REGISTERED NUMBER: 05608446 (England and Wales)

# Beam Suntory UK Holdings Limited

## Annual Report and Financial Statements

## For the Year Ended 31 December 2020

Beam Suntory UK Holdings Limited

## Contents of the Annual Report and Financial Statements
For the Year Ended 31 December 2020

Beam Suntory UK Holdings Limited

**Officers and Professional Advisers**
**For the Year Ended 31 December 2020**

| | |
|---|---|
| **Directors:** | M'Del Pino Bermudez De La Puente Sanchez-Aguilera<br>N Yamada |
| **Secretary:** | Corporation Service Company (UK) Limited |
| **Registered office:** | 2 Longwalk Road<br>Stockley Park<br>Uxbridge<br>Middlesex<br>UB11 1BA<br>United Kingdom |
| **Registered number:** | 05608446 (England and Wales) |
| **Statutory Auditor:** | Deloitte LLP<br>Saltire Court 20<br>Castle Terrace<br>Edinburgh<br>EH1 2DB<br>United Kingdom |
| **Banker:** | The Royal Bank of Scotland<br>5-10 Great Tower Street<br>London<br>EC2M 4JX<br>United Kingdom |

**Strategic Report**
**For the Year Ended 31 December 2020**

The directors present their Strategic Report for Beam Suntory UK Holdings Limited ('the Company') for the financial year ended 31 December 2020.

**Business review and future developments**
The Company's principal activity during the year was to act as a holding company for the Beam Suntory Inc. companies operating in the United Kingdom. The Company made a loss before tax of £116k (2019: Profit £57,353k), the swing from profit to loss was due to a decrease of dividends received from subsidiaries in 2019.

Both the level of business and the year-end financial position of the Company were as expected. The Company's trading subsidiaries were profitable during the year. The directors anticipate that the present level activity of the Company and its subsidiaries will be sustained for the foreseeable future.

**Key performance indicators ('KPI's')**
Given the straightforward nature of the business, the directors are of the opinion that analysis of the Company's performance using KPI's is not necessary for an understanding of the development, performance or position of business.

**Principal risks and uncertainties (incorporating financial risk management and financial instruments)**
The Company operations expose it to liquidity and interest rate risk. Financial risk management activities were performed by fellow subsidiaries of Beam Suntory Inc., and related transactions were contracted by those companies. Beam Suntory UK Holdings Limited did not use financial instruments to manage any interest rate or cash flow risks during the year..

The key business risk for the Company is the decline in performance of the Company's trading subsidiary undertakings. To mitigate this risk, management regularly monitor the performance of the Company's investments.

**COVID-19**
The COVID-19 pandemic has, at the time of approving these financial statements, had no adverse impact on the Company. The directors continue to monitor the impact of the virus on the business with particular focus on the potential impact on staff shortages and operating delays. At the time of signing the directors do not consider COVID-19 to impact the Company's ability to continue as a going concern, nor identify any risk to the carrying value of investments of the Company's subsidiaries.

**Brexit**
On January 31, 2020, the United Kingdom withdrew from the European Union and entered into a transition period to, among other things, negotiate an agreement with the European Union governing the future relationship between the European Union and the United Kingdom. The United Kingdom and European Union reached a new agreement on December 24, 2020 which became effective on January 1, 2021.

The Company continues to monitor and prepare for a range of potential outcomes in connection with Brexit to ensure that it is able to access the EU market and service customers in those jurisdictions.

**Statement by the directors of their statutory duties in accordance with s172(1) of companies Act 2006**
The following statement describes how the directors has had regard to the matters set out in section 172(1)(a) to (f) when performing their duties under section 172 of the Companies Act 2006.

When making decisions, the directors ensure they act in a way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

| Section 172(1) | Overview of performance of statutory duties |
|---|---|
| (A) - The likely consequences of any decision in the long term | The directors understand the business and the evolving environment in which the Company operates. The strategy followed by the board, and decisions taken to implement it, is intended to strengthen its position in the marketplace over the longer term. |
| (B) - The interests of the Company's employees | Given the Company is a holding company, there are no employees. |

**Statement by the directors of their statutory duties in accordance with s172(1) of companies Act 2006 - continued**

| | |
|---|---|
| (C) - The need to foster the Company's business relationships with suppliers, customers and others | The directors recognise the importance of clear communication and proactive engagement with stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the Company. The directors factor the implications of decisions on stakeholders, where relevant and feasible. Given the Company is a holding company, there are no external suppliers or customers. |
| (D) - The impact of the Company's operations on the community and the environment | The directors apply Beam Suntory UK Holdings Limited internal policies which are based on the principle that by integrating health, safety and environmental considerations into all aspects of our business, Beam protects its people, communities and the environment; with all applicable regulations; and develops technologies that expand the sustainable capacity of our world. |
| (E) - The desirability of the Company maintaining a reputation for high standards of business conduct | The directors apply Beam Suntory Group internal policies which are designed to provide guidance on the Group's standards of Integrity and Compliance. By doing so the directors help to ensure that high standards are maintained both within the business and the business relationships the Company maintains. |
| (F) - The need to act as fairly as between members of the Company | By weighing up all relevant factors, the director considers which course of action best enables delivery of strategy through the long-term, taking into consideration the impact on stakeholders. The Company has only had one shareholder in the current and prior year. |

**Principal Decisions**
Principal decisions, within the context of Section 172, are made within the context of the ultimate parent company Suntory Holdings Group strategy and in accordance with policies and procedures set by Suntory Holdings Group.

During the year, the Company did not undertake payment of dividends which is considered to be a principle decision. Dividends are paid in accordance with cash strategy set by Beam Suntory UK Holdings Limited and are only made after considering the cash needs and solvency of the Company.

**Approved by the Board of Directors and signed on behalf of the Board:**

Nori Yamada
........................................................................
N Yamada - Director

Date: ..14 September 2021

2 Longwalk Road
Stockley Park
Uxbridge
Middlesex
UB11 1BA
United Kingdom

**Beam Suntory UK Holdings Limited**

**Directors' Report**
**For the Year Ended 31 December 2020**

The directors present their Annual Report and the audited financial statements of the Company for the year ended 31 December 2020.

**Results and dividends**
The results for the financial year are set out on page 10.

The Company proposed and paid dividends for the year ended 31 December 2020 of £nil (2019: £57,500k).

Details of the principal risks and uncertainties, financial risk management and future developments are included in the Strategic Report and form part of this report by cross reference.

**Going concern**
The directors believe that the results for the financial year as well as the Strategic Report included in this report, appropriately supports the going concern basis for the preparation of the financial statements.

Additionally, the directors have obtained a letter of support from immediate parent Beam Suntory Inc., and have satisfied themselves that the parent has sufficient resources to provide support to meet its liabilities as they fall due for the 12 month period from the date of approval of the financial statements.

**Directors**
The directors who served the Company during the year end to the date of this report were as follows:

M' Del Pino Bermudez De La Puente Sanchez-Aguilera
N Assi (resigned 10 February 2020)
N Yamada (appointed 10 February 2020)

**Directors' indemnities**
The Company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

**Employee and Stakeholder Engagement**
Details of engagement with stakeholders undertaken during the year appears of our Section 172 statement on page 2. The company had no employees during the year.

**Disclosures concerning greenhouse gas emissions, energy consumption and energy efficiency**
The company is exempt from the requirement to include Streamlined Energy and Carbon Reporting disclosures as it has consumed less than 40,000kWh of energy from its activities during the year.

**Subsequent events**
After many years sharing successful joint ventures in Spain and the UK, Beam Suntory and Edrington have agreed to transfer their stakes in Maxxium Spain and Edrington-Beam Suntory UK into wholly owned companies. As of August 2nd 2021, Beam Suntory will assume full ownership of Maxxium Spain, and Edrington will assume full ownership of Edrington-Beam Suntory UK, subject to regulatory approval. Despite this change in ownership structure, Maxxium Spain will continue to distribute its current full portfolio, including its Edrington brands, and Edrington-Beam Suntory UK will continue to distribute Beam Suntory's portfolio in the UK. Sipsmith will continue to be distributed independently. Beam Suntory and Edrington will also maintain their joint ownership of Maxxium Russia. Suntory's 10% stake in Edrington will also be unaffected by this transaction.

**Beam Suntory UK Holdings Limited**

**Directors' Report - continued**
**For the Year Ended 31 December 2020**

**Auditor**
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

**Approved by the Board and signed on its behalf by:**

Nori Yamada
......................................................................
N Yamada - Director

Date: 14 September 2021

2 Longwalk Road
Stockley Park
Uxbridge
Middlesex
UB11 1BA
United Kingdom

Beam Suntory UK Holdings Limited

**Directors' Responsibilities Statement**
**For the Year Ended 31 December 2020**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard FRS 101 "Reduced Disclosure Framework" have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor's Report to the Members of Beam Suntory UK Holdings Limited**

**Report on the audit of the financial statements**

**Opinion**
In our opinion the financial statements of Beam Suntory UK Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**Responsibilities of Directors**
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

**Auditor's 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 auditor's 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 auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included environmental regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory matters**

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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

James Boyle CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom

Date: 20 September 2021

**Beam Suntory UK Holdings Limited**

**Profit and Loss Account**
**For the Year Ended 31 December 2020**

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| Administrative income | | 5 | 4 |
| **Operating profit** | | 5 | 4 |
| Dividend from shares in Group undertakings | 4 | - | 57,500 |
| Interest payable and similar expenses | 5 | (121) | (151) |
| **(Loss)/profit before taxation** | 6 | (116) | 57,353 |
| Tax on (loss)/profit | 7 | - | - |
| **(Loss)/profit for the financial year** | | (116) | 57,353 |

All amounts are derived from continuing operations.

No separate Statement of Comprehensive Income has been presented because the Company has no other comprehensive income other than the loss for the financial year.

Beam Suntory UK Holdings Limited

## Balance Sheet
**As at 31 December 2020**

| | Note | 2020 £'000 | 2019 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 9 | 549,334 | 549,334 |
| **Current assets** | | | |
| Debtors | 10 | 6 | 6 |
| Cash at bank | | 9 | 9 |
| | | 15 | 15 |
| **Creditors** | | | |
| Amounts falling due within one year | 11 | (7,222) | (7,106) |
| **Net current liabilities** | | (7,207) | (7,091) |
| **Total assets less current liabilities and net assets** | | 542,127 | 542,243 |
| **Capital and reserves** | | | |
| Called-up share capital | 12 | 422,767 | 422,767 |
| Share premium account | 12 | 60,211 | 60,211 |
| Profit and loss account | 12 | 59,149 | 59,265 |
| **Total Shareholders' funds** | | 542,127 | 542,243 |

The accompanying notes on pages 13 to 28 form an integral part of these financial statements.

The financial statements of Beam Suntory UK Holdings (registered number 05608446) were approved by the Board of Directors and authorised for issue on 14 September 2021

They were signed on its behalf by:

Nori Yamada

N Yamada - Director

**Beam Suntory UK Holdings Limited**

**Statement of Changes in Equity**
**For the Year Ended 31 December 2020**

| | Called up share capital £'000 | Share Premium £'000 | Profit and loss account £'000 | Total £'000 |
|---|---|---|---|---|
| **Balance at 1 January 2018** | 422,767 | 60,211 | 59,412 | 542,390 |
| Profit for the financial year and total comprehensive income | - | - | 57,353 | 57,353 |
| Dividend paid in the year (note 8) | - | - | (57,500) | (57,500) |
| **Balance at 31 December 2019** | 422,767 | 60,211 | 59,265 | 542,243 |
| Loss for the financial year and total comprehensive income | - | - | (116) | (116) |
| Dividend paid in the year (note 8) | - | - | - | - |
| **Balance at 31 December 2020** | 422,767 | 60,211 | 59,149 | 542,127 |

## 1. General information

Beam Suntory UK Holdings Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and figures have been presented to the nearest thousand.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the results of it and its subsidiary undertakings are included in the consolidated financial statements of Suntory Holdings Limited. Consequently, the information presented in the financial statements is for the Company and not the group.

## 2. Significant accounting policies

### Adoption of new and revised Standards

**Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7**
In September 2019, the IASB issued Interest Rate Benchmark Reform, (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7) Financial Instruments: Disclosures. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company given that it does not apply hedge accounting to its benchmark interest rate exposures.

**Impact of the initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16**
In May 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

*Impact on accounting for changes in lease payments applying the exemption*
As the Company has no COVID-19 related rent concessions in either year, the application of amendment to IFRS 16 has had no impact on the financial position, financial performance or disclosures of the Company.

2. **Significant accounting policies - continued**

**Adoption of new and revised standards - continued**

**Impact of initial application of other amendments to IFRS Standards and Interpretations**
In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

• Amendments to References to the Conceptual Framework in IFRS Standards

• Amendments to IAS 1 and IAS 8 Definition of material

**Basis of accounting**
The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 'Reduced Disclosure Framework':

• the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
• the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
• the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
• the requirements of IFRS 7 Financial Instruments: Disclosures;
• the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
• the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
- paragraph 79(a)(iv) of IAS 1;
- paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- paragraph 118(e) of IAS 38 Intangible Assets;
- paragraphs 76 and 79(d) of IAS 40 Investment Property;
• the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
• the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
• the requirements of IAS 7 Statement of Cash Flows;
• the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
• the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
• the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
• IFRS 2, 'Share based payments';
• IAS 36, 'Impairment of assets' paragraphs 134 and 135;
• IFRS 15, 'Revenue from contracts with customers': second sentence of paragraph 110, and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129; and
• IFRS 16, 'Leases': paragraph 52, the second sentence of paragraph 89 and paragraphs 90, 91 and 93. Paragraph 58, provided that the disclosure of details of indebtedness required by paragraph 61(c) of Schedule 1 of the Regulations is presented separately for lease liabilities and other liabilities in total.

## 2. Significant accounting policies - continued

**Basis of accounting - continued**
Where relevant, equivalent disclosures have been given in the group accounts of Suntory Holdings Limited.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

**Going concern**
The directors believe that the results for the financial year as well as the Strategic Report included in this report, appropriately supports the going concern basis for the preparation of the financial statements.

Additionally, the directors have obtained a letter of support from immediate parent Beam Suntory Inc., and have satisfied themselves that the parent has sufficient resources to provide support to meet its liabilities as they fall due for the 12 month period from the date of approval of the financial statements.

**Income from fixed asset investments**
Income from fixed asset investments comprises of dividends receivable from subsidiary undertakings. Dividends are recognised when they become payable.

**Interest payable**
Interest payable to group companies is recognised on an accruals basis.

**Financial instruments**
Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

***Financial assets***
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2. **Significant accounting policies - continued**

**Financial instruments - continued**

Financial assets held by the Company are classified as 'loans and trade receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

**Recognition and measurement**

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item.

## 2. Significant accounting policies - continued

### Financial instruments - continued

***Impairment of financial assets***

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*(i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

**2. Significant accounting policies - continued**

**Financial instruments - continued**

***Impairment of financial assets - continued***

*(i) Significant increase in credit risk - continued*
Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*(ii) Definition of default*
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*(iii) Credit-impaired financial assets*
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

2. **Significant accounting policies - continued**

**Financial instruments - continued**

***Impairment of financial assets - continued***

*(iv) Write-off policy*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*(v) Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

***Derecognition of financial assets***

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

***Financial liabilities and equity***

***Classification as debt or equity***

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2. Significant accounting policies - continued**

**Financial instruments - continued**

***Impairment of financial assets - continued***

***Equity instruments***
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

***Financial liabilities***
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

***Financial liabilities measured subsequently at amortised cost***
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

***Derecognition of financial liabilities***
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Taxation**
The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***
The tax currently payable is based on taxable profit or loss for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

***Deferred tax***
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. **Significant accounting policies - continued**

**Taxation - continued**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Profit and Loss Account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Investments**

Fixed asset investments are stated at cost less any provision for impairment. Impairments are reversed when there is a change in economic conditions or expected use of the asset.

**Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

3. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*Critical accounting judgement - Assessing impairment for fixed assets investments*

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Management consider each period whether there is any indication of impairment in relation to fixed asset investments. No such indicators have been identified. There is no requirement to perform a full impairment review unless such indicators exist.

In the view of the directors, there are no critical accounting judgements or key sources of estimation uncertainty which affect the Company's financial statements.

## 4. Dividend from shares in Group undertakings

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Dividends received form Beam Suntory UK Limited | - | 57,500 |

## 5. Interest payable and similar expenses

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Interest on loans from Group undertakings | 121 | 151 |

## 6. (Loss)/profit before taxation

The (loss)/profit before taxation is stated after charging:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 5 | - |

During 2020, the Company did not incur in any fees payable to Deloitte LLP and their associates for non-audit services. Auditors remuneration for the year 2019 (GBP: 4k) was borne by another Suntory Group company.

There are no persons employed by this Company. The directors' remuneration is borne by another Group company. The allocation of directors' remuneration for services provided to this Company has not been practical.

## 7. Tax on (loss)/profit

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| **Current taxation** | | |
| UK corporation tax | - | - |
| **Total current tax** | - | - |
| **Tax on (loss)/profit** | - | - |

**Factors affecting the tax expense**

The tax assessed for the year is the same as (2019 - lower) the standard rate of corporation tax in the UK. The difference is explained below:

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| (Loss)/profit before income tax | (116) | 57,353 |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | (22) | 10,897 |
| Effects of: | | |
| Non-taxable dividend received | - | (10,925) |
| Group relief not paid for | 22 | 28 |
| Total current tax charge for the year | - | - |

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date and is therefore a non-adjusting event. As such, deferred tax balances as at 31 December 2020 continue to be measured at 19%.

## 8. Dividends

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Final dividend for the year ended 31 December 2020 (equivalent to £nil per share (2019: £12) | - | 57,500 |

## 9. Investments

| | Shares in Group undertakings £'000 |
|---|---|
| **Cost** | |
| At 1 January 2020 and 31 December 2020 | 549,334 |
| **Net book value** | |
| At 31 December 2020 | 549,334 |
| At 31 December 2019 | 549,334 |

**Details of undertakings**

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:

| Undertaking | Country of incorporation | Principal activity | Proportion of voting rights and shares held | Registered address |
|---|---|---|---|---|
| Beam Suntory UK Ltd | United Kingdom | Distilling | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| Thomas Lowndes & Co. Ltd | United Kingdom | Financing | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| Morrison Bowmore Distillers Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| James Sword & Sons Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ Springburn |

Beam Suntory UK Holdings Limited

Notes to the Financial Statements - continued
For the Year Ended 31 December 2020

9. **Investments - continued**

| Undertaking | Company of incorporation | Principal activity | Proportion of voting rights and shares held | Registered address |
|---|---|---|---|---|
| Morrison Bowmore Limited | United Kingdom | Dormant | 100% | Bond, Carlisle Street, Glasgow G21 1EQ |
| Morrison Distillers Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| Morrison Bowmore Distillery Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| Morrison's Glengarioch Distillers Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| Robroy Distillery Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| Stanley P. Morrison Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| Suntory Alliance Brands Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| T.& A McClelland Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| The Real Scotch Whisky Company Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |
| The Red Gauntlet Scotch Whiskey Company Limited | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow G21 1EQ |

9. **Investments - continued**

| **Undertaking** | **Company of incorporation** | **Principal activity** | **Proportion of voting rights and shares held** | **Registered address** |
|---|---|---|---|---|
| Beam UK Pension Plan Trustee Ltd | United Kingdom | Financing | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| Beam Management UK Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| COSMI Realisations Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| HOB Realisations Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| John Harvey & Sons Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, |
| WM. Teacher & Sons Ltd | United Kingdom | Dormant | 100% | Springburn Bond, Carlisle Street, Glasgow, G21 1EQ |
| John Harvey & Sons (UK) Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England |
| D. Johnston & Company (Laphroaig) Ltd | United Kingdom | Dormant | 100% | 2 Longwalk Springburn Bond, Carlisle Street, Glasgow, G21 1EQ |

## 9. Investments - continued

| Undertaking | Company of incorporation | Principal activity | Proportion of voting rights and shares held | Registered address |
|---|---|---|---|---|
| Beam Suntory Operations Ltd* | United Kingdom | Cask Procurement | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| Beam Global Distribution (UK) Ltd* | United Kingdom | Distribution | 100% | 2 Longwalk Road, Stockley Park, Uxbridge, Middlesex, England, UB11 1BA |
| Beam Suntory Poland s.p.Z.o.o.* | Poland | Distribution | 100% | 181B Aleje Jerzolimskie, 02-222, Warsaw ,Poland |
| Edringon Beam Suntory Distribution UK Ltd* | United Kingdom | Distribution | 100% | 191 West George Street, Glasgow, G2 2LD |

* indirectly held.

## 10. Debtors

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Other debtors | 6 | 6 |

## 11. Creditors: amounts falling due within one year

| | 2020 £'000 | 2019 £'000 |
|---|---|---|
| Loans from subsidiaries | 7,114 | 6,974 |
| Accrued expenses | 108 | 132 |
| | 7,222 | 7,106 |

All loans are unsecured, bear interest at 0,50% below LIBOR (2019: 0.67%, above LIBOR), and are repayable on demand.

## 12. Called up share capital

**Allotted, issued and fully paid:**

| Number: | Class: | Nominal value: | 2020 £'000 | 2019 £'000 |
|---|---|---|---|---|
| 422,766,727 | Ordinary shares | £1 | 422,767 | 422,767 |

The Company's other reserves are as follows:

**Share premium account**
The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

**Profit and loss account**
Include all current and prior period retained profits and losses net of any dividends paid.

## 13. Subsequent event

After many years sharing successful joint ventures in Spain and the UK, Beam Suntory and Edrington have agreed to transfer their stakes in Maxxium Spain and Edrington-Beam Suntory UK into wholly owned companies. As of August 2nd 2021, Beam Suntory will assume full ownership of Maxxium Spain, and Edrington will assume full ownership of Edrington-Beam Suntory UK, subject to regulatory approval. Despite this change in ownership structure, Maxxium Spain will continue to distribute its current full portfolio, including its Edrington brands, and Edrington-Beam Suntory UK will continue to distribute Beam Suntory's portfolio in the UK. Sipsmith will continue to be distributed independently. Beam Suntory and Edrington will also maintain their joint ownership of Maxxium Russia. Suntory's 10% stake in Edrington will also be unaffected by this transaction.

## 14. Immediate parent company and controlling party

In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Kotobuki Realty Co. Limited, a Company incorporated in Japan. The parent undertaking of the smallest and largest group, which includes the Company and for which group accounts are prepared, is Suntory Holdings Limited, a Company incorporated in Japan (registered office address 2-1-40 Dojimahama, Kita Ku, Osaka Shi, Osaka Prefecture 530 8203). Copies of the group financial statements of Suntory Holdings Limited are available from https://www.suntory.com/about/financial/securities.html. The Company's immediate controlling party is Beam Europe Sarl, a company incorporated in 6B, Rue Gabriel Lippmann L-5362 Munshach R.C.S Luxembourg: B 124112.