

Guinness Overseas Limited

Annual report and financial statements

30 June 2022

Registered number: 00778398



Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

CONTENTS	PAGE
STRATEGIC REPORT	2
DIRECTORS' REPORT	7
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS	10
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GUINNESS OVERSEAS LIMITED	11
INCOME STATEMENT	14
STATEMENT OF COMPREHENSIVE INCOME	15
BALANCE SHEET	16
STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE FINANCIAL STATEMENTS	18

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 June 2022.

Activities

The company is the holding company for companies engaged in brewing, marketing and distribution of beer, including Guinness Stout and Harp Lager, in overseas countries (mainly Africa) and in the production, marketing and distribution of premium spirits and soft drinks in certain territories.

The main investments of the company are set out below with the company's ownership interest shown in brackets and additional information is disclosed in note 8 of these financial statements.

The company is incorporated and domiciled as a private company limited by shares in England, United Kingdom. The registered address changed from Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom to 16 Great Marlborough Street, London, W1F 7HS, United Kingdom on 21 March 2022.

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

Guinness Nigeria plc (50.18%)

Brewing, packaging and marketing activities for Guinness Foreign Extra Stout, Guinness Smooth, Malta Guinness, Guinness Gold, Harp Lager, Smirnoff Ice, Satzenbrau Lager, Dubic Malt, Snapp, Smirnoff Ice Double Black with Guarana, Orijin RTD, Orijin Bitters, Orijin Zero and Orijin Herbal Gin, Baileys Delight, Gordons Moringa and MrDowell's as major products in Nigeria. Brewing and packaging operations are located in Benin, Ogbia and Aba in Nigeria.

DIREF Industria de Bebidas, Lda-Angola JV (50.10%)

Diageo group operates a joint venture with Nuvigest Limitada to locally produce, market and sell Diageo products in Angola.

Phoenix Beverages Limited (1.92%)

Brewing, packaging and marketing activities for beers and soft drinks. The operations are located in Mauritius.

Business review

Development and performance of the business of the company during the financial year and position of the company as at 30 June 2022

The profit before tax increased by £2,756,000 from £1,395,000 to £4,151,000 mainly as a result of increased dividend income as described below.

The dividend income from the subsidiary and associate undertakings and other investments increased by £1,792,000 from £548,000 to £2,340,000, due to the global recovery from the Covid-19 pandemic and the increased amount of distributable profits of the subsidiaries, associates and other investments.

During the year ended 30 June 2022 the company received dividends from most of its investments, including Guinness Nigeria Ltd. in the amount of £964,000 (2021 - £nil), Seychelles Breweries Limited in the amount of £712,000 (2021 - £478,000) and Guinness Canada Limited in the amount of £537,000 (2021 - £nil).

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STRATEGIC REPORT (continued)

Business review (continued)

Development and performance of the business of the company during the financial year and position of the company as at 30 June 2022 (continued)

In 2014, the company acquired 97.5% ownership of Diageo Supply Marracuene Lda. for a cash consideration of £11,555,000. During the financial years 2018 to 2020 the company provided additional capital contributions in the amount of £7,321,000 to finance the operation of the subsidiary, as the plant in Mozambique was operating at a loss. The total gross cost of the investment with the capital injections increased to £18,876,000 at 30 June 2020. As a result of the economic downturn in Mozambique the recoverable amount of Diageo Supply Marracuene Lda. decreased substantially during the previous years, and therefore the recoverable amount of the investment was assessed to be £nil at 30 June 2020 subsequent to the decision to stop the operation of the plant temporarily. The cumulative impairment charge at 30 June 2020 was £18,876,000.

After the decision to stop the operation of the plant temporarily, the Board approved an additional equity injection to Diageo Supply Marracuene Lda. of £1,200,000 to be paid in proportion to the existing shareholding between the company (£1,170,000) and Diageo Overseas Holdings Limited (£30,000), a fellow group undertaking owning 2.5% of the shares in Diageo Supply Marracuene Lda.. The capital contribution was approved to settle intercompany liabilities and fund the working capital needs of Diageo Supply Marracuene Lda..

During the year ended 30 June 2022 the capital contribution to Diageo Supply Marracuene Lda. has been partially completed in the amount of £137,000 by the company and £3,000 by Diageo Overseas Holdings Limited. Subsequently, the company recognised a provision for impairment in respect of Diageo Supply Marracuene Limitada in the amount of £137,000, as there continues to be no business operations in Diageo Supply Marracuene Lda..

Financial and other key performance indicators

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

Principal risks and uncertainties facing the company as at 30 June 2022

The principal risks identified by the group are disclosed on page 42 to 45 of Diageo plc's 2022 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 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, associates, joint ventures and other investments and liquidity risk in respect of the intercompany funding position.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STRATEGIC REPORT (continued)

Business review (continued)

Principal risks and uncertainties facing the company as at 30 June 2022 (continued)

Pandemic and business interruption

A significant interruption to business due to external events, such as a public health threat, pandemic, war or natural hazard, could restrict access to Diageo's products, that would negatively affect the operations and brands, or pose a threat to the safety of employees; any of which could have a negative impact on the group's commercial and financial performance.

To mitigate these challenges the group operates global crisis management and business continuity management programmes, to enhance the capability to react effectively to a crisis and minimise damage and disruption.

The directors believe that the risk mitigation actions taken by the group in relation to the recent Covid-19 pandemic and associated business interruption have been agile and effective and that the group will maintain adequate liquidity and be strongly positioned for further growth and a resilient and sustainable business. Further information on the group's risk management measures in relation to Covid-19 are disclosed on page 43 of Diageo plc's 2022 Annual Report and on pages 55-56 of Diageo plc's interim results for the six months ended 31 December 2022.

Geopolitical and macroeconomic volatility

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 global recovery from Covid-19 is continuing, but momentum has slowed and there is a risk of imbalanced recovery across geographies. The Russian invasion of Ukraine has caused significant volatility in the region and beyond.

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 introduced a new strategic planning and performance function with a stronger governance model for financial and non-financial decision-making, which will enable closer monitoring of external volatility/risk and multi-country investment strategy with a central hedging and currency monitoring to manage volatility.

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 an IT disaster recovery and business continuity testing across the key systems. The group continue to enhance and deploy next-generation security technologies to tackle advanced attacks.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STRATEGIC REPORT (continued)

Business review (continued)

Principal risks and uncertainties facing the company as at 30 June 2022 (continued)

Climate risk

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 wildfires, storm winds, high temperature, water stress, rising sea level hazards are projected to significantly increase in the future. Results of the CCRA were shared with the business to assess the results and recommendations, incorporate these risks to the market risk register, and to develop mitigation plans and document these within the existing risk management process. The Climate Risk Steering Group tracks climate risk mitigation efforts.

Further information on the group's risk assessment and risk management measures in relation to climate change is disclosed on pages 47-56 of Diageo plc's 2022 Annual Report and on pages 55-56 of Diageo plc's interim results for the six months ended 31 December 2022.

Transactional exposure hedging

Based on the group policy the company hedges its foreign currency exposure, facilitated through group treasury via back to back derivatives, in respect of the dividend income received from its subsidiary undertakings, associates and other investments.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

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 2022 Annual Report and Accounts on page 7 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.

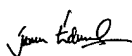
The Company has therefore had regard to the matters set out in Section 172 of the Act in a manner that is consistent with the approach adopted by Diageo, while at the same time ensuring the directors of the Company are fulfilling their duties.

Main activities of the Board

The activities of the Board during the year include:

- Approval of financial statements for the year ended 30 June 2021.

On behalf of the Board



.....
J M C Edmunds
Director

16 Great Marlborough
Street
London
W1F 7HS

17 March 2023

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

DIRECTORS' REPORT

The directors are pleased to submit their annual report, together with the audited financial statements for the year ended 30 June 2022.

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 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. 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 2022 is shown on page 14.

The profit for the year transferred to reserves was £3,927,000 (2021 - £1,323,000) and the other comprehensive income for the year was £61,000 (2021 - loss of £2,827,000).

No dividend was paid during the current year (2021 - £nil) and there is no dividend proposed to be distributed to the shareholders in regards to the financial year (2021 - £nil).

Directors

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

J M C Edmunds

Cs Hajos

D Keresztesi

K E Major

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2021 - £nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

Directors' indemnity

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

DIRECTORS' REPORT (continued)

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.

Post balance sheet events

A capital contribution to Diageo Supply Marracuene Lda. has been partially completed in the amount of £58,500 by the company and £1,500 by Diageo Overseas Holdings Limited on 16 December 2022. This capital contribution was approved during the year ended 30 June 2020 in the total amount of £1,200,000 to be paid in proportion to the existing shareholding between the company and Diageo Overseas Holdings Limited.

On 4 August 2022, Seychelles Breweries Limited paid a dividend in the amount of £845,000 to the company.

On 8 September 2022, Atalantaf Limited paid a dividend in the amount of £128,000 to the company.

On 16 October 2022, Guinness Nigeria Limited declared a dividend payable to the company in the amount of £15,381,000.

Guinness Canada Limited ceased business operation with an effective date of 31 December 2022 and it was decided by the shareholders to initiate the dissolution once the subsidiary undertaking has fulfilled all of the financial and tax obligations. On 6 January 2023, Guinness Canada Limited paid a dividend in the amount of £1,049,000 to the company.

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 2022 on page 97 at 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.

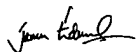
Disclosure of information to the auditors

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.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

DIRECTORS' REPORT (continued)

On behalf of the Board



.....
J M C Edmunds
Director

16 Great Marlborough
Street
London
W1F 7HS

17 March 2023

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Independent auditors' report to the members of Guinness Overseas Limited

Report on the audit of the financial statements

Opinion

In our opinion, Guinness Overseas Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 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 2022; the income statement, 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 2022 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 Companies Act 2006 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, 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 investments in its subsidiaries, associates and joint ventures and other investments, 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. 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
17 March 2023

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

INCOME STATEMENT

		Year ended 30 June 2022	Year ended 30 June 2021
	Notes	£ 000	£ 000
Operating income	2	24	—
Income from shares in subsidiary undertakings	3	1,501	—
Income from shares in associate undertakings	3	712	478
Income from other investments	4	127	70
Provision against subsidiary undertakings	8	(137)	—
Operating profit		2,227	548
Finance income	5	1,924	847
Profit before taxation on ordinary activities		4,151	1,395
Taxation on profit on ordinary activities	6	(224)	(72)
Profit for the financial year		3,927	1,323

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 30 June 2022	Year ended 30 June 2021
	Notes	£ 000	£ 000
Profit for the year		<u>3,927</u>	<u>1,323</u>
Other comprehensive income/ (expense)			
Items that will not be recycled subsequently to the income statement			
Net fair value gains/ (losses) on other investments	8	<u>61</u>	<u>(2,827)</u>
Other comprehensive income/ (expense) for the year, net of tax		<u>61</u>	<u>(2,827)</u>
Total comprehensive income/ (expense) for the year		<u><u>3,988</u></u>	<u><u>(1,504)</u></u>

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

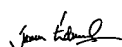
Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

BALANCE SHEET

	Notes	30 June 2022 £ 000	30 June 2021 £ 000
Non-current assets			
Property, plant and equipment	7	2,748	2,758
Investments in subsidiaries	8	66,018	66,018
Investments in associates and joint ventures	8	2,487	2,487
Other investments	8	3,285	3,224
		<u>74,538</u>	<u>74,487</u>
Current assets			
Trade and other receivables	9	303,702	299,765
Cash and cash equivalents		—	—
Total assets		<u>378,240</u>	<u>374,252</u>
Equity			
Called up share capital	11	—	—
Other reserves	11	2,384	2,323
Retained earnings		375,856	371,929
Total equity		<u>378,240</u>	<u>374,252</u>

The accounting policies and other notes on pages 18 to 31 form part of the financial statements.

These financial statements on pages 14 to 31 were approved by the Board on 17 March 2023 and were signed on its behalf by:



.....
J M C Edmunds
Director

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

STATEMENT OF CHANGES IN EQUITY
ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	Notes	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
Balance at 30 June 2020		—	27,943	347,813	375,756
Profit for the financial year		—	—	1,323	1,323
Other comprehensive expense for the year		—	(2,827)	—	(2,827)
Recycling of accumulated gains on other investments		—	(22,793)	22,793	—
Balance at 30 June 2021		—	2,323	371,929	374,252
Profit for the financial year		—	—	3,927	3,927
Other comprehensive income for the year	8	—	61	—	61
Balance at 30 June 2022		—	2,384	375,856	378,240

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

- 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 amendment to the accounting standards, issued by the IASB and endorsed by the UK and EU, has been adopted by the group and therefore by the company from 1 July 2021 with no impact on the company's results, financial position or disclosures:

- Amendments to IFRS 16 - Covid-19 - Related Rent Concessions beyond 30 June 2021;

The following amendment issued by the IASB and endorsed by the UK and EU, has been adopted by the company:

- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform (phase 2)

The following standard issued by the IASB has been endorsed by the UK and the EU and has 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.

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.

Functional and presentational currency

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

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

Finance income

Finance income is recognised in the income statement in the year in which it is 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 income statement.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation.

Property, plant and equipment are depreciated on a straight-line basis to estimated residual values over their expected useful lives, and these values and lives are reviewed each year. Subject to these reviews, the estimated useful lives fall within the following ranges:

Asset class:	Depreciation rate:
Buildings	25 years

Reviews are carried out if there is an indication that impairment may have occurred, to ensure that property, plant and equipment are not carried at above their recoverable amounts.

Investments in subsidiaries, associates and joint ventures

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

Financial assets and liabilities

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

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.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

Other investments Other investments represent equity instruments, which are non-derivative financial assets that are either designated as such upon initial recognition or not classified in any of the other financial asset categories. They are included in non-current assets as they are not held for trading. Subsequent to initial measurement, equity instruments are stated at fair value. Under IFRS 9, gains and losses arising from the changes in fair value of other investments are recognised in other comprehensive income, accumulated gains and losses included in other comprehensive income are not recycled to the income statement at the time of disposal, nor are there any impairment requirements. Dividends from other investments are recognised in the income statement when they are receivable.

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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO FINANCIAL STATEMENTS (continued)

2. OPERATING INCOME

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
Operating income		
Other external charges (a)	(1)	(1)
Depreciation	(10)	(10)
Net foreign exchange gain/ (loss) (b)	28	(17)
Other operating income (c)	7	6
Gain on sale of property	—	22
	24	—

(a) **Other external charges** include bank charges of £1,000 (2021 - £1,000).

(b) **Net foreign exchange gain/ (loss):** The company incurred a foreign exchange gain on the dividends received of £30,000 (2021 - loss of £20,000), and a foreign exchange loss on trade and other receivables of £2,000 (2021 - gain of £3,000).

(c) **Other operating income** includes a management recharge income of £7,000 (2021 - £6,000).

The auditors' remuneration of £8,500 (2021 - £8,500) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditors in respect of non-audit services (2021 - £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 (2021 - £nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

3. INCOME FROM SHARES IN SUBSIDIARY AND ASSOCIATE UNDERTAKINGS

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
Guinness Nigeria plc	964	—
Guinness Canada Limited	537	—
Seychelles Breweries Limited	712	478
	2,213	478

Net dividend income from shares in subsidiary and associate undertakings during the year ended 30 June 2022 amounted to £2,012,000 (2021 - £406,000) of which £2,012,000 (2021 - £406,000) was settled during the current financial year by receiving amounts due from other fellow group undertakings. Withholding tax suffered in respect of the dividends received amounted to £201,000 (2021 - £72,000).

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INCOME FROM OTHER INVESTMENTS

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
Phoenix Beverages Limited	23	70
Monrovia Breweries Inc.	104	—
	<u>127</u>	<u>70</u>

Net dividend income from other investments of £111,000 (2021 - £70,000) has been settled by receiving amounts due from other fellow group undertakings. Withholding tax suffered in respect of the dividends received amounted to £16,000 (2021 - £nil).

5. FINANCE INCOME

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
Net interest income from fellow group undertakings		
Diageo Finance plc	1,924	847
Net finance income	<u>1,924</u>	<u>847</u>

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
(a) Analysis of taxation charge for the year		
Current tax		
Foreign taxes suffered	(217)	(72)
Adjustments in respect of prior years	(7)	—
Total current tax	(224)	(72)
Deferred tax	—	—
Taxation on profit on ordinary activities	(224)	(72)
	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
(b) Factors affecting total tax charge for the year		
Profit/(loss) before taxation on ordinary activities	4,151	1,395
Taxation on profit/(loss) on ordinary activities at UK corporation tax rate of 19% (2021 - 19%)	(789)	(265)
Adjustments in respect of prior years	(7)	—
Items not chargeable for tax purposes	450	108
Items not deductible for tax purposes	(28)	(2)
Group relief received for nil consideration	367	159
Foreign taxes suffered	(217)	(72)
Total tax charge for the year	(224)	(72)

The UK corporation tax rate for the year ended 30 June 2022 is 19% which has been effective since 1 April 2017. Legislation increasing the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred taxes at 30 June 2022 have been measured using this enacted tax rate which are reflected in these financial statements (Note 10).

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £ 000
Cost	
At 30 June 2021	3,075
At 30 June 2022	<u>3,075</u>
Depreciation	
At 30 June 2021	(317)
Depreciation charge	(10)
At 30 June 2022	<u>(327)</u>
Carrying amount	
At 30 June 2022	<u>2,748</u>
At 30 June 2021	<u>2,758</u>

The net book value of land and buildings includes freehold properties of £2,748,000 (2021 - £2,758,000). Included in the total net book value are £2,700,000 (2021 - £2,700,000) within land and £48,000 (2021 - £58,000) within buildings in respect of freehold properties. Depreciation for the year on those assets was £10,000.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER INVESTMENTS

Shares in group undertakings and other investments

	Subsidiaries	Associates	Joint ventures	Other investments	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
Cost					
At 30 June 2021	105,159	630	1,857	3,224	110,870
Additions	137	—	—	—	137
Increase in fair value	—	—	—	61	61
At 30 June 2022	105,296	630	1,857	3,285	111,068
Provisions					
At 30 June 2021	(39,141)	—	—	—	(39,141)
Provided	(137)	—	—	—	(137)
At 30 June 2022	(39,278)	—	—	—	(39,278)
Carrying amount					
At 30 June 2022	66,018	630	1,857	3,285	71,790
At 30 June 2021	66,018	630	1,857	3,224	71,729

Other investments

Other investments represent equity instruments, which are non-derivative financial assets that are either designated as such upon initial recognition or not classified in any of the other financial asset categories. They are included in non-current assets. Subsequent to initial measurement, equity instruments are stated at fair value. The company values its other investments using unadjusted quoted prices (Level 1). The fair value of other investments is £3,285,000 at 30 June 2022 (2021 - £3,224,000). Under IFRS 9, gains and losses arising from the changes in fair value of other investments are recognised in other comprehensive income, and accumulated gains and losses included in other comprehensive income are not recycled to the income statement at the time of disposal, nor are there any impairment requirements.

Provisions for impairment

In 2014, the company acquired 97.5% ownership of Diageo Supply Marracuene Lda. for a cash consideration of £11,555,000. During the financial years 2018 to 2020 the company provided additional capital contributions in the amount of £7,321,000 to finance the operation of the subsidiary, as the plant in Mozambique was operating at a loss. The total gross cost of the investment with the capital injections increased to £18,876,000 at 30 June 2020. As a result of the economic downturn in Mozambique the recoverable amount of Diageo Supply Marracuene Lda. decreased substantially during the previous years, and therefore the recoverable amount of the investment was assessed to be £nil at 30 June 2020 subsequent to the decision to stop the operation of the plant temporarily. The cumulative impairment charge at 30 June 2020 was £18,876,000.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER INVESTMENTS (continued)

Provisions for impairment (continued)

After the decision to stop the operation of the plant temporarily, the Board approved an additional equity injection to Diageo Supply Marracuene Lda. of £1,200,000 to be paid in proportion to the existing shareholding between the company (£1,170,000) and Diageo Overseas Holdings Limited (£30,000), a fellow group undertaking owning 2.5% of the shares in Diageo Supply Marracuene Lda.. The capital contribution was approved to settle intercompany liabilities and fund the working capital needs of Diageo Supply Marracuene Lda..

During the year ended 30 June 2022 the capital contribution to Diageo Supply Marracuene Lda. has been partially completed in the amount of £137,000 by the company and £3,000 by Diageo Overseas Holdings Limited. Subsequently, the company recognised a provision for impairment in respect of Diageo Supply Marracuene Limitada in the amount of £137,000, as there continues to be no business operations in Diageo Supply Marracuene Lda..

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.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER INVESTMENTS (continued)

Name of investment	Notes	Registered office address	Proportion of ownership interest % *	Proportion of effective interest % **
Direct holdings				
<i>Subsidiary undertakings</i>				
Atalantaf Limited		Victoria Place, 5th floor 31 Victoria Street, Hamilton HM10, Bermuda	100%	100%
Diageo Brands Nigeria Ltd	(ii)	24 Oba Akran Avenue, PMB 21071, Ikeja, Lagos, Nigeria	100%	100%
DIREF Industria de Bebidas,Lda-Angola JV		Rua Dom Eduardo André Muaca, S/ No, LOTE C4, Luanda, Angola	50.1%	50.1%
Guinness Canada Limited		Labatt House, Suite 299, 207 Queen's Quay West, Toronto ON, M5J 1A7, Canada	51%	51%
Diageo Supply Marracuene Lda.		Estrada Nacional numero 1, Micanhine, Marracuene, Mozambique	97.50%	97.50%
Guinness Nigeria plc	(i)	The Ikeja Brewery, Oba Akran Avenue, Private Mail Bag 21071, Ikeja, Lagos.	58.02%	58.02%
<i>Associate undertakings</i>				
Seychelles Breweries Limited	(iii)	O'Brien House, PO Box 273, Le Roucher, Mahe, Seychelles	30%	30%
<i>Joint venture undertakings</i>				
Diageo Angola Limitada	(iv)	Rua Fernao de Sousa, Condominio Bengo, Letter A, 11.s floor, Fraction A37, neighbourhood Vila Alice, Municipality of Luanda, Province of Luanda, Angola	50%	50%

(i) 50.18% held directly, 7.84% held indirectly.

(ii) In liquidation.

(iii) Subsidiary at group level but an associate based on the effective percentage of shares held by the company.

(iv) Subsidiary at group level but joint venture based on the effective percentage of shares held by the company.

The investments in subsidiaries, associated undertakings and joint ventures are held at cost less, where appropriate, provision for impairment in value. In the opinion of the directors, the investments in the company's subsidiary undertakings, associate companies and joint ventures are worth at least the amount at which they are stated in the financial statements.

The other investments are held at fair value.

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

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

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. TRADE AND OTHER RECEIVABLES

	30 June 2022 £ 000	30 June 2021 £ 000
Amounts owed by fellow group undertakings		
Diageo Finance plc	303,702	299,661
Accrued dividend	—	47
Other receivables	—	57
	<u>303,702</u>	<u>299,765</u>

The amounts owed by Diageo Finance plc are interest bearing, unsecured and repayable on demand.

At 30 June 2021 the amount of accrued dividend represented declared but not paid dividend from other investments and the amount of other receivables represented cash held at an overseas bank on behalf of the company, through a nominee entity.

10. DEFERRED TAX ASSETS AND LIABILITIES

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:

	30 June 2022 £ 000		30 June 2021 £ 000	
	Gross amount £ 000	Tax effected £ 000	Gross amount £ 000	Tax effected £ 000
Capital losses - available indefinitely	<u>642</u>	<u>161</u>	<u>872</u>	<u>218</u>

Unrecognised deferred tax liabilities

The aggregate amount of temporary difference in respect of investments held in subsidiaries, associates and joint ventures results in a deferred tax liability of £596,000 (2021 - £581,000) which has not been recognised as the company is able to control the timing of the reversal of the temporary difference and management is of the opinion that such temporary difference will not reverse in the foreseeable future.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. CALLED UP SHARE CAPITAL AND OTHER RESERVES

Allotted, called up and fully paid:

	30 June 2022
	£
100 (2021 - 100) ordinary shares of £1 each	<u>100</u>

Other reserves:

Other investments represent equity instruments, which are non-derivative financial assets that are either designated as such upon initial recognition or not classified in any of the other financial asset categories. Subsequent to initial measurement, equity instruments are stated at fair value. The company value its other investments using unadjusted quoted prices (Level 1), gains and losses arising from the changes in fair value of other investments are recognised in other comprehensive income and accumulated gains and losses are included in other reserves.

12. COMMITMENTS

Capital commitments

On 1 December 2020 the Board approved a capital contribution to Diageo Supply Marracuene Lda. to £1,200,000 to be paid in proportion to the existing shareholding between the company and Diageo Overseas Holdings Limited.

During the year ended 30 June 2022 the capital contribution to Diageo Supply Marracuene Lda. has been partially completed in the amount of £137,000 by the company and £3,000 by Diageo Overseas Holdings Limited.

On 16 December 2022 the capital contribution has been partially completed in the amount of £58,500 by the company and £1,500 by Diageo Overseas Holdings Limited. (Note 14)

Additional approved capital contributions to Diageo Supply Marracuene Lda., not provided for in these financial statements, are £1,000,000.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

Income from related parties

	Year ended 30 June 2022 £ 000	Year ended 30 June 2021 £ 000
Guinness Nigeria plc	964	—
Guinness Canada Limited	537	—
Seychelles Breweries Limited	712	478
Monrovia Breweries Inc.	104	—
Phoenix Beverages Limited	23	70
	<u>2,340</u>	<u>548</u>

Net dividend income from related parties during the year ended 30 June 2022 amounting to £2,123,000 (2021 - £429,000) has been settled during the current financial year by receiving amounts due from related-parties. Withholding tax suffered in respect of the dividends received amounted to £217,000 (2021 - £72,000).

14. POST BALANCE SHEET EVENTS

A capital contribution to Diageo Supply Marracuene Lda. has been partially completed in the amount of £58,500 by the company and £1,500 by Diageo Overseas Holdings Limited on 16 December 2022. This capital contribution was approved during the year ended 30 June 2020 in the total amount of £1,200,000 to be paid in proportion to the existing shareholding between the company and Diageo Overseas Holdings Limited.

On 4 August 2022, Seychelles Breweries Limited paid a dividend in the amount of £845,000 to the company.

On 8 September 2022, Atalantaf Limited paid a dividend in the amount of £128,000 to the company.

On 16 October 2022, Guinness Nigeria Limited declared a dividend payable to the company in the amount of £15,381,000.

Guinness Canada Limited ceased business operation with an effective date of 31 December 2022 and it was decided by the shareholders to initiate the dissolution once the subsidiary undertaking has fulfilled all of the financial and tax obligations. On 6 January 2023, Guinness Canada Limited paid a dividend in the amount of £1,049,000 to the company.

Guinness Overseas Limited
Registered number: 00778398
Year ended 30 June 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of the company is Diageo Overseas 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.