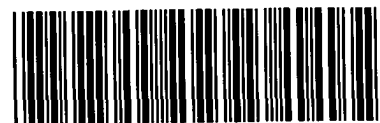


**Grand Metropolitan Limited**  
**Annual report and financial statements**  
**30 June 2023**

Registered number: 00291848

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**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **STRATEGIC REPORT**

The directors present their strategic report for the year ended 30 June 2023.

### **Activities**

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

The company is incorporated and domiciled as a private company limited by shares in England, United Kingdom. The registered address is 16 Great Marlborough Street, London, W1F 7HS, United Kingdom.

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

### **Business review**

*Development and performance of the business of the company during the financial year and position of the company as at 30 June 2023*

In June 2010, the group established a Pension Funding Partnership in which the UK Diageo Pension Scheme ('UK Scheme') acquired a limited interest, and as a partner, is entitled to a distribution of the profits of the Pension Funding Partnership each year, until 2030. Under this structure the company, as a designated member, together with Lochside MWS Limited Partnership agreed to form Lakeside MWS Limited Liability Partnership ('Lakeside'), which was registered in the United Kingdom on 23 June 2010. The company, as a member, is entitled to a proportion of the distributed profits of Lakeside each year. During the year the company made a capital contribution of £265 million to Lakeside (2022 - £125 million) and, in line with the Partnership Agreement, excess cash of Lakeside was paid back to the company in the amount of £100 million (2022 - £119 million) by withdrawing excess capital.

Profit for the year ended 30 June 2023 increased by £797 million to £1,546 million (2022 - £749 million), predominantly due to the increase in income from shares in group undertakings by £713 million to £1,430 million (2022 - £717 million). The company's net assets increased by £274 million from £13,398 million to £13,672 million, mainly due to higher amount of dividend received (£1,430 million) from subsidiary undertakings than the amount of dividend paid (£1,272 million) to its parent undertaking. Furthermore, intercompany interest of £126 million increased the company's net asset position.

On 10 March 2023, the company completed the acquisition of Kanlaon Limited for upfront cash consideration of €216 million (£192 million), deferred consideration of €4 million (£3 million) and contingent consideration of up to €178 million (£158 million) through to 2028 subject to certain financial performance targets, reflecting the brand's expected growth potential. The fair value of the contingent consideration of €82 million (£72 million) was estimated by calculating the present value of the future expected cash flows which is dependent on management's estimates in respect of the forecasting of future cash flows and the discount rates applicable to the future cash flows. On 27 June 2023, the Board approved an equity injection to Kanlaon Limited in amount of €30 million (£26 million).

### *Financial and other key performance indicators*

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **STRATEGIC REPORT (continued)**

### **Business review (continued)**

#### **Principal risks and uncertainties facing the company as at 30 June 2023**

The principal risks identified by the group are disclosed on pages 88 to 93 of Diageo plc's 2023 Annual Report. The most relevant of the group risks to this entity are the ones we have selected and articulated below, together with specific considerations relating to the company's operations and environment. 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 investment holding and financing structure, 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. The directors consider that the following risks might impact the performance and the solvency or liquidity of the company through its investments and intercompany financing structure. The company-specific risks which have been identified are the recoverability of the company's investment in subsidiaries and joint ventures and liquidity risk in respect of the intercompany funding position.

#### *Geopolitical and macroeconomic volatility*

Geopolitical forces, primarily driven by the Russia / Ukraine conflict, coupled with macro-economic stress, increase the likelihood of international and domestic tensions, disputes and conflict that might impact the business. Macroeconomic conditions include inflationary pressures, unemployment and global trade tensions. Financial volatility risk could arise from variability in financial markets, interest rate fluctuations and currency instability. Failure to react quickly enough to changing economic and/or political conditions, e.g. inflationary pressures, currency instability, global trade tensions, heightened political protectionism, changes to customs duties and tariffs, and/or eroded consumer confidence, may impact on the freedom to operate in a market and could adversely impact financial performance.

The group monitors key business drivers and performance, to prepare for rapid changes in the external environment and there is an enhanced group-level strategic analysis and scenario planning to strengthen market strategies and risk management.

The group has continued to improve long-term forecasting and planning capabilities, to better assess and respond to long-term opportunities and risks. The group has also continued to operate the strategic planning and performance function with a stronger governance model for financial and non-financial decision-making. This will enable closer monitoring of external volatility/risk and multi-country investment strategy with central hedging and currency monitoring to manage volatility.

During the year ended 30 June 2023, inflation has remained high and has reduced more slowly than expected in many countries. High levels of inflation are expected to continue in the short to medium term. Foreign exchange volatility has increased across several markets. There are dedicated cross-functional steering groups to manage the response to acute issues including inflation and foreign exchange volatility.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **STRATEGIC REPORT (continued)**

### **Business review (continued)**

#### **Principal risks and uncertainties facing the company as at 30 June 2023 (continued)**

##### *Cyber and IT resilience*

Cyber-attacks are becoming more prevalent, and there is an increased dependency on third-party IT services and solutions. As geopolitical tensions are growing, there is a rise in more sophisticated cyber threats affecting all organisations, therefore the risk of a cyber-attack is heightened.

The group has strong enterprise-wide cyber risk management processes and policies and next generation security technologies to tackle advanced attacks. There is IT and Operations Technology ("OT") disaster recovery and business continuity testing across the key systems. The group continues to enhance and deploy next generation security technologies to tackle advanced attacks and upgrade the enterprise resource planning system and associated processes to ensure they remain resilient.

##### *Climate change and sustainability*

Physical and transition climate change risks, including water stress, extreme weather events, temperature rises and increased regulation, may result in increased volatility in the supply of raw materials, production costs, capacity constraints and higher costs of compliance. In addition, the failure to meet sustainability goals could result in loss of licence to operate, financial loss and reputational damage amongst customers, consumers, investors and other stakeholders. The group conducted a detailed climate change risk assessment ("CCRA") and scenario analysis to evaluate short- and long-term impacts from physical and transition risks.

The group operates a cross-functional Climate Risk Steering Group that sets the strategy for ongoing climate risk assessment, and manages associated opportunities and risks, while continuing to develop the approach to climate change risk reporting. CCRA review found that, with respect to the group, risks related to acute weather events, high temperature, water stress, rising sea level hazards are projected to significantly increase in the future and cause interruption to operations, however based on the current assessment we do not consider that they will have a significant short term financial impact.

Resource-scarcity issues have been identified and mitigated, especially within agricultural ingredient sourcing, and manufacturing, water and energy. Physical risk exposures have been identified for sites assessed in North America and Scotland, Africa, Mexico, India, Turkey, Latin America and Caribbean, Asia Pacific, and Europe, and being built into site and category risk footprints. 'Society 2030: Spirit of Progress' ambition was launched in 2022 that continued to deliver against key targets and longer-term goals. (Details are disclosed on pages 57-60 of Diageo plc's Annual Report). The water blueprint was defined and operationalised in water-stressed locations. Communication programmes are in place to share impact, strengthen reputation and support the advocacy platform. Carbon pricing is being assessed as an internal mechanism to drive deeper understanding of the impact of energy choices. The group TCFD modelling and mitigation plans incorporate the risk of a 4-5°C climate change scenario, which may arise as a result of collective climate action failure.

The group has further increased resources dedicated to the mitigation of climate impact within our sustainability, sourcing, and finance teams.

Further information on the group's risk assessment and risk management measures in relation to climate change is disclosed on pages 71-87 of Diageo plc's 2023 Annual Report and on page 51 of Diageo plc's interim results for the six months ended 31 December 2023.

Over time the group will continue to refine and update its CCRA to reflect real time developments resulting from climate change.

**Grand Metropolitan Limited**  
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**Year ended 30 June 2023**

## **STRATEGIC REPORT (continued)**

### **Business review (continued)**

#### *Statement on Section 172 of the Companies Act 2006*

Section 172 of the Companies Act 2006 requires the directors to promote the success of the company for the benefit of the members as a whole, having regard to the interests of stakeholders in their decision-making. In making decisions, the directors consider what is most likely to promote the success of the company for its shareholders in the long term, as well as the interests of the group's stakeholders. The directors understand the importance of taking into account the views of stakeholders and the impact of the company's activities on local communities, the environment, including climate change, and the group's reputation.

The company is a member of the group of companies (the "group") whose ultimate holding company is Diageo plc ("Diageo"). In accordance with the requirements of UK company law, Diageo has included in its 2023 Annual Report and Accounts on page 9 a statement as to how the directors of Diageo have had regard to the matters set out in Section 172 of the Companies Act 2006.

In order to ensure consistency in how the group operates with regard to its wider stakeholders, the group has adopted an internal Code of Business Conduct alongside a comprehensive framework of global policies and standards that are designed to ensure, amongst other things, that all companies throughout the group, including the company, have regard to its wider stakeholders in a consistent manner.

The company has therefore had regard to the matters set out in Section 172 of the Act in a manner that is consistent with the approach adopted by Diageo, while at the same time ensuring the directors of the company are fulfilling their duties.

#### *Main activities of the Board*

The principal activities of the Board during the year include:

- Approval of the financial statements for the year ended 30 June 2022;
- Approval of the acquisition of the Kanlaon Limited;
- Approval of dividend payment to its parent company upon the receipt of dividends from its subsidiary undertakings; and
- Approval of a change in the company's functional and reporting currency from sterling to US dollar subject to final approval of the board of directors of Diageo plc with effect from 1 July 2023.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **STRATEGIC REPORT (continued)**

### **Business review (continued)**

#### *Employee Engagement Statement*

Our people are our most important asset and our inclusive and diverse culture is core to our purpose of 'Celebrating life, every day, everywhere', and essential to our future growth. We invest to grow and develop our people and aim to create an environment that enables everyone to thrive. We want to nurture great, diverse talent, with a range of backgrounds, skills and capabilities, while making a positive contribution to society. Diversity of thought fuels growth and innovation in our organisation and brings us closer to our consumer base.

Understanding our employees' views on the way they experience life at Diageo, from what works well, to where we can improve, makes good business sense. These insights help to shape our culture and make Diageo an attractive place to work, enabling us to recruit and retain the best talent.

The Board recognises the importance of effective engagement with the company's employees and wider workforce, including contractors and temporary staff and is committed to creating opportunities for growth and to a continuous learning culture. Consistent with group's approach towards workforce engagement, the company has adopted a variety of engagement methods that are designed to ensure that there is an on-going dialogue with its employees and workforce. These engagement methods include participation in group-wide employee engagement surveys, a consistent approach to talent and performance management, extensive online learning and development material, information and up-to-date employee communication channels, meetings with employee and workforce forums, community groups, employee interest groups, pulse surveys and town hall meetings. Decisions taken by directors and by the company's executive management team are informed by the interests of its employees and workforce, as guided by these engagement methods.

Further information on engagement with employees is outlined under 'Employee Involvement' in the directors' report on page 7.

On behalf of the Board

*Dorottya Keresztesi*

.....  
D Keresztesi  
*Director*

16 Great Marlborough Street  
London  
W1F 7HS  
United Kingdom

1 March 2024

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **DIRECTORS' REPORT**

The directors are pleased to submit their annual report, together with the audited financial statements for the year ended 30 June 2023.

### **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. The company is expected to continue to generate profit for its own account and to remain in positive net asset position for the foreseeable future. The company participates in the group's centralised treasury arrangements and the 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 company to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for a period of at least 12 months from the date the financial statements are approved and signed, as a fellow group undertaking has agreed its policy to provide financial support for a period of at least 12 months from the date the financial statements are approved and signed. 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 2023 is shown on page 16.

The profit for the year transferred to reserves was £1,546 million (2022 - £749 million).

Dividend paid during the year ended 30 June 2023 was £1,272 million (2022 - £nil). There was no dividend proposed to be distributed in regards to the current financial year.

### **Directors**

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

J M C Edmunds  
D Keresztesi  
I Thrustle

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2022 - £nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

### **Employee Involvement**

The company's goal is to offer an energising work environment, personal growth and recognition and attractive rewards for the performance contribution its people make to the company. Its employee policies are designed to support these goals and to do so in a manner that is fair and equitable to all employees. These policies take account of external legislation, internal codes of conduct, as well as the company's values as an organisation.



**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **DIRECTORS' REPORT (continued)**

### **Employee Involvement (continued)**

Employee engagement is a key element of the company's people strategy. Diageo's values are embedded in the business and guide how all employees operate and behave. Pulse surveys provide insight into what employees are thinking and feeling about the business and enable Diageo to assess

how the business is tracking against its goal to have highly engaged and inclusive teams that consistently bring Diageo's values to life.

A key strategic imperative of the company is to attract, retain and grow a pool of diverse, talented employees. Diageo recognises that a diversity of skills and experiences in its workplace and communities will provide a competitive advantage. To enable this the company has various global employment policies and standards, covering such issues as resourcing, data protection, human rights, health, safety and wellbeing. These policies and standards seek to ensure that the company treats current or prospective employees justly, solely according to their abilities to meet the requirements and standards of their role and in a fair and consistent way. This includes giving full and fair consideration to applications from prospective employees who are disabled, having regard to their aptitudes and abilities, and not discriminating against employees under any circumstances (including in relation to applications, training, career development and promotion) on the grounds of any disability.

The company is a multi-cultural community operating in an increasingly diverse business world and is committed to active inclusion and diversity practices. The company is also committed to attracting and retaining talented people, by investing in the growth and development of its people, which contributes directly to the performance and results of the business. We want all our employees to feel valued and to make a meaningful contribution to the company's purpose and ambition. In addition, and where practical, the company encourages flexible ways of working to enable employees to balance work and life priorities.

The company's reward systems continue to recognise employees' contribution to the success of the business and to promote employee engagement. The company is also committed to the safety and wellbeing of employees at work. It promotes positive drinking behaviours amongst all its people.

We are committed to open and continuous dialogue with employees to inform and engage them in the company's strategy and business goals as well as harnessing their ideas on improving broad areas of business performance. By driving a progressive culture, policies and practices, the company aims to differentiate itself as a leading employer and shape broader positive societal change. Each senior manager is responsible for delivering against key communication and employee engagement goals. Diageo also has an intranet web site from which employees with access to a computer can obtain timely and accurate news and information, and join online conversations that are relevant to their role, location and interests.

### **Business Relationship Statement**

The business of the company is that of an intermediate holding company and as such it has a more limited number of third-party business relationships than other companies within the group. However, in order to ensure consistency in how the group operates, the company has adopted an internal Code of Business Conduct alongside a comprehensive framework of global policies and standards that are designed to ensure, amongst other things, that all companies throughout the group, including the company, have regard to its wider stakeholders, including those in a business relationship with the company, in a consistent manner. Decisions taken by directors are informed by the interests of its wider stakeholders, including those in a business relationship with the company, as guided by, amongst other things, the Code of Business Conduct and framework of policies and standards.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## **DIRECTORS' REPORT (continued)**

### **Directors' indemnity**

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

### **Post balance sheet events**

Starting 1 July 2023, the ultimate parent of the company, Diageo plc has changed its functional currency from sterling to US dollar which is applied prospectively. Diageo plc has also decided to change its presentation currency to US dollar with effect from 1 July 2023, applied retrospectively.

The company is a holding entity of the Diageo group carrying out activities as an extension of the direct parent. In line with reporting requirements the company followed its direct parent and changed functional currency from sterling to US dollar starting 1 July 2023 which is applied prospectively. The company also decided to change its presentation currency to US dollar with effect from 1 July 2023, applied retrospectively.

As a result of the functional and presentational currency change of the company from 1 July 2023, to manage the changed foreign currency exposures of the company, the sterling denominated intercompany loans of the entity have been converted from sterling to US dollar on transition date with no material fair value impact and no cash settlement. The amounts of the intercompany loans denominated in sterling were £1,029 million which have been converted to \$1,297 million.

Grand Metropolitan Estates Limited declared a dividend on 6 December 2023 and paid on 1 January 2024 in the amount of £27 million (\$35 million) to the company.

Diageo Group Insurance Company Limited declared a dividend on 8 December 2023 and paid on 15 December 2023 in the amount of £12 million (\$15 million) to the company.

On 16 January 2024, Diageo Great Britain Limited declared and paid dividend in the amount of £500 million (\$632 million) to the company.

On 13 February 2024, part of the deferred consideration in respect of the acquisition of Kanlaon Limited was paid in the amount of £1 million (\$1 million).

### **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 2023 on page 115 at [www.diageo.com](http://www.diageo.com), which does not form part of this report.

### **Independent auditors**

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

**DIRECTORS' REPORT (continued)**

On behalf of the Board

*Dorota Keresztesi*

.....

D Keresztesi  
*Director*

16 Great Marlborough Street  
London  
W1F 7HS  
United Kingdom

1 March 2024

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

#### **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, 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 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 also 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.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' report is approved:

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

# Independent auditors' report to the members of Grand Metropolitan Limited

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2023; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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.

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.

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

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

## **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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to , but were not limited to, Companies Act 2006, UK tax legislation and the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework” and applicable law), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with the directors, management and internal legal counsel, including inquiry regarding known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant board of directors meeting minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In particular, in relation to the recoverability of the company’s investment in its subsidiaries and joint venture, and the recoverability of amounts owed by fellow group undertakings; and
- As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## **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 obtained 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.

Prashant Bagree

Prashant Bagree (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
4 March 2024



**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

**STATEMENT OF COMPREHENSIVE INCOME**

		<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>Notes</b>	<b>£ m</b>	<b>£ m</b>
Operating costs	2	(6)	—
Income from shares in group undertakings	4	1,430	717
Provision against subsidiary undertakings	5, 8	—	(13)
<b>Operating profit</b>		<b>1,424</b>	<b>704</b>
Net finance income	6	126	49
<b>Profit before taxation on ordinary activities</b>		<b>1,550</b>	<b>753</b>
Taxation on profit on ordinary activities	7	(4)	(4)
<b>Profit for the financial year and total comprehensive income for the year</b>		<b>1,546</b>	<b>749</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.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

**BALANCE SHEET**

	Notes	30 June 2023 £ m	30 June 2022 £ m
<b>Non-current assets</b>			
Investments in subsidiaries and joint ventures	8	14,666	14,208
Deferred tax assets	10	5	7
		<u>14,671</u>	<u>14,215</u>
<b>Current assets</b>			
Trade and other receivables	9	1,641	1,747
Cash and cash equivalents		—	—
<b>Total assets</b>		<u>16,312</u>	<u>15,962</u>
<b>Current liabilities</b>			
Trade and other payables	11	(2,569)	(2,564)
<b>Non-current liabilities</b>			
Other payables	11	(71)	—
Post employment benefit liabilities	3	—	—
<b>Total liabilities</b>		<u>(2,640)</u>	<u>(2,564)</u>
<b>Net assets</b>		<u>13,672</u>	<u>13,398</u>
<b>Equity</b>			
Called up share capital	12	—	—
Retained earnings		13,672	13,398
<b>Total equity</b>		<u>13,672</u>	<u>13,398</u>

The accounting policies and other notes on pages 19 to 50 form part of the financial statements.

These financial statements on pages 16 to 50 were approved by the Board on 1 March 2024 and were signed on its behalf by:

*David Teo Keresztesi*

.....  
D Keresztesi  
Director

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

**STATEMENT OF CHANGES IN EQUITY**

**ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

	<b>Called up share capital £ m</b>	<b>Retained earnings £ m</b>	<b>Total £ m</b>
<b>Balance at 30 June 2021</b>	<u>—</u>	<u>12,649</u>	<u>12,649</u>
Profit for the financial year and other comprehensive income	<u>—</u>	<u>749</u>	<u>749</u>
<b>Balance at 30 June 2022</b>	<u>—</u>	<u>13,398</u>	<u>13,398</u>
Profit for the financial year and other comprehensive income	<u>—</u>	<u>1,546</u>	<u>1,546</u>
Dividends to shareholders	<u>—</u>	<u>(1,272)</u>	<u>(1,272)</u>
<b>Balance at 30 June 2023</b>	<u><u>—</u></u>	<u><u>13,672</u></u>	<u><u>13,672</u></u>

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 UK (IFRS), but makes amendments where necessary in order to comply with Companies Act 2006 and sets out below where the FRS 101 disclosure exemptions have been taken.

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

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

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

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

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

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

#### **Basis of preparation (continued)**

- 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', can be omitted, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- The following paragraphs of IAS 24 'Related party disclosures':
  - 17 (key management compensation);
  - 18A (key management services provided by a separate management entity).
- The requirements of 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.

#### **New accounting standards and interpretations**

The following amendments to the accounting standards, issued by the IASB and endorsed by the UK and EU, have been adopted by the group and therefore by the company from 1 July 2022 with no impact on the company's results, financial position or disclosures:

- Amendments to IFRS 3 Updating a Reference to the Conceptual Framework;
- Amendments to IAS 16 Property, Plant and equipment: Proceeds before Intended Use;
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to Annual Improvements 2018-2020 – IFRS 9 – Fees in the '10 per cent' Test, IFRS 16 – Lease incentive, IAS 41 – Taxation in Fair Value Measurements;
- Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules.

The following standard and amendments issued by the IASB have been endorsed by the UK and the EU and have not been adopted by the company:

- IFRS 17 – Insurance contracts (effective from the year ending 30 June 2024) is ultimately intended to replace IFRS 4;
- Amendments to IAS 12 – Income taxes (effective from the year ending 30 June 2024).

There are a number of other amendments and clarifications to IFRSs, effective in future years, which are not expected to significantly impact the company's results or financial position.

#### **Going concern**

The directors have received assurances of continued financial support from a fellow group undertaking, in the form of a letter of support for a similar period of at least 12 months from the date of these financial statements being signed. The directors are comfortable that the fellow group undertaking is in a good financial position to support the company.

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

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

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

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

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

#### **Finance income/charges**

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

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates and these foreign exchange differences are recognised in the statement of comprehensive income.

#### **Investments in subsidiaries and joint ventures**

Investments in subsidiaries and joint ventures 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 income statement 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.

**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.

**Cash and cash equivalents** Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

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

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

**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.

**Contingent considerations** Contingent considerations recognised on acquisitions are obligations of the acquirer to transfer additional considerations if specified future events occur or conditions are met. The amount of contingent considerations are reassessed at year-end and the subsequent changes in the probabilities or expectations are recognised in line with the cost base approach, with any changes accounted for against the cost of investment in subsidiary undertakings.

#### **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. In prior years penalties and interest on tax liabilities were provided for in the tax charge.

Full provision for deferred tax is made for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and their value for tax purposes. The amount of deferred tax reflects the expected recoverable amount and is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the basis of taxation enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognised where it is more likely than not that the asset will not be realised in the future.

#### **Dividends**

The interim dividend is included in the financial statements in the year in which it is approved by the directors, and the final dividend in the year in which it is approved by shareholders. Dividends received are included in the financial statements in the year in which they are receivable.

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

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

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

The directors make estimates and assumptions concerning the future of the company. The resulting accounting estimates will, by definition, seldom equate to actual results. The company's directors are of the opinion that there are no estimates and assumptions that have a significant risk of casting material adjustment to the carrying value of the assets and liabilities for the company within the next financial year due to the nature of the business.

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

- **Investments in subsidiaries and joint ventures:** A critical accounting judgement is the assessment that recoverable amount of the company's investments are greater than the carrying amounts. Impairment reviews are carried out to ensure that the value of the investments in subsidiaries and joint ventures are not carried at above their recoverable amounts. The tests are dependent on management's estimates in respect of the forecasting of future cash flows, the discount rates applicable to the future cash flows and expected growth rates. Such estimates and judgements are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts.
- **Contingent considerations:** Management need to consider the key inputs in respect of the business performance and future forecasts including market projections when developing the assumptions used to determine the fair value. This includes the need to estimate the likelihood and timing of achieving the arrangement's relevant milestones. Management also need to exercise judgement when applying a probability assessment for each of the potential outcomes. Such estimates and judgements are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts.
- **Taxation:** The evaluation of the recognition and recoverability of deferred tax assets requires judgements to be made regarding the availability of future taxable income. The directors believe that the company will generate sufficient future taxable income.



**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

### **2. OPERATING COSTS**

	<b>Year ended 30 June 2023 £ m</b>	<b>Year ended 30 June 2022 £ m</b>
Operating costs	<u>6</u>	<u>—</u>

Operating costs include a foreign exchange gain of £3 million (2022 - £nil) in respect of contingent consideration (see note 11), and transaction costs in respect of acquisitions of £9 million (2022 - £nil).

The auditors' remuneration of £11,655 (2022 - £10,500) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the independent auditors in respect of non-audit services (2022 - £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 (2022 - £nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

### **3. POST EMPLOYMENT BENEFIT LIABILITIES**

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

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

	<b>Year ended 30 June 2023 %</b>	<b>Year ended 30 June 2022 %</b>
Discount rate for plan liabilities	<u>2.7</u>	<u>2.7</u>
		<b>£ m</b>
<b>Plan liabilities at 30 June 2023 and at 30 June 2022</b>		<u>—</u>

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year ended 30 June 2023 £ m	Year ended 30 June 2022 £ m
<b>Dividend income from shares in group undertakings</b>		
Grand Metropolitan International Holdings Limited	872	328
Grand Metropolitan Estates Limited	7	29
Diageo Group Insurance Company Limited	11	—
Diageo Great Britain Limited	540	360
	<u>1,430</u>	<u>717</u>

Dividends of £1,430 million (2022 - £717 million) were settled by receiving an amount due from fellow group undertakings.

### 5. PROVISION AGAINST SUBSIDIARY UNDERTAKINGS

	Year ended 30 June 2023 £ m	Year ended 30 June 2022 £ m
Provisions for impairment	<u>—</u>	<u>13</u>

During the year ended 30 June 2022, an impairment charge of £13 million was recorded in respect of the company's investment in DV Technology LLC (a wholly owned subsidiary undertaking of the company).

### 6. NET FINANCE INCOME

	Year ended 30 June 2023 £ m	Year ended 30 June 2022 £ m
<b>Net finance income</b>		
Finance income from fellow group undertakings		
Diageo Finance plc	60	6
Lakeside MWS Limited Liability partnership	67	43
<b>Total finance income</b>	<u>127</u>	<u>49</u>
Unwinding of discounts	<u>(1)</u>	<u>—</u>
<b>Total finance charges</b>	<u>(1)</u>	<u>—</u>
<b>Net finance income</b>	<u>126</u>	<u>49</u>

Included within finance income from a fellow group undertakings is an interest receivable from Lakeside of £67 million (2022 - £43 million) (note 8).

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

**7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 30 June 2023 £ m	Year ended 30 June 2022 £ m
<b>(a) Analysis of taxation charge for the year</b>		
<b>Current tax</b>		
UK corporation tax	(2)	(3)
Adjustments in respect of prior years	—	1
<b>Total current tax charge</b>	<u>(2)</u>	<u>(2)</u>
<b>Deferred tax</b>		
Current year	(2)	(2)
Adjustments in respect of prior years	—	1
Changes in tax rates	—	(1)
<b>Total deferred tax charge</b>	<u>(2)</u>	<u>(2)</u>
<b>Taxation on profit on ordinary activities</b>	<u><u>(4)</u></u>	<u><u>(4)</u></u>
<b>(b) Factors affecting total tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>1,550</u>	<u>753</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 20.5% (2022 - 19%)	(318)	(143)
Expenses not deductible for tax purposes	(1)	(2)
Items not chargeable for tax purposes	293	136
Adjustments in respect of prior periods	—	1
Foreign income subject to UK tax	(1)	(1)
Deferred tax charge relating to changes in tax rates or laws	—	(1)
Other tax effects for reconciliation between accounting profit and tax income	23	6
<b>Total tax charge for the year</b>	<u><u>(4)</u></u>	<u><u>(4)</u></u>

The UK corporation tax rate increased from 19% to 25% on 1 April 2023 and so an average tax rate of 20.50% is applied for the year ended 30 June 2023. Deferred taxes at 30 June 2023 have been measured using this increased tax rate and reflected in these financial statements. (note 10).

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£ m</b>	<b>£ m</b>
Shares in group undertakings (i)	14,390	14,097
Loan to fellow group undertaking (ii)	276	111
	<b>14,666</b>	<b>14,208</b>

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

	<b>Subsidiaries and joint ventures £ m</b>
<b>Cost</b>	
At 30 June 2022	37,848
Additions	293
<b>At 30 June 2023</b>	<b>38,141</b>
<b>Provisions</b>	
At 30 June 2022 and 30 June 2023	(23,751)
<b>Carrying amount</b>	
<b>At 30 June 2023</b>	<b>14,390</b>
At 30 June 2022	14,097

On 10 March 2023, the company completed the acquisition of Kanlaon Limited for upfront cash consideration of €216 million (£192 million), deferred consideration of €4 million (£3 million) and contingent consideration of up to €178 million (£158 million) through to 2028 subject to certain financial performance targets, reflecting the brand's expected growth potential. The fair value of the contingent consideration of €82 million (£72 million) was estimated by calculating the present value of the future expected cash flows which is dependent on management's estimates in respect of the forecasting of future cash flows and the discount rates applicable to the future cash flows. On 27 June 2023, the Board approved an equity injection to Kanlaon Limited in amount of €30 million (£26 million).

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

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>Proportion of effective interest %**</b>
<b>Direct holdings</b>				
<b>Subsidiary undertakings</b>				
Diageo DV Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
Diageo Great Britain Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
Diageo Group Insurance Company Limited		Heritage Hall, Le Marchant Street, St Peter Port, GY1 4JH, Guernsey	100%	100%
Diageo Healthcare Limited	(i)	16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
DV Technology LLC		1209 Orange Street, New Castle, Delaware 19801, United States	100%	100%
Grand Metropolitan Estates Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
Grand Metropolitan International Holdings Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
Lakeside MWS Limited Liability Partnership	(xi)	16 Great Marlborough St, London, W1F 7HS, United Kingdom	—	—
Kanlaon Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
The Pimm's Drinks Company Limited	(i)	16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
<b>Joint venture undertaking</b>				
Grand Metropolitan Capital Company Limited	(xii)	16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%

\* The percentage of shares held by the immediate shareholder(s) of the subsidiaries

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

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

### **8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Subsidiary undertakings</b>				
Anejos De Altura, Sociedad Anonima	(vi)	0 calle 8-19 zona 9, Quetzaltenango, Guatemala	100%	50%
Anna Seed 83 Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Arthur Bell & Sons Limited	(i)	11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
Atalantaf Limited		Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM 10, Bermuda	100%	100%
Belsazar GmbH		Reeperbahn 1, 20359, Hamburg, Germany	100%	100%
Bundaberg Distilling Company Pty. Limited	(iii)	Whitted Street, QLD, 4670, Bundaberg, Australia	100%	100%
Bundaberg Distilling Investments Pty Ltd	(iv)	162 Blues Point Road, Level 1, NSW, 2060, McMahon's Point, Australia	100%	100%
Cellarers (Wines) Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Chase Distillery (Holdings) Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Chase Distillery Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Chat Noir Co. Inc.		Unit 3 G/F, 134 Legaspi Parkview Condominium, Carlos Palanca Street cor. Legaspi Street, Makati City, Philippines	100%	100%
Copper Dog Whisky Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
Diageo (IH) Limited	(i)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Angola Limitada		Rua Fernao de Sousa, Condominio Bengo, Letter A, 11.s floor, Fraction A37, neighbourhood Vila Alice, Province of Luanda, Angola	100%	100%
Diageo Atlantic B.V.		Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	100%
Diageo Australia Limited	(iv)	Level 7, 99 Macquarie Street, Sydney, NSW 2000, Australia	100%	100%

\* The percentage of shares held by the immediate shareholder(s) of the subsidiaries

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

**Grand Metropolitan Limited**  
**Registered number: 00291848**  
**Year ended 30 June 2023**

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
<b>Indirect holdings</b>				
<b>Subsidiary undertakings</b>				
Diageo Brands Nigeria Ltd	(ii)	Oba Akran Avenue Ikeja, 24, Lagos, PMB 21071, 100001, Nigeria	100%	100%
DIAGEO Business Services Private Company Limited by Shares		Dozsa Gyorgy ut 144, Budapest, 1134, Hungary	100%	100%
Diageo Eire Finance & Co	(i)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Employee Ownership Program Organization		Dozsa Gyorgy ut 144, Budapest, 1134, Hungary	99.94%	99.94%
Diageo Finance US Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Financing Turkey Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Hungary Marketing Services Limited Liability Company		Dozsa Gyorgy ut 144, Budapest, 1134, Hungary	100%	100%
Diageo Investment Holdings Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Ireland Finance 1 Unlimited Company		St. James's Gate, Dublin 8, Ireland	100%	100%
Diageo Korea Co. Ltd		932-94, Daewol-ro, Daewol-myun, Icheon-shi, Gyeonggi-do, 17342, Icheon, South Korea	100%	100%
Diageo New Zealand Limited		123 Carlton Gore Road, Level 2, Newmarket, 1023, Auckland, New Zealand	100%	100%
Diageo Overseas Holdings Limited	(viii)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Scotland Investment Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo Scotland Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
Diageo South Africa (Pty) Limited		Building 3, Maxwell Office Park, Magwa Crescent West, Waterfall City, Midrand, 2090, South Africa	100%	63.5%
Diageo Suisse S.A.		Place de la Gare 12, Lausanne, 1003 Switzerland	100%	59.12%

\* The percentage of shares held by the immediate shareholder(s) of the subsidiaries

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

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Subsidiary undertakings</b>				
Diageo Supply Marracuene Lda.		Estrada Nacional numero 1, Micanhine, Marracuene, Mozambique	100%	100%
Diageo UK Turkey Holdings Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Diageo UK Turkey Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
DIREF Industria de Bebidas,Lda-Angola JV		Rua Dom Eduardo Andre Muaca, S/ No, LOTE C4, Luanda, Angola	50.1%	50.1%
Guinness Canada Limited	(ii)	Labatt House, 207 Queen's Quay West, Suite 299, Ontario, M5J 1A7, Toronto, Canada	51%	51%
Guinness Nigeria plc		Oba Akran Avenue Ikeja, 24, Lagos, PMB 21071, 100001, Nigeria	58.02%	58.02%
Guinness Overseas Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
James Buchanan & Company Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
John Haig & Company Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
John Walker and Sons Limited	(i)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
Justerini & Brooks Importers B.V.		Molenwerf 12, 1014 BG, Amsterdam, Netherlands	100%	100%
Justerini & Brooks, Limited		61 St. James's Street, London, SW1A 1LZ, England, United Kingdom	100%	100%
Lochside MWS Limited Partnership	(xi)	11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	—	—
Mr Black Spirits Pty Ltd.		Level 7, 99 Macquarie Street, Sydney, NSW 2000, Australia	100%	100%
Mr Black UK Limited		16 Great Marlborough St, London, W1F 7HS, United Kingdom	100%	100%
Rum Creation & Products, Inc.	(v, vi)	Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands	50%	50%

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
<b>Indirect holdings</b>				
<b>Subsidiary undertakings</b>				
S & B Production Limited		3rd Floor Capital House, 3 Upper Queen Street, Belfast, United Kingdom	100%	100%
Seedlip Inc.		175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	91%
Seedlip Ltd		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	91%	91%
The Distillers Company (Biochemicals) Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
The Lochnagar Distillery Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
Tipplesworth Limited	(ii)	25 Farringdon Street, EC4A 4AB, London, United Kingdom	100%	100%
UDV (SJ) Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
UDV Kenya Limited	(xiii)	5th Floor, Garden City Business Park, Block A, Garden City Road, Off Exit 7, Thika Superhighway, P.O. Box 30161-00100, Nairobi, Kenya	76.85%	59.59%
ULM Holdings Inc.	(i, vi)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	40%	40%
United Distillers & Vintners Philippines Inc	(i)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	99.95%	99.95%
United Distillers France Limited		16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	100%
United Distillers France SAS		73 Rue de Provence, 75009 Paris, France	100%	100%
William Sanderson and Son Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
Windsor Global Co., Ltd.	(xvi)	932-94, Daewol-ro, Daewol-myun, Icheon-shi, Gyeonggi-do, 17342 Icheon, South Korea	100%	100%

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

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
<b>Indirect holdings</b>				
<b>Subsidiary undertakings</b>				
Zepf Technologies UK Limited		11 Lochside Place, Edinburgh, EH12 9HA, United Kingdom	100%	100%
<b>Associate undertakings</b>				
21Seeds Inc.	(x)	300 Delaware Ave Ste 210-A Wilmington, DE 19801, United States	100%	25.5%
Agropecuarias Las Marias I C.A.	(x)	Carretera Nacional Acarigua-Barquisimeto Casa Agropecuaria Las Marias I C.A.S-N Sector los Guayones La Miel, Lara., Venezuela	100%	25.5%
AGS Employee Shares Nominees (Ireland) Designated Activity Company	(x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Anyslam Investments	(x, xviii)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	25.5%
Arran Tradings, C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%
Arthur Guinness Son & Company (Dublin) Unlimited Company	(i, x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Aviation Gin LLC	(x)	381 Park Avenue South, Suite 1015, New York, NY 10016, United States	100%	25.5%
Balcones Distilling LLC		5444 Westheimer 1000, Houston, TX 77056, United States	100%	25.5%
Ballindalloch Distillery LLP		Ballindalloch Castle, Ballindalloch, Banffshire AB37 9AX, Scotland, United Kingdom	33.33%	33.33%
Ballroom Acquisition, Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Caleno Drinks Ltd		Clockwise Bristol Generator Building, Finzels Reach, Counterslip, Bristol, England, BS1 6BX, United Kingdom	20%	20%
California Simulcast Inc	(i, x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	80%	20.4%
CASA UM, S.A.P.I. DE C.V.	(x)	Calle Gobernador Rafael Rebollar 95, Col San Miguel de Chapultepec, Del Miguel Hidalgo CP 11850, Mexico City, Mexico	100%	25.5%
Casamigos Spirits Company LLC	(x)	3411 Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810, United States	100%	25.5%
Casamigos Tequila LLC	(x)	3411 Silverside Road, Tatnall Building - Ste 104, Wilmington, DE 19810, United States	100%	25.5%
Chengdu Swellfun Liquor Co. Limited	(x)	No. 38 Jiuyuan Road, Kongming Street, Qionglai, Chengdu, China	100%	32.86%
Clyde Trading, C.A.	(iii, x)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	25.5%
Cupar Trading, C.A.	(iii, x)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	25.5%
D Distribution Joint-Stock Company	(x)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	25.5%
Davos Brands LLC	(x)	381 Park Avenue South, Suite 1015, New York, NY 10016, United States	100%	25.5%
Davos Services LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo - Lebanon SAL	(x)	Beirut Symposium Bldg, 10th floor, Beirut, POBox 113-5250, Beirut, Lebanon	84.99%	21.67%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo (Shanghai) Limited	(x)	No.28 Jiafeng Road, 2502, 5, Pudong District, 200137, Shanghai, China	100%	25.5%
Diageo Americas Supply Quebec Distribution Inc.	(x)	Boul Henri-Bourassa E., 9225, Local A, Quebec, H1E 1P6, Montreal, Canada	100%	25.5%
Diageo Americas Supply, Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Americas, Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Asia Pacific Shared Services Centre Limited, Inc.	(x)	10th Floor, Commerce and Industry Plaza Building, McKinley Hill, Fort Bonifacio, Taguig City, Philippines	100%	25.5%
Diageo Austria GmbH	(x)	Teinfaltstrasse 8, 1010, Wien, Austria	100%	25.5%
Diageo Balkans S.R.L.	(x)	Expo Business Park, Street Aviator Popisteanu 54A, Cladirea 2, et 1-3, Sector 1, Bucurest, 012244, Romania	100%	25.5%
Diageo Beer Company USA	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Belgium N.V.	(x)	Z.3 Doornveld 150, 1731, Zellik, Belgium	100%	25.5%
Diageo Brands B.V.	(x)	Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	25.5%
Diageo Brands Distributors LLC	(x)	Kaspiyskaya Street, 22, main bld. 1, bld. 5, floor 3, apartment VII, room 31a, 115304, Moscow, Russia	100%	25.5%
Diageo Brasil Ltda	(x)	Rua Olimpiadas, 205, floor 14-15, 04551-000, Sao Paulo, Brazil	100%	25.5%
Diageo Bulgaria Ltd	(x)	7 Iskarsko Shose Blvd., Trade Center Europe, building 12, floor 2, 1528, Sofia, Bulgaria	100%	25.5%
Diageo Business Services India Private Limited	(x)	Kempapura Main Road, Opp Nagawara Lake, Karle SEZ Tower, 2nd floor, Karnataka, 560045, Bangalore, India	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Cameroon Ltd	(x)	535 rue AFCODI, Douala P.O. Box 1245, Cameroon	100%	25.5%
Diageo Canada Holdings Inc.	(x)	134 Peter Street, Suite 1501, Ontario, M5V 2H2, Toronto, Canada	100%	25.5%
Diageo Canada Inc.	(x)	134 Peter Street, Suite 1501, Ontario, M5V 2H2, Toronto, Canada	100%	25.5%
Diageo Chile Limitada	(x)	Avenida Apoquindo 5950, Piso 4, Oficina 04-103, Las Condes Santiago de Chile, Chile	100%	25.5%
Diageo China Limited	(x)	41F, One Museum Place, 669 Xinzha Road, Jingan District, Shanghai, China	100%	25.5%
Diageo Colombia S.A.	(x)	100 street No.13 21 Office 502. Bogota, Colombia	100%	25.62%
Diageo Costa Rica S.A.	(x)	Trejos Montealegre, Edificio Escazu, Village II, Oficinas 03-118 y 03-120, Distrito San Rafael, San Jose, Costa Rica	100%	25.5%
Diageo Croatia d.o.o.za usluge	(x)	Hektoroviceva ulica 2, 10000, Zagreb, Croatia	100%	25.5%
Diageo Czech Marketing Services LLC	(x)	Namesti I. P. Pavlova 1789/5. 4th floor, 120 00, Prague 2, Czech Republic	100%	25.5%
Diageo de Argentina S.A.	(x)	Bernardo de Irigoyen 972, floor 7, office A, CABA, Argentina	100%	25.5%
Diageo Denmark AS	(x)	Sundkrogsgade 19, 2., 2100 Copenhagen, Denmark	100%	25.5%
Diageo Distilleries Private Limited	(x, vii)	Marathon Futurex, A-Wing, 2601, 26th Floor, N M Joshi Marg, Lower Parel, Mumbai - 400 013, India	100%	25.5%
Diageo Distribution Company Limited	(x)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	25.5%
Diageo Dominicana S.R.L.	(x)	Num. 07 Av. Jacinto Ignacio Manon, Sector Ensanche Paraiso, Edificio Chez Space, Piso 3rd, Distrito Nacional, Santo Domingo, Dominican Republic	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Espana S.A.	(x)	Avda de la Victoria 32, Edificio Spirit, 28023, Madrid, Spain	100%	25.5%
Diageo Export SR Inc.	(i, x)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	99.84%	25.46%
Diageo Germany GmbH	(x)	Reeperbahn 1, 20359, Hamburg, Germany	100%	25.5%
Diageo Global Supply IBC Limited	(x)	3rd Floor Capital House, 3 Upper Queen Street, Belfast, United Kingdom	100%	25.5%
Diageo Hellas S.A.	(x)	Leof. Kifisias 115, Athens, 115 24, Greece	100%	25.51%
Diageo Highlands Holding B.V.	(x)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	100%	25.5%
Diageo Holdings Netherlands B.V.	(x)	Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	25.5%
Diageo Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo India Private Limited	(x)	Marathon Futurex, A-Wing, 2601, 26th Floor, N M Joshi Marg, Lower Parel, Mumbai, 400 013, India	100%	25.5%
Diageo Investment Corporation	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Ireland Holdings Unlimited Company	(x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Diageo Ireland Quebec Distribution Inc.	(x)	Boul Henri-Bourassa E., 9225, Local A, Quebec, H1E 1P6, Montreal, Canada	100%	25.5%
Diageo Ireland Unlimited Company	(x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Diageo Italia S.p.A.	(x)	Via Ernesto Lugaro 15, 10126, Torino, Italy	100%	25.5%
Diageo Japan Administration Services K.K.	(x)	9-7-1 Akasaka, Minato-ku, Tokyo 164-0001, Japan	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Japan K.K	(x)	9-7-1 Akasaka, Minato-ku, Tokyo 164-0001, Japan	100%	25.5%
Diageo Kenya Limited	(x)	L R NO 1870/1/176, Aln House, Eldama Ravine Close, off Eldama Ravine Road, Westlands, Nairobi, Kenya	100%	25.5%
Diageo Latin America & Caribbean LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Lebanon Holding SAL	(x)	Verdun Street, Ibiza Building, Beirut, PO Box 113-5631, Lebanon	99.98%	25.49%
Diageo LENA Off-shore SAL	(x)	Verdun Street, Ibiza Building, Beirut, PO Box 113-5631, Lebanon	99.9%	25.47%
Diageo Liquor (Dali) Co.,Ltd.	(x)	Fengxiang Village Fengyu Town, Eryuan County, Dali Bai Minority Region, Yunnan Province, China	100%	25.5%
Diageo Liquor Technology (Shanghai) Co. Ltd	(x)	Unit 1101, 1102, Building 16, No.1000 Jinhai Road, Shanghai, China	100%	25.5%
Diageo Loyal Spirits Corporation	(x)	1425 South Kingstown Road, South Kingstown, RI 02879, United States	100%	25.5%
Diageo Mexico Comercializadora S.A. de C.V.	(x)	Carretera Atotonilco - Guadalajara, Atotonilco el Alto, Jalisco, 47750, Mexico	100%	25.5%
Diageo Mexico II, S.A. de C.V.	(x)	Av. Ejercito Nacional, 843-B, Torre Paseo Acceso B, 2, Mexico City, 11520, Mexico	100%	25.5%
Diageo Mexico Operaciones S.A. de C.V.	(x)	Porfirio Diaz 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	25.5%
Diageo Mexico SA de CV	(x)	Carretera Atotonilco - Guadalajara, Atotonilco el Alto, Jalisco, 47750, Mexico	100%	25.5%
Diageo Mexico Spirits	(x)	Porfirio Diaz 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	25.5%
Diageo Nederland B.V.	(x)	Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

Name of investment	Notes	Registered office address	Proportion of ownership interest %*	Proportion of effective interest %**
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Non-Alcohol Beverages LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo North America Foundation, Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo North America, Inc.	(iii, x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Diageo Norway AS	(x)	Apotekergata 10, 0180 Oslo, Norway	100%	25.5%
Diageo Nueva Esparta, C.A.	(i, x)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	99.9%	25.47%
Diageo Operations Italy S.p.A.	(x)	Strada Statale 63, 12069, Santa Vittoria d'Alba (CN), Italy	100%	25.5%
Diageo Panama S.A.	(x)	Costa del Este, Ave La Rotonda, Business Park, Torre V. piso 15 Panama City, Panama	100%	25.5%
Diageo Paraguay S.R.L.	(x)	Avda Aviadores del Chaco 2050. Edificio World trade center. Torre 3 piso 11, Paraguay	100%	25.5%
Diageo Peru S.A.	(x)	Victor Andres Belaunde 147, Via Principal 133, Interior 107, Piso 10, San Isidro, Lima, Peru	100%	25.5%
Diageo Philippines Free Port Inc	(i, x)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	99.99%	25.5%
Diageo Philippines Inc.	(x)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	99.99%	25.5%
Diageo Polska Sp. z o.o.	(x)	Przyokopowa Str. 31, PL 01 – 208 Warsaw, Poland	100%	25.5%
Diageo Portugal - Distribuidora de Bebidas, Unipessoal, Lda	(x)	Avenida D. Joao II, No 50, piso 2, letra D, Edificio Mar Vermelho, 1990-095 Lisboa, Portugal	100%	25.5%

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**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Relay B.V.	(iii, x)	Molenwerf 12, 1014 BG Amsterdam, The Netherlands	25.5%	25.5%
Diageo Retirement Savings Plan Designated Activity Company	(x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Diageo Reunion SAS	(x)	14, rue Jules Thirel A30 97460 Saint Paul, Reunion Island	100%	25.5%
Diageo RTD Hong Kong Limited	(x)	31/F, Tower two, Times Square, 1 Matheson street Causeway Bay, Hong Kong	100%	25.5%
Diageo Singapore Pte Ltd.	(x)	112 Robinson Road, 5th Floor 01, 068902, Singapore	100%	25.5%
Diageo Supply Chain (Shenzhen) Co., Ltd	(x)	Unit B, 2nd Floor, West Logistics Center, No. 88 Linhai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, China	100%	25.5%
Diageo Sweden AB	(x)	Gavlegatan street 22/C, 11330, Stockholm, Sweden	100%	25.5%
Diageo Taiwan Inc.	(x)	Panama city, West Boulevard, PH ARIFA, 9th and 10th, Santa Maria Business, Panama	100%	25.5%
Diageo Turkey Holdings Limited	(ii, x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Diageo Ukraine LLC	(x)	1v Pavla Tychyny avenue , 2152, Kyiv, Ukraine	100%	25.5%
Diageo Uruguay SA	(x)	Pasaje Paseo De Las Carretas, 2580, oficina 1301, Montevideo, Uruguay	100%	25.5%
Diageo US Investments	(ii, x)	16 Great Marlborough Street, London, W1F 7HS, United Kingdom	100%	25.5%
Diageo USVI Inc.	(x)	1 Estate Annaberg & Shannon Grove, RR1 Box 9400, Kingshill, VI 00850-9703, United States	100%	25.5%
Diageo Venezuela C.A.	(x)	Ave. San Felipe Urbanización La Castellana, Edificio Centro Coinasa, Piso 6. Caracas, 1060, Venezuela	100%	25.5%

\* The percentage of shares held by the immediate shareholder(s) of the subsidiaries  
 \*\* Effective percentage of shares held by the company directly and indirectly

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Diageo Vietnam	(x)	No. 157, 21/8 Street, Phuoc My Ward, Phan Rang - Thap Cham City, Ninh Thuan Province, Vietnam	100%	25.5%
Don Julio Agavera S.A. de C.V.	(x)	Porfirio Diaz 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	25.5%
DV Paraguana, C.A.	(i, x)	Av Intercomunal Ali Primera, Los Taques, Estado Falcón, Venezuela	100%	25.5%
DV Release, C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%
DV Trading, C.A.	(iii, x)	Av. Circunvalacion Norte (Jose Asuncion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	25.5%
El Bandarra, S.L.		Calle General Vara del Rey 5, 1 Piso, 26003 Logroño, La Rioja, Spain	25%	25%
Far West Spirits LLC	(x)	2950 North Loop W Ste 1200 Houston, TX 77092-8808, United States	99%	25.25%
Gilbeys of Ireland Unlimited Company	(i, x)	Nangor House, Western Estate, Nangor Road, Dublin, 12, Ireland	100%	25.5%
Global Farming Initiative B.V.	(x)	Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	25.5%
Guinness France Holdings SAS	(x)	4 Rue Jules Lefebvre, 75009, Paris, France	100%	25.5%
Guinness Ghana Breweries Plc	(x)	Guinness Brewery, Plot 1 Block L, Industrial Area, Kaasi, P. O. Box 1536, Kumasi, Ghana	80.4%	20.5%
Guinness Storehouse Limited	(x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Industrias Pampero C.A.	(x)	Ave. San Felipe Urbanización La Castellana, Edificio Centro Coinasa, Piso 6. Caracas, 1060, Venezuela	96.8%	24.68%
International Distillers - Zimbabwe (Private) Limited	(i, x)	48 Midlothian Avenue, Eastlea, Harare, Zimbabwe	100%	25.5%

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Irish Ale Breweries Holdings Unlimited Company	(i, iv, x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Islay Trading, C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%
L4L Trading, C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%
Las Olas Limited		International House, 64 Nile Street, London, England, N1 7SR, United Kingdom	33.33%	33.33%
Leaf Arbor Limited	(xv)	71-75 Shelton Street, Covent Garden, London, WC2H 9JQ, England, United Kingdom	20%	20%
Liquor Investment LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Lismore Trading, C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%
London Botanical Drinks Limited		39-45 Bermondsey Street, London, SE1 3XF, United Kingdom	21.25%	21.25%
Mey Alkollü İçkiler Sanayi ve Ticaret A.Ş.	(x)	Esentepe Mah. Bahar Sk. Ozdilek River Plaza Vyndham Grand Apt. No 13/25 Sisli, Istanbul, Turkey	100%	25.5%
Mey İçki Sanayi ve Ticaret A.Ş.	(x)	Esentepe Mah. Bahar Sk. Ozdilek River Plaza Vyndham Grand Apt. No 13/25 Sisli, Istanbul, Turkey	100%	25.5%
Mull Trading, C.A.	(i, x)	Av La Hormiga con Intersección de la Carretera via Payara, C.C. Tierra Buena Acarigua, Venezuela	100%	25.5%

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

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

### **8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
New World Whisky Distillery PTY Limited		50 Bertie Street, Port Melbourne, Victoria 3207, Australia	30%	30%
Nicocktails S.R.L.	(xvii)	Via Tortona 15, 20144, Milan, Italy	20%	20%
North Island United Enterprise Holdings Inc	(i, x)	Unit 1, 17th Floor, Ore Central 9th Avenue corner 31st Street Bonifacio Global City, Taguig City, 1634, Philippines	100%	25.5%
PT Langgeng Kreasi Jayaprima	(x)	Jl. Raya Kaba-Kaba No. 88, Banjar Carik Padang, Desa Nyambu, Kecamatan Kediri, Kabupaten Tabanan, Provinsi Bali, Indonesia	80%	20.4%
Pulpex Limited		64 New Cavendish Street, London, W1G 8TB, England, United Kingdom	36.42%	36.42%
R & A Bailey & Co Unlimited Company	(x)	Nangor House, Western Estate, Nangor Road, Dublin, 12, Ireland	100%	25.5%
R & A Bailey Pension Trustee Designated Activity Company	(i, x)	St. James's Gate, Dublin 8, Ireland	100%	25.5%
Rheinland Distillers GmbH	(ix)	Mozartstr. 7, 53115 Bonn, Germany	20%	20%
Selviac Nederland B.V.	(x)	Molenwerf 12, 1014 BG, Amsterdam, The Netherlands	100%	25.5%
Servicios Agavera, S.A. de C.V.	(x)	Porfirio Diaz 17, Jalisco, 47750, Atotonilco el Alto, Mexico	100%	25.5%
Seychelles Breweries Limited		O'Brien House, 273 Le Rocher, Mahe, Seychelles	54.4%	36.22%
Sichuan Chengdu Shuijingfang Group Co., Ltd	(x)	No. 9 Quanxing Road, Jinniu District, Chengdu, 610036, China	100%	25.5%
Sichuan Swellfun Co., Ltd	(x)	No. 9 Quanxing Road, Jinniu District, Chengdu, 610036, China	63.16%	33.57%
Skye Trading C.A.	(x)	Calle 1 con calle Calle 1 Este, Edificio y Galpon BTP, Zona Industrial La Caracarita, Municipio Los Guayos, estado Carabobo, Venezuela	100%	25.5%

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

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Soh Spirits LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Sombra Mezcal S. de R.L. de S.V.	(x)	Independencia SN Santiago, Matatlán, Oaxaca 70440, Mexico	100%	25.5%
Stauning Whisky Holding ApS		Stauningvej 38, 6900 Skjern, Denmark	40%	40%
Still On The Hill Limited		8 King Edward Street, Oxford, OX1 4HL, United Kingdom	28.57%	28.57%
Stirrings LLC	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Streetcar Investment Holding Pte. Ltd.	(x)	112 Robinson Road, 1, 5th Floor, 1, Singapore 68902, Singapore	100%	25.5%
Sumagro Limited	(i, x)	CRB Africa Legal Attorneys, Plot 60, Ursino Street P.O. Box 32840, Dar es Salaam, Tanzania	99.99%	25.5%
Swellfun (Beijing ) Consulting Co. Ltd	(x)	No. 7 Guanghua Road, Chaoyang District, Beijing, 100020, China	100%	33.57%
Swellfun (Shanghai) Consulting Co. Ltd	(x)	41F, One Museum Place, 669 Xinzha Road, Jingan District, Shanghai, China	100%	33.57%
The Bulleit Distillery, Inc.	(i, x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
The Scotch Whisky Heritage Centre Limited		354 Castlehill, The Royal Mile, Edinburgh, EH1 2NE, United Kingdom	29%	29%
The Southwest Fermentarium Limited		Harbourside Brewery, Tretoil Farm, Bodmin, Cornwall, PL30 5BA, United Kingdom	25%	25%
UDV Ireland Group (Trustees) Designated Activity Company	(i, x)	Nangor House, Western Estate, Nangor Road, Dublin, 12, Ireland	100%	25.5%
Valdomino Premium Spirits, S.L.		Tomino (Pontevedra), 36750, Parroquia de Goian, Barrio de Centinela, 1, Spain	20%	20%

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

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

### **8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

<b>Name of investment</b>	<b>Notes</b>	<b>Registered office address</b>	<b>Proportion of ownership interest %*</b>	<b>Proportion of effective interest %**</b>
<b>Indirect holdings</b>				
<b>Associate undertakings</b>				
Vivanda Inc.	(x)	3411 Silverside Road Tatnall Building, Ste 104 Wilmington, DE 19810, United States	100%	25.5%
Whisky Archive Inc.	(x)	175 Greenwich Street, Three World Trade Center, New York, NY 10007, United States	100%	25.5%
Ypioca Agricola LTDA	(x)	Fazenda Santa Eliza, Zona Rural, Ceará, 62.685-000, Paraipaba, Brazil	100%	25.5%
Ypioca industrial de Bebidas S.A.	(x)	Município de Itaitinga, Estado do Ceará, na Rodovia BR 116, no 15.000, Bairro Jiboia, CEP 61.880-000, Brazil	100%	25.5%
Zeta Importers C.A.	(iii, x)	Av. Circunvalacion Norte (Jose Asunsion Rodriguez) Edificio Distribuidora Metropol, Porlamar, Estado Nueva Esparta, Venezuela	100%	25.5%
<b>Joint venture undertakings</b>				
Diageo International Spirits Company Limited	(ii, iv)	Room 06, 13A/F. South Tower, World Finance Centre, Harbour City, 17 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	50%	50%
Lothian Distillers Limited		9 Wheatfield Road, EDINBURGH, EH11 2PX, United Kingdom	50%	50%
The North British Distillery Company Limited		9 Wheatfield Road, EDINBURGH, EH11 2PX, United Kingdom	99.99%	50%
Trafalgar Metropolitan Homes Limited		Persimmon House, Fulford, York YO19 4FE, United Kingdom	50%	50%

\* The percentage of shares held by the immediate shareholder(s) of the subsidiaries

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

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

**8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

- (i) Dormant company.
- (ii) In liquidation.
- (iii) Ownership held in class of A shares and B shares.
- (iv) Ownership held in class of A shares.
- (v) Ownership held in class of B shares.
- (vi) Subsidiary based on management's assessment.
- (vii) Ownership held in equity shares and preference shares
- (viii) Ownership held in class of preference shares.
- (ix) On 31 August 2023, the company divested its ordinary shares in Rheinland Distillers GmbH.
- (x) Subsidiary at group level but an associate based on the effective percentage of shares held by the company.
- (xi) No percentage is disclosed as Lochside MWS Limited Partnership and Lakeside MWS Limited Liability Partnership are partnerships.
- (xii) 50% held directly and 50% held indirectly. Subsidiary at group level but joint venture based on the effective percentage of shares held by the company.
- (xiii) On 24 March 2023, Diageo completed the purchase of an additional 14.97% of the share capital of East African Breweries PLC (EABL). This increased Diageo's controlling shareholding position in EABL from 50.03% to 65.00%, and resulted in an increase of 6.94% of shareholdings in UDV Kenya Limited from 76.85% to 83.79%.
- (xiv) On 29 September 2022, one of the company's direct subsidiaries acquired ordinary shares for cash consideration in Mr Black Spirits Pty Ltd.. As a result of the acquisition, the company indirectly holds 100% equity stake in the investment.
- (xv) On 3 July 2023, the company divested its ordinary shares in Leaf Arbor Limited.
- (xvi) On 27 October 2023, the company divested its ordinary shares in Windsor Global Co., Ltd..
- (xvii) On 23 November 2023, the company's direct shareholding acquired further ordinary shares for cash consideration in Niococktails S.r.l.. As a result of the acquisition, the shareholding in the company increased from 20% to 49%.
- (xviii) Dissolved on 9 December 2023.

The investments in subsidiaries and joint ventures are held at cost less, where appropriate, provision for impairment in value.

In the opinion of the directors, the investment in (and amounts due from) the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

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

### **8. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES (continued)**

#### *(ii) Loan to fellow group undertaking*

	Amounts owed by Lakeside £ m
At 30 June 2021	105
Capital contribution made during the year	125
Capital withdrawal made during the year	(119)
<b>At 30 June 2022</b>	<b>111</b>
Capital contribution made during the year	265
Capital withdrawal made during the year	(100)
<b>At 30 June 2023</b>	<b>276</b>

In June 2010, the group established a Pension Funding Partnership in which the UK Diageo Pension Scheme ('UK Scheme') acquired a limited interest, and as a partner, is entitled to a distribution of the profits of the Pension Funding Partnership each year, for 20 years. Under this structure the company, as a designated member, together with Lochside MWS Limited Partnership agreed to form Lakeside MWS Limited Liability Partnership ('Lakeside'), which was registered in the United Kingdom on 23 June 2010. The company, as a member, is entitled to a proportion of the distributed profits of Lakeside each year. During the year the company made a capital contribution of £265 million to Lakeside (2022 - £125 million) and, in line with the Partnership Agreement, excess cash of Lakeside was paid back to the company in the amount of £100 million (2022 - £119 million) by withdrawing excess capital. As the distributions represent a contractual right for the company to receive cash from Lakeside, the capital contribution is shown as a loan to fellow group undertaking and the profit distribution received is presented as an interest income (note 6).

### **9. TRADE AND OTHER RECEIVABLES**

	30 June 2023 £ m	30 June 2022 £ m
Amounts owed by fellow group undertakings		
Diageo Finance plc	1,492	1,405
Grand Metropolitan Estates Limited	—	264
Diageo DV Limited	120	64
Lakeside MWS Limited Liability Partnership (note 13)	26	14
	<b>1,638</b>	<b>1,747</b>
Other receivables	3	—
	<b>1,641</b>	<b>1,747</b>

Amounts owed by fellow group undertakings are unsecured and repayable on demand. The amount owed by Diageo Finance plc of £1,492 million (2022 - £1,405 million) is interest bearing, all other amounts owed by fellow group undertakings are interest free.



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

### **9. TRADE AND OTHER RECEIVABLES**

The amount of £264 million owed by Grand Metropolitan Estates Limited as at 30 June 2022 was settled by receiving an amount due from fellow group undertakings.

Other receivables balance include amounts owed in respect of the completion accounts and final option payments of Kanlaon Limited in the amount of £3 million.

### **10. DEFERRED TAX ASSETS**

	<b>Non-trading losses £ m</b>
At 30 June 2021	9
Recognised in income statement	(2)
<b>At 30 June 2022</b>	<b>7</b>
Recognised in income statement	(2)
<b>At 30 June 2023</b>	<b>5</b>

#### **Unrecognised deferred tax assets**

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

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>Gross amount £ m</b>	<b>Tax effected £ m</b>	<b>Gross amount £ m</b>	<b>Tax effected £ m</b>
Capital losses - available indefinitely	<u>153</u>	<u>38</u>	<u>153</u>	<u>38</u>

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. TRADE AND OTHER PAYABLES

	30 June 2023		30 June 2022	
	Amounts falling due within one year £ m	Amounts falling due after one year £ m	Amounts falling due within one year £ m	Amounts falling due after one year £ m
Amounts owed to fellow group undertakings				
Grand Metropolitan Capital Company Limited	2,562	—	2,562	—
Diageo plc	2	—	—	—
Diageo Scotland Limited	2	—	2	—
	<b>2,566</b>	<b>—</b>	<b>2,564</b>	<b>—</b>
Deferred consideration	3	—	—	—
Contingent consideration	—	71	—	—
	<b>2,569</b>	<b>71</b>	<b>2,564</b>	<b>—</b>

Amount owed to Diageo plc is in respect of transaction costs for the acquisition of Kanlaon Limited paid on behalf of the company during the year, and is expected to be settled in the following financial year.

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

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

### 12. CALLED UP SHARE CAPITAL

#### Share capital

*Allotted, called up and fully paid:*

	30 June 2023 £
1 (2022 - 1) ordinary shares of 25p each	<u>0.25</u>

### 13. RELATED-PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

#### Loans to related parties

At 30 June 2023, amounts owed by fellow group companies includes £276 million (2022 - £111 million) in respect of a loan provided to Lakeside MWS Limited Liability Partnership (note 8), which is not wholly owned by the group. In the year ended 30 June 2023, the company was entitled to an interest income of £67 million (2022 - £43 million) (note 6). Interest receivable at 30 June 2023 from Lakeside MWS Limited Liability Partnership is £26 million (2022 - £14 million) (note 9).

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

### **14. POST BALANCE SHEET EVENTS**

Starting 1 July 2023, the ultimate parent of the company, Diageo plc has changed its functional currency from sterling to US dollar which is applied prospectively. Diageo plc has also decided to change its presentation currency to US dollar with effect from 1 July 2023, applied retrospectively.

The company is a holding entity of the Diageo group carrying out activities as an extension of the direct parent. In line with reporting requirements the company followed its direct parent and changed functional currency from sterling to US dollar starting 1 July 2023 which is applied prospectively. The company also decided to change its presentation currency to US dollar with effect from 1 July 2023, applied retrospectively.

As a result of the functional and presentational currency change of the company from 1 July 2023, to manage the changed foreign currency exposures of the company, the sterling denominated intercompany loans of the entity have been converted from sterling to US dollar on transition date with no material fair value impact and no cash settlement. The amounts of the intercompany loans denominated in sterling were £1,029 million which have been converted to \$1,297 million.

Grand Metropolitan Estates Limited declared a dividend on 6 December 2023 and paid on 1 January 2024 in the amount of £27 million (\$35 million) to the company.

Diageo Group Insurance Company Limited declared a dividend on 8 December 2023 and paid on 15 December 2023 in the amount of £12 million (\$15 million) to the company.

On 16 January 2024, Diageo Great Britain Limited declared and paid dividend in the amount of £500 million (\$632 million) to the company.

On 13 February 2024, part of the deferred consideration in respect of the acquisition of Kanlaon Limited was paid in the amount of £1 million (\$1 million).

### **15. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking of the company is Diageo Holdings Limited, a company incorporated and registered in England, United Kingdom.

The ultimate parent undertaking of the company is Diageo plc which is the ultimate controlling party of the group. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Diageo plc. Diageo plc is incorporated and registered in England, United Kingdom. The consolidated financial statements of Diageo plc can be obtained from the registered office at Diageo, 16 Great Marlborough Street, London, W1F 7HS, United Kingdom.