verdun Str., PO Box 113-5631, Beirut, Lebanon	99.9%	99.9%
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, E.N.R.		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.	(x)	Avenida Marginal parcela 141 2do Andar - Predio da Global Alliance Caixa Postal 96 Maputo, Mozambique	100%	100%
Diageo Nederland B.V.	(xix)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Diageo North America Foundation, Inc.	(xix)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
Diageo North America, Inc.	(iv, xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	100%	100%
Diageo Norway AS	(xix)	Apotekergata 10, 0180, Oslo, Norway	100%	100%
Diageo Nueva Esparta, C.A.	(i, xx)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	99.9%	99.9%
Diageo Operations Italy S.p.A.	(xix)	Strada Statale 63 - 12069 Santa Vittoria d'Alba - Cuneo, Italy	100%	100%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

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NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Overseas Holdings Limited	(vi)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Panama S.A.	(xix)	Avenida la Rotonda Business Park, Torre V Piso 15, Costa del Este, Ciudad de Panama, Panama	100%	100%
Diageo Paraguay S.R.L.	(xx)	Avda Aviadores del Chaco 2050. Edificio World trade center. Torre 3 piso 11, Paraguay	100%	100%
Diageo Peru S.A.	(xx)	Víctor Andrés Belaunde 147, Vía 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	(xix)	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.	(xix)	Warsaw, Przyokopowa Str. 31, PL 01 – 208 Warsaw, Poland	100%	100%
Diageo Portugal - Distribuidora de Bebidas, Unipessoal, Lda	(xix)	Avenida D. Joao II, No 50, piso 2, letra D, Edificio Mar Vermelho, 1990-095, Lisboa, Portugal	100%	100%
Diageo Reunion SA	(xx)	14, rue Jules Thirel A30 97460 Saint Paul, La Reunion	100%	100%
Diageo RTD Hong Kong Limited	(xix)	11 Hoi Shing Road, 11 Hoi Shing Road, Room 7, 18, Tsuen Wan, New Territories, 999077, Hong Kong	100%	100%
Diageo Singapore Pte Ltd.	(xix)	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	(xx)	Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	49%	49%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited**Registered number: 00970624****Year ended 30 June 2019****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Southern Africa Markets (Pty) Limited		Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	50%	50%
Diageo South Africa Empowerment Trust	(xix)	17 Greenhills Road, Elandsfontein, Germiston, 1601, South Africa	100%	49%
Diageo Suisse S.A.	(xx)	Rue du Grand-Pre 2 b CH-1007 Lausanne, Switzerland	54.87%	54.87%
Diageo Supply Marracuene Lda.		Estrada Nacional numero 1, Micanhine, Marracuene, Mozambique	100%	100%
Diageo Sweden AB	(xix)	Gavlegatan street 22/C Stockholm 11330, Sweden	100%	100%
Diageo Taiwan Inc.	(xix)	Panama, West Boulevard, PH ARIFA, 9th and 10th, Santa Maria Business, Panama	100%	100%
Diageo Treasury Australia LLP	(x)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo Turkey Holdings Limited	(xviii)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Diageo UK Turkey Finance Limited	(xiv)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%	100%
Diageo UK Turkey Holdings Limited	(vi)	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	(xx)	Ukraine, 02152, Kyiv, 1v Pavla Tychyny avenue, office V704, Ukraine	100%	100%
Diageo Uruguay SA	(xix)	Av. Luis A. de Herrera, 1.248, WTC- Torre II - office 1074, Montevideo, Uruguay	100%	100%
Diageo US Holdings	(iv, xxviii)	Lakeside Drive, Park Royal, London, NW10 7HQ, 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 directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</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	(xix)	1131 King Street, Christiansted, St. Croix, U.S. Virgin Islands 00820-4971, United States	100%	100%
Diageo Venezuela C.A	(xx)	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.	(xx)	Av Intercomunal Ali Primera, Los Taques, Estado Falcón, Venezuela	100%	100%
DV Release, C.A.	(xx)	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, xx)	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%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
EABL International Limited	(i)	Tusker House, Ruaraka, PO Box 30161, 00100 Nairobi GPO, Kenya	100%	50.03%
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, xix)	80 Queen Street, Auckland, 1010, New Zealand	99.99%	99.99%
Gilbeys of Ireland (R&D) Unlimited Company	(xiii)	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%
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	(xix)	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%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
Diageo Retirement Savings Plan Designated Activity Company		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Guinness Storehouse Limited		St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Industrias Pampero C.A.	(xx)	Ave. San Felipe Urbanización La Castellana, Edificio Centro Coinasa, Piso 6. Caracas, 1060, Venezuela	96.8%	96.8%
International Distillers - Zimbabwe (Private) Limited	(i, xix)	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, xix)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Irish Ale Breweries Limited	(xix)	St. James's Gate, Dublin 8, Republic of Ireland	100%	100%
Islay Trading, C.A.	(xx)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos; estado Carabobo, Venezuela	100%	100%
Kenya Breweries Limited	(iv)	Tusker House, Ruaraka, PO Box 30161, 00100 Nairobi GPO, Kenya	100%	50.03%
Ketel One Worldwide B.V.	(iii)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	50%	50%
L4L Trading, C.A.	(xx)	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.	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	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 directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
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%
Mey Alkollu Ickiler Sanayi ve Ticaret A.S	(xix)	Büyükdere Caddesi, Bahar Sokak, River Plaza, N0:13, 25-29, Beşiktaş, 34394, Istanbul, Turkey	100%	100%
Mey Icki Sanayi ve Ticaret A.S.	(xix)	Büyükdere Caddesi, Bahar Sokak, River Plaza, N0:13, 25-29, Beşiktaş, 34394, Istanbul, Turkey	100%	100%
Mull Trading, C.A.	(xx)	Av La Hormiga con Intersección de la Carretera via Payara, C.C. Tierra Buena. Acarigua. Estado Portuguesa, Venezuela	100%	100%
National Sorghum Breweries Properties Proprietary Limited	(i, xix)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	49%
Newshelf 1167 Proprietary Limited	(xix)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	49%
North Island United Enterprise Holdings Inc	(i, xix)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st street Bonifacio Global City, Taguig City, 1634, Philippines	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%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
PT Gitaswara Indonesia	(vii)	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	(xvii)	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, xix)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	49%
Rum Creation & Products, Inc.	(iii)	OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	50%	50%
Selviac Nederland B.V.	(xviii)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	100%
Serengeti Breweries Limited	(ii, vi)	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, ii, x, xxvi)	Qionglai city Linchiung Industrial Park Management Committee 2 floor, China	63.14%	63.14%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
UDV Kenya Limited		Tusker House, Ruaraka, PO Box 30161, 00100 Nairobi GPO, Kenya	46.32%	23.17%
ULM Holdings Inc.	(i)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	40%	40%
Skye Trading, C.A.	(xx)	Calle 1 con calle Calle 1 Este; Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	100%
Soh Spirits Llc	(xix)	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.	(xix)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
The Pierre Smirnoff Company Limited	(iii, xx)	801 Main Avenue - Norwalk, CT 06851, United States	100%	100%
Turk Alkollu Icki ve Sarap Endustri Ltd.	(xix)	Sehit Mehmet Cetin Sokak, Kucuk Sanayi Bolgesi 48, 99450, Gazi Magusa, North Cyprus	66%	66%
Tusker Football Club		Tusker House, Ruaraka, PO Box 30161, 00100 Nairobi GPO, Kenya	100%	50.03%
UDV Ireland Group (Trustees) Designated Activity Company		Nangor House, Western Estate, Nangor Road, Dublin, 12, Republic of Ireland	100%	100%
Uganda Breweries Limited		Plot 3-17 Port Bell Road Luzira Kampala P.O. Box 7130 Kampala, Uganda	98.2%	49.13%
United National Breweries (SA) Proprietary Limited	(i, xix)	Gallagher House, Gallagher Estate, Richards Drive, Midrand 1685, South Africa	100%	49%

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Subsidiary undertakings (continued)</i>				
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%
Ypioca Agricola LTDA	(xx)	Fazenda Santa Eliza, s/n, Ceará, 62685-000, Paraipaba, Brazil	100%	100%
Ypioca industrial de Bebidas S.A.	(xx)	Av. Washington Soares, 1280 Ceará, 60810-350, Fortaleza, Brazil	100%	100%
Zeta Importers, C.A.	(iv, xx)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	100%
<i>Associate undertakings</i>				
Canbrew B.V.	(iii)	Ceresstraat 1, 4811 CA Breda, The Netherlands	28.16%	28.16%
Compania Cervecera De Canarias, S.A.		Carrtera La Cuesta Taco Km 0.5. La Laguna, Santa Crus De Tenerife, Spain	71.03%	20%
Equal Parts, LLC	(xxv)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	20%	20%
Gourmet Grade, Llc	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	21.57%	21.57%
Grand Street Beverages LLC	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	35%	35%
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	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	32.5%	32.5%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Associate undertakings (continued)</i>				
International Brand Developers N.V.	(ii, xix)	Citco Curacao, Schottegatweg Oost 44, Willemstad, Curacao	25%	25%
Modern Spirits, Llc	(xix)	2459 E 8th Street, Los Angeles, California 90021, United States	20%	20%
Moet Hennessy International	(xix)	24/32 rue Jean Goujon – 75008 Paris, France	34%	34%
Moet Hennessy, SAS	(xix)	24/32 rue Jean Goujon – 75008 Paris, France	34%	34%
Naam Som LLC	(xix)	Diageo NA, New York, Greenwich Street, 3 World Trade Center 175, 10007, United States	30%	30%
Nevada Spirits DE, LLC	(xix)	1045 Dodge Lane Fallon, NV 89406, United States	25%	25%
Ron Santiago S.A.	(xxvii)	Calle 246 y Quinta Avenida, Complejo Barlovento, Jaimanitas, Playa, La Habana, Republica de Cuba	50%	50%
Zwack Unicum plc		26 Soroksari ut, Budapest, 1095, Hungary	26%	26%
<i>Joint venture undertakings</i>				
Seagram Ukraine Limited	(i, xix)	Chervonoarmiyska Street, bld. 9/2, apt. 70, Kyiv, Ukraine	60.9%	60.9%
<i>Joint operation undertakings</i>				
Diageo Kirin Company Limited	(xix)	Nakano-ku 4-10-2, Nakano Central Park South, 17, Tokyo, 164-0001, Japan	51%	51%
Diageo Moet Hennessy (Thailand) Limited	(ix, xix)	No. 944, Mitrtown Office Tower, 12th Floor, Rama 4 Road, Wangmai, Pathumwan, Bangkok, 10330, Thailand	94.06%	63.02%
Diageo-Moet Hennessy B.V.	(iv, xix)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	67%	67%
Gist Dominicana S.A.	(x, xix)	Independencia Street, No. 129, Santiago, Dominican Republic	60.25%	60.25%
HA&COM Bebidas del Mundo, SA	(xix)	Llorente de Tibas, 1Km este del Periodico La Nacion. San Jose, Costa Rica	50%	50%
Industria de Licores Internacionales S.A.	(x)	Segunda (2da) Street, Los Platanitos, Santiago, Dominican Republic	59.71%	59.71%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)**6. INVESTMENTS (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %	Proportion of effective interest %**
<i>Indirect holdings (continued)</i>				
<i>Joint operation undertakings (continued)</i>				
MHD Moet Hennessy Diageo K.K.	(viii, xix)	Jinbocho Mitsui Bldg, Chiyodaku, Kandajinbocho, Tokyo, Japan	100%	67%
Moet Hennessy Diageo (China) Co Ltd	(viii, xix)	702A, Taiping Finance Tower, 488 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone, China	100%	67%
Moet Hennessy Diageo Hong Kong Limited	(viii, xix)	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	100%	67%
Moet Hennessy Diageo Macau Limited	(viii, xix)	Unit 43 & 45, Level 20, AIA Tower, Nos 251A - 301 Avenida Comercial de Macau, Macau	100%	67%
Moet Hennessy Diageo Malaysia Sdn Bhd.	(viii, xix)	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	(viii, xix)	83 Clemenceau Ave, #09-01 UE Square, Singapore 239920, Singapore	100%	67%
Seagram Dominicana S.A.	(x, xix)	Salvador Sturla Street, Ensanche Naco, Santo Domingo, Dominican Republic	60.83%	60.83%

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**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS (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 class of D shares.
- (vi) Ownership held in equity shares and preference shares.
- (vii) Companies controlled by the group based on management's assessment.
- (viii) Operation is managed by Moët Hennessy.
- (ix) Operation is managed by Diageo.
- (x) In liquidation.
- (xi) The company was dissolved on 19 July 2019.
- (xii) The company was dissolved on 13 August 2019.
- (xiii) The company was dissolved on 4 December 2019.
- (xiv) The company was dissolved on 17 December 2019.
- (xv) 23.43% held directly, 39.71% held indirectly.
- (xvi) Strike-off listed.
- (xvii) Ownership held in class of B, C and D shares.
- (xviii) On 12 December 2019 100% of the direct ownership held by the company was transferred to Diageo Molenwerf B.V. (see note 10).
- (xix) On 12 December 2019 100% of the indirect ownership held by the company was transferred to Diageo Molenwerf B.V. (see note 10).
- (xx) 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 10).
- (xxi) Ownership held in class of A shares by the company from 12 December 2019 (see note 10).
- (xxii) Ownership held in class of B shares by the company from 12 December 2019 (see note 10).
- (xxiii) On 12 December 2019 100% of the direct ownership held by the company was transferred to Tanqueray and Gordon Company Limited (see note 10).
- (xxiv) On 12 December 2019 100% of the indirect ownership held by the company was transferred to Tanqueray and Gordon Company Limited (see note 10).
- (xxv) On 19 December 2019, the company divested its shares in Equal Parts LLC.
- (xxvi) The company's name was changed from Sichuan Shuijingfang Jiuye Co. Limited to Sichuan Swellfun Liquor Marketing Co. Limited.
- (xxvii) In August 2019, a 50% shareholding in Ron Santiago S.A. was acquired by Diageo Highlands Holding BV.
- (xxviii) On 9 April 2020 100% of the indirect ownership held by the company was transferred to Tanqueray and Gordon Company Limited.

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 and associate undertakings are worth at least the amount at which they are stated in the financial statements.

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

**Effective percentage of shares held owned by the company directly and indirectly

Grand Metropolitan International Holdings Limited
Registered number: 00970624
Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. TRADE AND OTHER RECEIVABLES

	30 June 2019	30 June 2018
	£ 000	£ 000
Amounts owed by fellow group undertakings		
Sichuan Swellfun Co., Ltd	<u>13,492</u>	<u>—</u>

8. TRADE AND OTHER PAYABLES

	30 June 2019	30 June 2018
	£ 000	£ 000
Amounts owed to fellow group undertakings		
Diageo Finance plc	<u>—</u>	<u>140,670</u>

In the year ended 30 June 2018 the amount owed to fellow group undertakings included a loan of £140,638,848, which bore interest at a floating rate, it was unsecured and repayable on demand. The loan was provided at the end of year ending 30 June 2018 and therefore no interest was charged in 2018. This loan was novated to Grand Metropolitan Limited in the year ended 30 June 2019.

9. SHARE CAPITAL

Allotted, called up and fully paid:

	30 June 2019	30 June 2018
	£ 000	£ 000
102,816,047 (2018 - 102,815,194) ordinary shares of £1 each	<u>102,816</u>	<u>102,815</u>

On 17 August 2018 and 9 April 2019, the sole shareholder of the company issued 697 and 156 shares of £1 each at a premium of £696,957,564 and £78,835,422, respectively. As a result, the share capital of the company increased from £102,815,194 to £102,816,047 and the share premium increased from £14,052,871,216 to £14,828,664,256.

Grand Metropolitan International Holdings Limited

Registered number: 00970624

Year ended 30 June 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. POST BALANCE SHEET EVENTS

On 29 November 2019, the share capital of the company was reduced from 102,816,047 ordinary shares to one ordinary share of £1 by cancellation of 102,816,046 of the unclassified shares of £1 each in issue. The share premium in the amount of £14,828,664,256 was cancelled and extinguished. The equivalent amounts of shares cancelled and the share premium were credited to the retained earnings.

On 10 December 2019, UDV (SJ) Limited, a wholly owned subsidiary of the company, paid an interim dividend in the amount of £6,511,000,000 to the company. Subsequent to the dividend receipt, the company paid an interim dividend to its immediate parent undertaking, Grand Metropolitan Limited in the amount of £6,511,000,000.

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 £42,716,800,000 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 £42,716,800,000 to Grand Metropolitan Limited, the company's parent company. These transactions will result in an impairment charge in the year ending 30 June 2020 against the company's investment in UDV (SJ) Limited.

At the beginning of calendar year 2020 a new coronavirus, referred to as 'COVID-19', emerged and has been classified as a pandemic due to its spread across the world. Given the global nature of the COVID-19 pandemic, and the uncertainty as to the severity and duration of the impact across multiple markets, it is difficult to accurately assess the impact the virus will have on the future financial performance of the company, although it is expected that the pandemic will not affect the ability of the group to operate as a going concern. On 9 April 2020 Diageo plc, the ultimate parent of the Company, issued an announcement relating to the impact of the COVID-19 outbreak. The announcement emphasised that the group has a strong balance sheet and is taking actions to maintain good liquidity of the group and will invest prudently to ensure that it is strongly positioned for a recovery in consumer demand. The directors are therefore comfortable that the group is able to provide support for a period of at least 12 months from the date of the signed financial statements, should it be required.

11. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Grand Metropolitan 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.