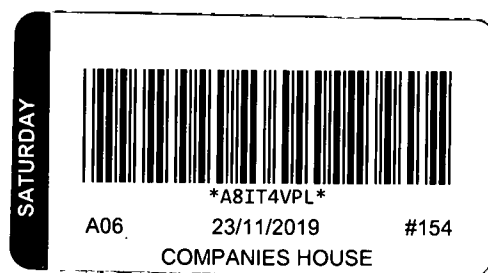


**Tanqueray Gordon and Company Limited**  
**Annual report and financial statements**  
**30 June 2019**

Registered number: 00055603



**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

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**Tanqueray Gordon and Company Limited**

**Registered number: 00055603**

**Year ended 30 June 2019**

**STRATEGIC REPORT**

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

**Activities**

The principal activity of the company is to act as an investment holding company of the Diageo group ("the group"). The directors foresee no changes in the company's activities.

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.

**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 undertakings increased by £48,000 to £242,000 in the year ended 30 June 2019 from £194,000 in the year ended 30 June 2018. The company's net assets decreased by £46,038,000 to £27,589,000 in the year ended 30 June 2019 from £73,627,000 in the year ended 30 June 2018 primarily as a result of finance charges.

*Financial and other key performance indicators*

As the company is an intermediary holding company within the group, the principal key performance indicator used by management to analyse the development, performance and position of the company's business is adherence to the group dividend policy.

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

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

As the company forms part of the group's financial operations, the financial risk management measures used by management to analyse the development, performance and position of the company's business are mainly similar to those facing the group as a whole and are managed by the group's treasury department.

There continues to be uncertainty with respect to the process surrounding the United Kingdom's proposed exit from the European Union, and in relation to the political environment more generally in the United Kingdom. We continue to believe that, in the event of either a negotiated exit or no-deal scenario, the direct financial impact to the company will not be material. The full implications of Brexit will not be understood until future tariffs, trade, regulatory, tax, and other free trade agreements 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.

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

**STRATEGIC REPORT (continued)**

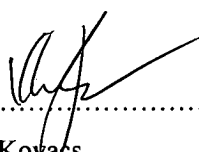
**Business review (continued)**

*Principal risks and uncertainties facing the company as at 30 June 2019 (continued)*

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 take prudent actions to mitigate these risks wherever practical. More specific details on the impact of Brexit are included in the consolidated financial statements of Diageo plc which are publicly available.

A company specific risk identified, is the recoverability of the company's investment in subsidiaries.

By order of the board

  
.....  
G Kovacs  
Director

Lakeside Drive  
Park Royal  
London  
NW10 7HQ

13 November 2019

**Tanqueray Gordon and Company Limited**

**Registered number: 00055603**

**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.

**Going concern**

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the strategic report on pages 2 to 3. The company participates in the group's centralised treasury arrangements and the parent and fellow group undertakings are expected to provide financial support for the foreseeable future. The company is not reliant on external third party financing. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future as a fellow group undertaking has agreed to provide financial support for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Financial**

The result for the year ended 30 June 2019 is shown on page 8.

The loss for the year transferred from reserves was £46,038,000 (2018 - £40,650,000).

No dividend was paid during the year (2018 - £nil) and there is no dividend proposed to be distributed to the shareholders in regards to the financial year (2018 - £nil).

**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 W Pilkington

J M C Edmunds

K E Major (appointed 1 August 2018)

G Kovacs (appointed 1 August 2018)

D F Harlock (resigned 1 August 2018)

A Mahler (resigned 1 August 2018)

**Directors' remuneration**

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

**Directors' 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.

**Tanqueray Gordon and Company Limited**

**Registered number: 00055603**

**Year ended 30 June 2019**

**DIRECTORS' REPORT (continued)**

**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](http://www.diageo.com), which does not form part of this report.

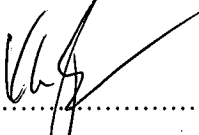
**Auditors**

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

**Disclosure of information to the auditors**

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

By order of the board

  
.....  
G Kovacs  
Director

Lakeside Drive  
Park Royal  
London  
NW10 7HQ

13 November 2019

**Tanqueray Gordon and Company Limited**

**Registered number: 00055603**

**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 Tanqueray Gordon and Company Limited***

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

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### **Opinion**

In our opinion, Tanqueray Gordon and Company 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 loss 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 statement of 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.

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### **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.

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### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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### **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.

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### **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 6, 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](http://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.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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

13 November 2019

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
Income from shares in group undertakings	3	242	194
Finance charges	4	(57,132)	(50,854)
<b>Loss before taxation on ordinary activities</b>		<b>(56,890)</b>	<b>(50,660)</b>
Taxation on loss on ordinary activities	5	10,852	10,010
<b>Loss for the financial year and total comprehensive expense for the year</b>		<b>(46,038)</b>	<b>(40,650)</b>

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.

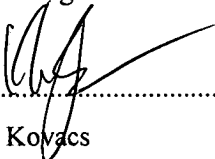
**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

**BALANCE SHEET**

	Notes	30 June 2019 £ 000	30 June 2018 £ 000
<b>Non-current assets</b>			
Investments in subsidiaries	6	1,711,198	1,711,198
<b>Current assets</b>			
Trade and other receivables	7	10,855	19,417
Cash and cash equivalents		—	—
<b>Total assets</b>		<b>1,722,053</b>	<b>1,730,615</b>
<b>Current liabilities</b>			
Trade and other payables	8	(1,694,464)	(1,656,984)
Corporate tax payable		—	(4)
		<b>(1,694,464)</b>	<b>(1,656,988)</b>
<b>Net assets</b>		<b>27,589</b>	<b>73,627</b>
<b>Equity</b>			
Called up share capital	9	250,000	250,000
Accumulated deficit		(222,411)	(176,373)
<b>Total equity</b>		<b>27,589</b>	<b>73,627</b>

The accounting policies and other notes on pages 12 to 20 form part of the financial statements.

These financial statements on pages 9 to 20 were approved by the Board on 13 November 2019 and were signed on its behalf by:

  
 .....  
 G Kovacs  
 Director

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

**STATEMENT OF CHANGES IN EQUITY**

ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	<b>Called up share capital £ 000</b>	<b>Accumulated deficit £ 000</b>	<b>Total £ 000</b>
Balance at 30 June 2017	250,000	(135,723)	114,277
Loss for the year	—	(40,650)	(40,650)
Balance at 30 June 2018	250,000	(176,373)	73,627
Loss for the year	—	(46,038)	(46,038)
<b>Balance at 30 June 2019</b>	<b>250,000</b>	<b>(222,411)</b>	<b>27,589</b>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

These financial statements are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (IFRS), but makes amendments where necessary in order to comply with Companies Act 2006 and sets out below where the FRS 101 disclosure exemptions have been taken.

These financial statements are prepared on a going concern basis under the historical cost convention, except that certain financial instruments are measured at their fair value.

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available.

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

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

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 79(a)(iv) (comparative information requirements);
  - 111 (cash flow statement information);
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- The following paragraphs of IAS 8, 'Accounting policies, changes in accounting estimates and errors':
  - 30 (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
  - 31 (disclosures relating to the new IFRS).
- The following paragraphs of IAS 24 'Related party disclosures':
  - 17 (key management compensation);
  - 18A (key management services provided by a separate management entity).
- IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

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.

## **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.

#### **Going concern**

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future.

#### **Functional and presentational currency**

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

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

#### **Finance costs**

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

#### **Investments in subsidiaries**

Investments in subsidiaries are stated at historical cost less impairment provisions for any permanent decrease in value. The carrying amounts of the company's investments are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated. Losses are recognised in the statement of comprehensive income to reflect an impairment against the carrying value. Where an event results in the asset's recoverable amount being higher than the previously impaired carrying value, the original impairment may be reversed through the statement of comprehensive income in subsequent periods.

#### **Financial assets and liabilities**

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

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1. ACCOUNTING POLICIES (continued)**

#### **Financial assets and liabilities (continued)**

**Trade and other receivables** Amounts owed by other group companies are initially measured at fair value and are subsequently reported at amortised cost. Non-interest-bearing trade receivables are stated at their nominal value as they are due on demand. Allowances for expected credit losses are made based on the risk of non-payment taking into account ageing, previous experience, economic conditions and forward-looking data. Such allowances are measured as either 12-months expected credit losses or lifetime expected credit losses depending on changes in the credit quality of the counterparty.

**Trade and other payables** Trade payables are non-interest bearing and are stated at their nominal value as they are due on demand. Amounts owed to other group companies are initially measured at fair value and are subsequently reported at amortised cost.

#### **Taxation**

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax benefits are not recognised unless it is probable that the tax positions are sustainable. Once considered to be probable, tax benefits are reviewed each year to assess whether a provision should be taken against full recognition of the benefit on the basis of potential settlement through negotiation and/or litigation. Tax provisions are included in current liabilities. Penalties and interest on tax liabilities are included in profit before taxation.

#### **Dividends**

Dividends received are included in the financial statements in the year in which they are receivable.

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

The critical accounting policy, which the directors consider is of greater complexity and particularly subject to the exercise of judgements and estimates, is set out in detail in the accounting policy for investments in subsidiaries. A critical accounting judgement, specific to the company, is the assessment that recoverable amount of the company's investment in subsidiaries is greater than the carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. OPERATING COSTS**

The auditors' remuneration of £2,500 (2018 - £2,500) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditors in respect of non-audit services (2018 - £nil).

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

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

**3. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
<b>Dividend income from shares in group undertakings</b>		
United Distillers Southern Africa (Proprietary) Limited	242	194
	<u>242</u>	<u>194</u>

The net dividend receivable of £230,000 (2018 - £184,000) from United Distillers Southern Africa (Proprietary) Limited has been settled by receiving an amount due from another fellow group undertaking. Withholding tax suffered in respect of the dividends received amounted to £12,000 (2018 - £10,000).

**4. FINANCE CHARGES**

	Year ended 30 June 2019 £ 000	Year ended 30 June 2018 £ 000
<b>Interest</b>		
Interest charge from fellow group undertakings		
Diageo Finance plc	(57,132)	(50,854)
<b>Finance charges</b>	<u>(57,132)</u>	<u>(50,854)</u>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. TAXATION**

	<b>Year ended 30 June 2019 £ 000</b>	<b>Year ended 30 June 2018 £ 000</b>
<b>(a) Analysis of taxation credit for the year</b>		
<b>Current tax</b>		
UK corporation tax	10,855	9,653
Overseas corporation tax	(12)	(10)
Adjustments in respect of prior years	9	367
<b>Current tax</b>	<b>10,852</b>	<b>10,010</b>
<b>Deferred tax</b>	<b>—</b>	<b>—</b>
<b>Taxation on loss on ordinary activities</b>	<b>10,852</b>	<b>10,010</b>
 <b>(b) Factors affecting total tax credit for the year</b>		
Loss on ordinary activities before taxation	(56,890)	(50,660)
Taxation on loss on ordinary activities at UK corporation tax rate of 19% (2018 - 19%)	10,809	9,625
Items not chargeable for tax purposes	46	37
Overseas corporation tax	(12)	(10)
Adjustments in respect of prior periods	9	367
Other tax effects for reconciliation between accounting profit and tax income	—	(9)
<b>Total tax credit for the year</b>	<b>10,852</b>	<b>10,010</b>

The UK tax rate is 19% effective from 1 April 2017 which is applied for year ended 30 June 2019. A further reduction to 17% (effective from 1 April 2020) was enacted in September 2016.

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **6. INVESTMENTS**

#### *(i) Shares in group undertakings and other investments*

	<b>Subsidiaries</b>
	<b>£ 000</b>
<b>Cost and carrying amount</b>	
At 30 June 2018 and at 30 June 2019	<u>1,711,198</u>

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

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %</b>
<b>Direct holdings</b>			
<i>Subsidiary undertakings</i>			
Relay B.V.	(i)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	92.62%
United Distillers Southern Africa (Proprietary) Limited		Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%
<b>Indirect holdings</b>			
<i>Subsidiary undertakings</i>			
United Spirits Limited	(ii)	UB Tower, #24, Vittal Mallya Road, Bangalore-560001, India	54.78%
McDowell & Co. (Scotland) Ltd	(ii)	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom	100%
Palmer Investment Group Limited	(ii, iii)	Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands	100%
United Spirits (Shanghai) Trading Company Ltd	(ii, iii)	Unit 215, Xinxing Building, No. 8, Jia Feng Road, Wai Gao Qiao Free Trade Zone, Shanghai, China	100%

**Tanqueray Gordon and Company Limited****Registered number: 00055603****Year ended 30 June 2019****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. INVESTMENTS (continued)****Indirect holdings***Subsidiary undertakings*

Asian Opportunities and Investment Limited	(ii, iii)	IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius	100%
Pioneer Distilleries Limited	(ii)	Roxana Towers, Ground Floor, M.No. 7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016 India	75%
Royal Challengers Sports Private Limited	(ii)	UB Tower, # 24 Vittal Mallya Road, Bangalore - 560001, India	100%
USL Holdings Limited	(ii, iii)	Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands	100%
Liquidity Inc.	(ii, iii)	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States	51.02%
Montrose International SA	(ii, iii)	Edificio Vallarino, Penthouse Calle 52 y Elvira Mendez P. O. Box 0816-06805 Panama, R.P.	100%
Sovereign Distilleries Limited	(ii)	Roxana Towers, Ground Floor, M.No. 7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016, India	100%
Tern Distilleries Private Limited	(ii)	Roxana Towers, Ground Floor, M.No. 7-1-24/1/RT/G1&G2, Greenlands, Begumpet, Hyderabad 500 016, India	100%
United Spirits (UK) Limited	(ii, iii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
United Spirits (Great Britain) Limited	(ii, iii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
Shaw Wallace Overseas Limited	(ii, iii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
UB Sports Management Overseas Ltd	(ii, iii)	Ordnance House, 31 Pier Road, St Helier, Jersey, JE4 8PW, Jersey	100%
USL Holdings (UK) Limited	(ii, iii)	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	100%
United Spirits Singapore Pte. Ltd.	(ii)	9 Battery road, 15-01 straits trading building, 049910, Singapore	100%
<i>Associate undertaking</i>			
Hip Bar Private Limited		NO.34, 1st Floor, B.Ramachandra Adithanar Road (4th Main Road), Gandhi Nagar, Adyar Chennai Chennai TN 600020, India	26%

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. INVESTMENTS (continued)**

(i) Ownership held in class of B shares.

(ii) Based on 54.78% equity investment in United Spirits Limited that excludes 2.38% owned by the USL Benefit Trust.

(iii) Dormant company.

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 the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

**7. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed by fellow group undertakings		
Diageo Scotland Limited	10,855	18,926
Diageo Great Britain Limited	—	491
	<u><b>10,855</b></u>	<u><b>19,417</b></u>

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

As the company is loss-making, and it has accumulated deficit, the tax credit for the year will be received by Diageo Scotland Limited and subsequently repaid to Tanqueray Gordon and Company Limited.

**8. TRADE AND OTHER PAYABLES**

	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts owed to fellow group undertakings		
Diageo Finance plc	1,694,464	1,656,951
Diageo Investment Holdings Limited	—	33
	<u><b>1,694,464</b></u>	<u><b>1,656,984</b></u>

Amounts owed to Diageo Finance plc are unsecured, bears interest at a floating rate and repayable on demand.

Amounts owed to Diageo Investment Holdings Limited were unsecured, interest free and repayable on demand.

**Tanqueray Gordon and Company Limited**  
**Registered number: 00055603**  
**Year ended 30 June 2019**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. SHARE CAPITAL**

<i>Issued and fully paid:</i>	<b>30 June 2019</b> <b>£ 000</b>
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2,500,002 (2018 - 2,500,002) ordinary shares of £100 each	<u>250,000</u>
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**10. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

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