

**Justerini & Brooks, Limited**  
**Annual report and financial statements**  
**30 June 2024**

Registered number: 00068576



**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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**Justerini & Brooks, Limited**  
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**Year ended 30 June 2024**

## **STRATEGIC REPORT**

The directors present their strategic report for the year ended 30 June 2024.

### **Activities**

The principal activities of the company are the trading, marketing and distribution of wines and premium spirits to third parties and other Diageo group ("the group") undertakings. In addition to trade and marketing activities, the company is also the brand owner of Knockando whisky.

The company operates fine wine merchant activities where wine, sourced from various producers, is sold in different countries. There are three separate types of external trade (distribution, brokering and en primeur). En primeur is the sale of wines where a vintage remains in the barrel or bottle and the customer is offered the opportunity to purchase these wines before they are fully matured.

The company is integrated to the Diageo Luxury Group global business unit of the group from 1 July 2022. Diageo Luxury Group is dedicated to driving growth and investment in Diageo high-end, luxury portfolio of brands.

The directors foresee no material change to the activities of the company.

### **Business review**

*Development and performance of the business of the company throughout the financial year and position of the company as at 30 June 2024.*

The company has continued to focus on becoming the merchant of choice for lovers of fine wine and spirits by strengthening its relationships with producers and customers. The company's objective is also to become the wine and spirits supplier of choice to premium hotels, restaurants and catering market in the United Kingdom.

#### *Financial and other key performance indicators*

The principal key performance indicators used by the company's management to analyse development, performance and financial position of the company's business are turnover and operating profit.

Turnover decreased by £16,653,000 to £60,654,000 from £77,307,000, and the company recognised an operating loss of £2,409,000 (2023 - operating profit of £4,509,000) as a result of the decrease in en primeur wine's and premium spirits' volume sold due strategic portfolio decisions made by Diageo. Marketing expenses decreased by £180,000 to £3,875,000 from £4,055,000 due to lapping of major campaigns done for wine and spirits in 2023 benefitting both periods. There was an increase in other operating expenses, from £10,008,000 to £10,274,000, driven by higher wages paid in line with headcount increase supporting business growth. The decrease in excise duties of £374,000 is the result of the decrease in volumes sold. Expenses incurred by the company as the sub-distributor of Santiago de Cuba rum were reimbursed by a fellow group company, Diageo Distribution Company Limited, which owns the exclusive rights to distribute and market the product.

Directors are focusing on three transformational area to ensure future profitability of the company, including recruitment of new customers in different geographical and demographic segments, increase operational excellence and usage of data & insight to increase our effectiveness and efficiency across all channels.

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## **STRATEGIC REPORT (continued)**

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

#### *Principal and financial risks and uncertainties facing the company for the year ended 30 June 2024*

The principal risks identified by the group are disclosed on pages 77 to 85 of Diageo plc's 2024 Annual Report. As well as trading, marketing and distribution activities, the company also forms part of the group's investment holding and financing structure. The most relevant of the group risks to the company are those 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. The directors consider that the following risks might impact the performance and the solvency or liquidity of the company.

#### *Geopolitical and macroeconomic volatility*

Geopolitical forces, driven by several vectors globally, coupled with macroeconomic stress, increase the likelihood of international and domestic tensions, disputes, conflict, unrest, and crime that might impact the business. Macroeconomic conditions include inflationary pressures on our sourcing prices, distribution and warehousing costs, unemployment and global trade tensions resulting in a decrease in the liquidity and investment ability in ultra-premium wines and spirits for our high-net-worth customer base. 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 2024, the group introduced advanced analytics to scenario plan volume ranges over a longer time period, allowing better mitigation against changes in the external landscape. Scenario-planning has been embedded into Executive and Board meetings and integrated into the strategic planning cycle. 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.

#### *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.

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## **STRATEGIC REPORT (continued)**

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

*Principal risks and uncertainties facing the company for the year ended 30 June 2024 (continued)*

#### *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. Failure of the business to build climate resilient operations could result in the inability to operate and/or financial loss.

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. Failure of the business to build climate resilient operations could result in the inability to operate and/or financial loss.

Extreme cold temperature could severely damage grapes in Europe, our main territory to source wines from. Water shortages and extreme high temperature might impact some of our smaller wine producers, especially in South Africa. In case of such events the company would face reduced allocations from the impacted suppliers and therefore lost sales opportunities. Management assesses this risk as low and acceptable due to having a high degree of flexibility to adjust our portfolio of wines offered by leveraging our sales team expertise in identifying and negotiating alternative quality supply and our fine wine inventory on hand.

Further information on the group's risk assessment and risk management measures in relation to climate change is disclosed on page 61-76 and 78 of Diageo plc's 2024 Annual Report.

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

#### *Changes in exchange rates*

The company publishes its financial statements in sterling and conducts some of its business in foreign currencies. As a result, it is subject to foreign currency risk due to exchange rate movements, which will affect the company's transactions.

The company's wine merchant activities may be adversely affected, if the euro strengthens against pound sterling and increases the cost of fine wine sourced from Europe.

Exchange exposures in respect of trading and distribution of scotch whisky are managed in accordance with Diageo plc's ("Diageo") policies which are detailed in Diageo plc's 2024 Annual Report, whilst local risk management procedures are applied to mitigate currency risks arising on the trading of wines.

#### *Changes in consumer preferences and tastes*

Products sold by the company include some of the most valued wines in the world. Consumer preferences may shift due to a variety of factors including changes in demographic and social trends, and changes in the economic environment. The company is actively looking for alternative supplies to widen its portfolio both geographically and horizontally in new innovations such as organic, low carbon footprint or no alcohol categories.

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## **STRATEGIC REPORT (continued)**

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

*Principal risks and uncertainties facing the company for the year ended 30 June 2024 (continued)*

*The company faces competition that may reduce its market share and margins*

The company faces substantial competition from several international companies as well as local and regional companies in the United Kingdom. Increased competition and unanticipated actions by competitors or customers could lead to downward pressure on prices and a decline in the company's market share in any of its product categories, which would adversely affect the company's results and hinder its growth potential. The company is focusing to provide outstanding quality customer experience both in terms of product range, broking, and cellarer services to further increase its market share and profit margins.

*Regulatory decisions and changes in the legal and regulatory environment could increase the company's costs and liabilities or limit its business activities*

The company's operations are subject to extensive regulatory requirements, which include those in respect of product liability, distribution, marketing, promotion, labelling, advertising, labour, pensions, excise tax and environmental issues. Changes in laws, regulations or governmental policy could cause the company to incur material additional costs or liabilities that could adversely affect its business. Changes in tax law (including tax rates), accounting policies and accounting standards could materially reduce the company's reported after tax profit.

The company is actively monitoring changes in regulations, governmental policies, and tax laws to mitigate risk from changing regulatory environment with leveraging expertise available in risk management procedures within Diageo.

Breach of data privacy laws or regulations could harm the trust and reputation of the company, its brands or people and could significantly restrict the company's ability to deliver its digital productivity and growth plans. The company applies strict measures and IT controls to avoid breach of data privacy in line with Diageo guidance and procedures.

*Financial risk management*

The company's funding, liquidity and exposure to foreign exchange rate risk are similar to those facing the Diageo group as a whole and are managed by the group's treasury department. The treasury department uses a range of financial instruments to manage these underlying risks.

*Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operation and future developments, the company has access to group funding.

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## **STRATEGIC REPORT (continued)**

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

*Principal risks and uncertainties facing the company for the year ended 30 June 2024 (continued)*

#### *Credit risk*

The company's credit risk is primarily in respect of its trade receivables and amounts due from fellow group undertakings. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The company sets credit limits for, and monitors its credit exposure to its counterparties via their credit ratings.

#### *Business transformation*

There is a group strategy initiative in respect of business transformation through the implementation of SAP S/4 HANA, that could result in delays or changes to their expected benefits which may have an adverse impact on the business processes or on the group's operating and financial performance.

To mitigate the risk, the business transformation project has steering groups in place led by a senior executive and regular progress updates are provided to the Executive Committee and Board.

The group has hired additional employees fully dedicated to the projects and external consultants and partners who also bring in new skills, which includes a focus on process improvement, business resilience and controls.

#### *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 2024 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.

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**STRATEGIC REPORT (continued)**

**Business review (continued)**

*Principal risks and uncertainties facing the company for the year ended 30 June 2024 (continued)*

*Main activities of the Board*

The principal activities of the Board during the year include:

- Review of reports in relation to the Company's performance, tax status, risk management processes including its risk footprint, workforce and employee engagement survey results and activities, ventures update and spotlights; and
- Approval of financial statements for the financial year ended 30 June 2023.

On behalf of the Board



.....  
R J Henderson  
*Director*

61 St James's St  
London, SW1A 1LZ  
20 March 2025

**Justerini & Brooks, Limited**  
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## **DIRECTORS' REPORT**

The directors are pleased to submit their annual report, together with the audited financial statements for the year ended 30 June 2024.

The company is incorporated and domiciled as a private company limited by shares in England, United Kingdom. The registered address is 61 St James's St, London, SW1A 1LZ, England, United Kingdom.

### **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 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.

In arriving at this conclusion, the directors have also considered the potential impact that the principal risks outlined on the Directors' report may have on the company and believe that any impact would be minimal.

### **Financial**

The results for the year ended 30 June 2024 are shown on page 16.

The loss for the year transferred to reserves was £2,459,000 (2023 - profit of £4,234,000).

Dividends paid during the year ended 30 June 2024 were £nil (2023 - £6,000,000).

### **Proposed dividend**

There is 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

L Lunoe (resigned on 16 May 2024)

D Keresztesi (resigned on 14 June 2024)

Gy Geiszl

C McCabe (resigned on 1 May 2024)

N K Alston (appointed on 2 May 2024)

R J Henderson (appointed on 16 May 2024)

R Nagy (appointed on 14 June 2024)

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2023 - £nil), as the directors are paid by fellow group undertakings. Directors' remuneration was recharged to the company in the amount of £538,000 (2023 - £129,000), including the costs of exercised share options in the amount of £29,000 (2023 - £13,000).

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

### **Branches outside the UK**

The company operates Justerini & Brooks Limited, Hong Kong Branch in Hong Kong.

### **Business relationship statement**

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, and by the company's executive management team, are informed by the interests of its wider stakeholders, including suppliers, customers and others in a business relationship with the company, as guided by, amongst other things, the Code of Business Conduct and framework of policies and standards, as well as reviews, reports and proposals presented to the Board or executive management team for approval.

All supplier related activity is managed in line with the Group's Partnering with Suppliers Standard which is adhered to by the company. The company ensures that by working with suppliers, we not only deliver high-quality products marketed responsibly, but improve our collective impact, ensuring sustainable supply chains, reducing our environmental impact and making positive contributions to society.

The Board considers that it is important that the Group remains a trusted partner for suppliers, with the relationship enhanced through fair contract and payment terms and through compliance with the Group's Partnering with Suppliers Standard. Other methods used by the company to ensure that it responds to the needs of its suppliers include direct resolution processes, access to a confidential, independent whistleblowing helpline and website, regional supplier awards, supplier financing, supplier performance measurement and reviews with two-way feedback, standards assessments through independent bodies.

In relation to the company's customers and indirectly its consumers, the Board believes that the business of the company can only be sustained by a deep understanding of its customer base, both large and small, on-trade and off-trade, digital and e-commerce, their behaviours and motivations. The Board aims to ensure the company nurtures mutually beneficial relationships that deliver joint value and the best outcome for all its customers and indirectly its consumers. Consistent with the Group's processes, the company uses a variety of ways to ensure that these business relationships are maintained including through a broad portfolio of choices across categories and price points, best practice sales analytics and technology to support distributors and retail, ongoing dialogue and account management support, physical and virtual sales calls, development of joint business plans, regular business updates, training, webinars and unique offerings such as the Diageo Bar Academy, and the provision of responsible advertising tools and materials in compliance with the Diageo Marketing Code.

More details on how the Diageo group has cultivated its relationships with suppliers, customers and other stakeholders, please see pages 100 to 102 of its 2024 Annual Report and Accounts.

### **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.

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

### **Internal control and risk management over financial reporting**

The company operates under the financial reporting processes and controls of the group. Diageo plc's internal control and risk management systems including its financial reporting process, which include those of the company, are discussed in the group's Annual Report 2024 on page 109 at [www.diageo.com](http://www.diageo.com), which does not form part of this report.

### **Streamlined energy and carbon reporting (SECR)**

Under changes introduced by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI 2018/1155'), large unquoted companies and large LLPs are now obliged to report their UK energy use and associated greenhouse gas emissions in their annual reports for the first time.

Carbon emissions are a key element of Diageo's, and the industry's, environmental impact. Reducing the company's carbon emissions is a significant part of Diageo's effort to mitigate climate change, positioning us well for a future low-carbon economy, while creating energy efficiencies and savings. The company is exempt from providing the disclosures as relevant information is included in the consolidated accounts of Diageo group that provides disclosures on SECR in Diageo plc's annual report for the year ended 30 June 2024 on page 70. Furthermore additional information is disclosed by the group on the company's site in the 2024 Environmental, social and governance (ESG) reporting index (<https://www.diageo.com/~media/Files/D/Diageo-V2/Diageo-Corp/investors/results-reports-and-events/annual-reports/esg-reporting-index-2024.pdf>).

### **Independent auditor**

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.

On behalf of the Board



.....  
R J Henderson  
*Director*

61 St James's St  
London  
SW1A 1LZ

20 March 2025

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### **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 Justerini & Brooks, Limited

## Report on the audit of the financial statements

### **Opinion**

In our opinion, Justerini & Brooks, Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, 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 2024; the Statement of Comprehensive (Expense)/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 2024 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 UK Tax Legislation, 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 recoverability of the company's investment in its joint ventures, trade receivables, amounts owed by fellow group undertakings, and year end valuation of inventories; 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; and
- We have incorporated unpredictability into the nature, timing and extent of our testing.

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.

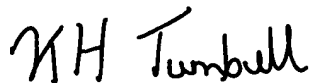
## Other required reporting

**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.



Katie Turnbull (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
20 March 2025

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

**STATEMENT OF COMPREHENSIVE (EXPENSE)/INCOME**

|   |       | <b>Year ended</b>   | <b>Year ended</b>   |
|---|-------|---------------------|---------------------|
|   |       | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   | Notes | <b>£ 000</b>        | <b>£ 000</b>        |
| <b>Turnover</b>   | 2     | 60,654              | 77,307              |
| Excise duties   | 3     | (3,849)             | (4,223)             |
| <b>Net sales</b>  |       | <b>56,805</b>       | <b>73,084</b>       |
| Cost of sales   | 3     | (45,065)            | (54,512)            |
| <b>Gross profit</b>   |       | <b>11,740</b>       | <b>18,572</b>       |
| Marketing expenses  | 3     | (3,875)             | (4,055)             |
| Other operating expenses  | 3     | (10,274)            | (10,008)            |
| <b>Operating (loss)/profit</b>  |       | <b>(2,409)</b>      | <b>4,509</b>        |
| Net finance income  | 5     | 29                  | 71                  |
| <b>(Loss)/profit before taxation on ordinary activities</b>                                       |       | <b>(2,380)</b>      | <b>4,580</b>        |
| Taxation on (loss)/profit on ordinary activities  | 6     | (79)                | (346)               |
| <b>(Loss)/profit for the financial year and total comprehensive (expense)/income for the year</b> |       | <b>(2,459)</b>      | <b>4,234</b>        |

The accounting policies and other notes on pages 20 to 39 form part of the financial statements.

The company had no other comprehensive income or expense during the current and previous year.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

**BALANCE SHEET**

|                                |       | <b>30 June 2024</b> | <b>30 June 2023</b> |
|--------------------------------|-------|---------------------|---------------------|
|                                | Notes | £ 000               | £ 000               |
| <b>Non-current assets</b>      |       |                     |                     |
| Intangible assets              | 7     | 894                 | 897                 |
| Property, plant and equipment  | 8, 9  | 4,830               | 686                 |
| Investment in subsidiary       | 10    | 10                  | 10                  |
| Investment in joint venture    | 10    | 1,503,615           | 1,503,615           |
|                                |       | <u>1,509,349</u>    | <u>1,505,208</u>    |
| <b>Current assets</b>          |       |                     |                     |
| Inventories                    | 12    | 17,000              | 17,185              |
| Trade and other receivables    | 13    | 32,208              | 32,724              |
| Cash and cash equivalents      |       | 1,398               | 4,683               |
|                                |       | <u>50,606</u>       | <u>54,592</u>       |
| <b>Total assets</b>            |       | <u>1,559,955</u>    | <u>1,559,800</u>    |
| <b>Current liabilities</b>     |       |                     |                     |
| Trade and other payables       | 14    | (28,620)            | (28,904)            |
| Lease liabilities              | 9     | (362)               | (181)               |
| Corporate tax payable          |       | (39)                | (143)               |
|                                |       | <u>(29,021)</u>     | <u>(29,228)</u>     |
| <b>Non-current liabilities</b> |       |                     |                     |
| Deferred tax liabilities       | 11    | (215)               | (157)               |
| Lease liabilities              | 9     | (2,884)             | (121)               |
|                                |       | <u>(3,099)</u>      | <u>(278)</u>        |
| <b>Total liabilities</b>       |       | <u>(32,120)</u>     | <u>(29,506)</u>     |
| <b>Net assets</b>              |       | <u>1,527,835</u>    | <u>1,530,294</u>    |
| <b>Equity</b>                  |       |                     |                     |
| Called up share capital        | 15    | 520,087             | 520,087             |
| Capital reserves               | 15    | 1,003,615           | 1,003,615           |
| Retained earnings              |       | 4,133               | 6,592               |
| <b>Total equity</b>            |       | <u>1,527,835</u>    | <u>1,530,294</u>    |

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

**BALANCE SHEET (continued)**

The accompanying notes are an integral part of these financial statements. The accounting policies and their notes on pages 20 to 39 form part of the financial statements.

These financial statements on pages 16 to 39 were approved by the board of directors on 20 March 2025 and were signed on its behalf by:



.....  
R J Henderson  
*Director*

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

**STATEMENT OF CHANGES IN EQUITY**

ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

|   | <b>Called up<br/>share<br/>capital<br/>£ 000</b> | <b>Capital<br/>reserve<br/>£ 000</b> | <b>Retained<br/>earnings<br/>£ 000</b> | <b>Total<br/>£ 000</b>  |
|---|--|--------------------------------------|--|-------------------------|
| Balance at 30 June 2022   | 520,087  | 1,003,615                            | 8,358                                  | 1,532,060               |
| Profit for the financial year and total comprehensive income for the year | —  | —                                    | 4,234                                  | 4,234                   |
| Dividends to shareholders   | —  | —                                    | (6,000)                                | (6,000)                 |
| Balance at 30 June 2023   | <u>520,087</u>                                   | <u>1,003,615</u>                     | <u>6,592</u>                           | <u>1,530,294</u>        |
| Loss for the financial year and total comprehensive expense for the year  | —  | —                                    | (2,459)                                | (2,459)                 |
| Dividends to shareholders   | —  | —                                    | —                                      | —                       |
| <b>Balance at 30 June 2024</b>  | <b><u>520,087</u></b>                            | <b><u>1,003,615</u></b>              | <b><u>4,133</u></b>                    | <b><u>1,527,835</u></b> |

The accounting policies and other notes on pages 20 to 39 form part of the financial statements.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

## **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:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - (iii) paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38B-D (additional comparative information);
  - 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).

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

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

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

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).
- 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.
- Paragraphs 110, 113(a), 114, 115, 118, 119(a) to 119(c), 120 to 127, and 129 of IFRS 15 'Revenue from contracts with customers' (disclosures on contract with customers, on significant judgements, and changes in the judgements, and on assets recognised from the costs to obtain or fulfil a contract with a customer).

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, were adopted by the group and therefore by the company from 1 July 2023 with no material impact on the company's results, financial position or disclosures:

- IFRS 17 – Insurance Contracts
- Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 1, 8 – Definition of Accounting Estimates
- Amendments to IAS 1 Disclosure Initiative – Accounting Policies
- Amendments to IAS 21 – Lack of Exchangeability.

The following standard and amendments issued by the IASB have been endorsed by the UK and have not been adopted by the company, which are not expected to have material impact on the company's results or financial position:

- Amendments to IAS 1 – Classification of Liabilities and Non-current Liabilities with Covenants (effective from the year ending 30 June 2025)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective from the year ending 30 June 2025)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (effective from the year ending 30 June 2025).

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.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

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

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

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

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

#### **Turnover**

Turnover comprises revenue from the sale of goods and rents receivable. Revenue from the sale of goods includes excise and other duties which the company pays as principal but excludes amounts collected on behalf of third parties, such as value added tax.

Turnover for goods is recognised at the fair value of the right to consideration. Turnover is recognised depending upon individual customer terms at the time of dispatch, delivery or some other specific point when the risks and rewards transfer. Sales are recognised to the extent that it is highly probable that a significant reversal will not occur. Therefore, sales are stated net of expected price discounts, allowances for customer investment and certain promotional activities and similar items. Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing.

En primeur sales comprise the sale of wine while it is still in the barrel and/or bottle, offering the customer the opportunity to invest in a particular wine before it is matured. En primeur sales initially exclude excise and other duties, and are recognised at the time of delivery to the customer.

The associated excise duty and other duties, which exclude amounts collected on behalf of third parties, such as value added tax, are recognised upon delivery of goods to the customers, at a location which is not a 'bonded' warehouse.

Turnover from wine storage facility services represents the amount of rent receivable from third party customers, net of value added tax. The revenue is matched with the period in which it is earned, on a time proportionate basis.

#### **Advertising**

Marketing expenditure, such as advertising costs, points of sale materials and sponsorship payments, are charged to the statement of comprehensive income within marketing expenses when the company has the right of access to the goods or services acquired.

#### **Pensions and other post-employment benefits**

The employees of the company are members of the Diageo UK pension plans, which are defined benefit schemes.

It is not possible to allocate the assets and liabilities of the pension plans on a consistent and reasonable basis between individual companies and therefore the company accounts for the plans as defined contribution schemes. Contributions payable in respect of the pension plans in respect of current and former employees are charged to operating profit as incurred. The assets and liabilities of the pension plans are reported by the sponsoring employer, Diageo plc.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

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

#### **Finance income/costs**

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

The financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS 101) and the group accounting policies. Under the group accounting policy, interest income from intercompany loans is classified as finance income within net finance income. This policy is applied consistently across all entities within the group to ensure uniformity in financial reporting. The classification reflects the group's approach to presenting its financial performance.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. If hedged forward, the impact of hedging is recognised, where permitted, under hedge accounting (refer to accounting policy for derivative financial instruments).

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.

#### **Intangible assets**

Computer software is amortised on a straight-line basis to estimated residual value over its expected useful life. Residual values and useful lives are reviewed each year. Subject to these reviews, the estimated useful lives are up to 5 years.

Assessment of the estimated residual value of an intangible asset and the useful economic life of an asset requires management judgement.

#### **Assets in the course of construction**

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use and are reviewed for impairment at each reporting date.

#### **Property, plant and equipment**

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

Other 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:

| <b>Asset class</b>    | <b>Depreciation method and rate</b> |
|-----------------------|-------------------------------------|
| Buildings             | 3 to 50 years                       |
| Plant and machinery   | 5 to 25 years                       |
| Fixtures and fittings | 3 to 10 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.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

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

#### **Leases**

Where the company is the lessee, all leases are recognised on the balance sheet as right-of-use assets and depreciated on a straight-line basis with the charge recognised in other operating expenses. The liability, recognised as other financial liabilities, is measured at a discounted value and any interest is charged to finance charges.

The company recognises services associated with a lease as other operating expenses. Payments associated with leases where the value of the asset when it is new is lower than \$5,000 (leases of low value assets) and leases with a lease term of twelve months or less (short term leases) are recognised as other operating expenses.

A judgement in calculating the lease liability at initial recognition includes determining the lease term where extension or termination options exist. In such instances, any economic incentive to retain or end a lease are considered and extension periods are only included when it is considered reasonably certain that an option to extend a lease will be exercised.

#### **Investment in subsidiary and in joint venture**

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 allowance 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.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated at the weighted average cost incurred in acquiring inventories.

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

Financial assets are initially recorded at fair value, where permitted by IFRS 9, including 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 into the following categories: financial assets at amortised cost, financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income. Where financial assets are eligible to be carried at either amortised cost or fair value, the company does not apply the fair value option.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

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

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

*Trade and other receivables, prepayments* Trade receivables and 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. Revenue from en primeur is held on the balance sheet as deferred income and the cost of goods related to en primeur are recognised as prepayments.

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

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

#### **Taxation**

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

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.

There is no critical accounting policy, which the directors consider is of greater complexity and particularly subject to the exercise of judgements and estimates.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

**2. TURNOVER**

For the years ended 30 June 2024 and 2023, turnover is attributable to the trading of wines and spirits, wines storage services and the marketing and distribution of whisky.

**Geographical analysis of turnover**

|                            | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|----------------------------|--|--|
| United Kingdom and Ireland | 39,477                                       | 47,822                                       |
| Rest of Europe             | 6,757  | 9,652  |
| Asia Pacific               | 9,162  | 16,416                                       |
| Rest of world              | 5,258  | 3,417  |
|                            | <u><u>60,654</u></u>                         | <u><u>77,307</u></u>                         |

**Analysis of turnover by class of business**

|  | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|--|--|--|
| Trading of wines and spirits                 | 51,185                                       | 67,560                                       |
| Marketing and distribution of whisky and rum | 7,502  | 8,353  |
| Wine storage service                         | 1,967  | 1,394  |
|  | <u><u>60,654</u></u>                         | <u><u>77,307</u></u>                         |

Sales to fellow group undertakings included in turnover amounted to £7,502,000 (2023 - £8,353,000).

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

**3. OPERATING COSTS**

|   | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|---|--|--|
| Excise duties                                   | 3,849  | 4,223  |
| Cost of sales                                   | 45,065                                       | 54,512                                       |
| Marketing expenses                              | 3,875  | 4,055  |
| Other operating expenses                        | 10,274                                       | 10,008                                       |
|   | <u><b>63,063</b></u>                         | <u><b>72,798</b></u>                         |
| <b>Comprising:</b>                              |  |  |
| Cost of inventories and consumables             | 45,251                                       | 56,251                                       |
| Excise duties                                   | 3,849  | 4,223  |
| Staff costs                                     | 7,173  | 7,512  |
| Other external charges                          | 2,473  | 2,413  |
| Marketing expenses                              | 3,875  | 4,055  |
| Increase in finished goods and goods for resale | (186)  | (1,739)                                      |
| Depreciation                                    | 331  | 216  |
| Amortisation                                    | 108  | —  |
| Net foreign exchange loss/(gain)                | 189  | (174)  |
| Retirement of fixed assets                      | —  | 41   |
|   | <u><b>63,063</b></u>                         | <u><b>72,798</b></u>                         |

Other external charges include bad debt provision release of £56,000 (2023 - £10,000), intercompany management charges of £732,000 (2023 - £443,000), leases of low value assets and short term leases of £75,000 (2023 - £59,000), other staff related costs of £776,000 (2023 - £793,000), utility costs of £302,000 (2023 - £216,000), consultancy fees of £296,000 (2023 - £463,000), including audit fee of £92,000 (2023 - £84,000). There were no fees payable to the independent auditors in respect of non-audit services (2023 - £nil).

None of the directors received any remuneration during the year in respect of their services as directors of the company (2023 - £nil), as the directors are paid by fellow group undertakings. Directors' remuneration was recharged to the company in the amount of £538,000 (2023 - £129,000), including the costs of exercised share options in the amount of £29,000 (2023 - £13,000).

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

**4. STAFF COSTS**

The monthly average number of employees on a full-time basis, during the year was:

|                                  | <b>Year ended<br/>30 June 2024</b> | <b>Year ended<br/>30 June 2023</b> |
|----------------------------------|------------------------------------|------------------------------------|
| Selling and distribution         | 46                                 | 42                                 |
| Corporate and administration     | 35                                 | 36                                 |
|                                  | <u>81</u>                          | <u>78</u>                          |
|                                  |                                    |                                    |
|                                  | <b>Year ended<br/>30 June 2024</b> | <b>Year ended<br/>30 June 2023</b> |
|                                  | <b>£ 000</b>                       | <b>£ 000</b>                       |
| <b>Aggregate remuneration</b>    |                                    |                                    |
| Wages and salaries               | 5,864                              | 6,043                              |
| Employer's social security costs | 593                                | 831                                |
| Employer's pension costs         | 716                                | 638                                |
|                                  | <u>7,173</u>                       | <u>7,512</u>                       |

**Retirement benefits**

The employees of the company are members of the Diageo UK pension plans, which are defined benefit schemes.

It is not possible to allocate the assets and liabilities of the pension plans on a consistent and reasonable basis between individual companies in the Diageo group and therefore the company accounts for its obligation as if they were defined contribution schemes. The company made cash contributions of £716,000 to the schemes in respect of its employees in the year ended 30 June 2024 (2023 - £638,000). As there is no contractual agreement for allocating the surplus or deficit of pension funds to participating entities, it is recognised fully by the sponsoring employer, Diageo plc.

The assets and liabilities of the Diageo UK pension plans and related disclosures are contained on pages 189 to 193 of Diageo plc's Annual Report for the year ended 30 June 2024. The balances disclosed in Diageo's Annual Report are attributable to a number of group companies including the company.

**Justerini & Brooks, Limited**  
**Registered number: 00068576**  
**Year ended 30 June 2024**

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

**5. NET FINANCE INCOME**

|  | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|--|--|--|
| <b>Net interest</b>                                  |  |  |
| Interest income from fellow group undertakings       | 46   | 76   |
| Interest on bank deposits, bank loans and overdrafts | 1  | —  |
| <b>Total interest income</b>                         | <u>47</u>                                    | <u>76</u>                                    |
| Interest charge on leases                            | (18)   | (5)  |
| <b>Total interest charges</b>                        | <u>(18)</u>                                  | <u>(5)</u>                                   |
| <b>Net finance income</b>                            | <u>29</u>                                    | <u>71</u>                                    |

The above interest income from fellow group undertakings include interest income from Diageo Finance plc, that is disclosed net of £519,000 (2023- £841,000) interest receivable on deposit balance and £479,000 (2023 - £778,000) interest payable on loan balance, and interest income from Diageo Brands BV of £6,000 (2023- £13,000).

In accordance with the group accounting policy, interest income is classified as finance income within net finance income as management has made judgments in applying the group accounting policy that classifies interest income from intercompany loans as finance income within net finance income. This classification aligns with the group's policy to present financial information consistently and comparably across all entities within the group.

**6. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

|   | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|---|--|--|
| <b>(a) Analysis of taxation charge for the year</b>     |  |  |
| <b>Current tax</b>                                      |  |  |
| UK corporation tax                                      | —  | (46)   |
| Double tax relief                                       | —  | 46   |
| Foreign tax suffered                                    | (54)   | (90)   |
| Adjustments in respect of prior years                   | 33   | (33)   |
| <b>Total current tax</b>                                | <u>(21)</u>                                  | <u>(123)</u>                                 |
| <b>Deferred tax</b>                                     |  |  |
| Origination and reversal of timing differences          | (54)   | (183)  |
| Adjustments in respect of prior years                   | (4)  | —  |
| Effect of changes in tax rate                           | —  | (40)   |
| <b>Total deferred tax</b>                               | <u>(58)</u>                                  | <u>(223)</u>                                 |
| <b>Taxation on (loss)/profit on ordinary activities</b> | <u>(79)</u>                                  | <u>(346)</u>                                 |

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

**6. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (continued)**

|   | <b>Year ended<br/>30 June 2024<br/>£ 000</b> | <b>Year ended<br/>30 June 2023<br/>£ 000</b> |
|---|--|--|
| <b>(b) Factors affecting total tax charge for the year</b>  |  |  |
| (Loss)/profit on ordinary activities before taxation  | <u>(2,380)</u>                               | <u>4,580</u>                                 |
| Taxation on (loss)/profit on ordinary activities at UK corporation tax rate of 25% (2023 - 20.5%) | 595  | (939)  |
| Non-deductible expenses and other permanent differences   | (30)   | (31)   |
| Adjustments in respect of prior years   | 30   | (33)   |
| Effect of changes in tax rate   | —  | (40)   |
| Group relief received for nil consideration   | (620)  | 672  |
| Other tax effects for reconciliation between accounting profit and tax income                     | —  | 13   |
| Other   | <u>(54)</u>                                  | <u>12</u>                                    |
| <b>Total tax charge for the year</b>  | <b><u>(79)</u></b>                           | <b><u>(346)</u></b>                          |

The UK corporation tax rate is 25%, effective from 1 April 2023, which applies for the year ended 30 June 2024. Legislation increasing the corporation tax rate to 25% was substantively enacted on 24 May 2021. Deferred taxes at 30 June 2024 have been measured using this increased tax rate and are reflected in these financial statements (note 11).

Other tax effects for reconciliation between accounting profit and tax income consists of transfer pricing adjustments in respect of intercompany loan relationships.

In December 2021, the OECD released a framework for Pillar Two Model Rules which would introduce a global minimum corporate tax rate of 15%, applicable to multinational enterprise groups with global revenue over €750 million. The legislation implementing the rules in the United Kingdom was substantively enacted on 20 June 2023 and will apply to Diageo from the financial year ending 30 June 2025 onwards. Diageo is continuously reviewing the amendments to the legislation. Diageo has applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules. Management has assessed the likely impact of the Pillar Two Rules across the group. It does not expect there to be a significant impact at either the group level, or for this company.

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

**7. INTANGIBLE ASSETS**

|                                 | <b>Computer<br/>software<br/>£ 000</b> | <b>Assets under<br/>construction<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---------------------------------|--|--|------------------------|
| <b>Cost</b>                     |  |  |                        |
| At 30 June 2023                 | —                                      | 897  | 897                    |
| Additions                       | —                                      | 105  | 105                    |
| Transfers                       | 750                                    | (750)  | —                      |
| <b>At 30 June 2024</b>          | <b>750</b>                             | <b>252</b>                                     | <b>1,002</b>           |
| <b>Accumulated amortisation</b> |  |  |                        |
| At 30 June 2023                 | —                                      | —  | —                      |
| Amortisation                    | (108)                                  | —  | (108)                  |
| <b>At 30 June 2024</b>          | <b>(108)</b>                           | <b>—</b>                                       | <b>(108)</b>           |
| <b>Carrying amount</b>          |  |  |                        |
| <b>At 30 June 2024</b>          | <b>642</b>                             | <b>252</b>                                     | <b>894</b>             |
| At 30 June 2023                 | —                                      | 897  | 897                    |

Computer software includes capitalised website development costs, which was created by an external development firm for the company's specific requirements.

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

**8. PROPERTY, PLANT AND EQUIPMENT**

|                                 | <b>Land and<br/>buildings<br/>£ 000</b> | <b>Plant and<br/>equipment<br/>£ 000</b> | <b>Fixtures<br/>and fittings<br/>£ 000</b> | <b>Assets under<br/>construction<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|---------------------------------|---|--|--|--|------------------------|
| <b>Cost</b>                     |   |  |  |  |                        |
| At 30 June 2023                 | 797                                     | 79                                       | 30   | 336  | 1,242                  |
| Additions                       | 3,673                                   | —  | 40   | 847  | 4,560                  |
| Disposals                       | (667)                                   | —  | —  | —  | (667)                  |
| <b>At 30 June 2024</b>          | <b>3,803</b>                            | <b>79</b>                                | <b>70</b>                                  | <b>1,183</b>                                   | <b>5,135</b>           |
| <b>Accumulated depreciation</b> |   |  |  |  |                        |
| At 30 June 2023                 | (495)                                   | (58)                                     | (3)  | —  | (556)                  |
| Depreciation                    | (313)                                   | (11)                                     | (7)  | —  | (331)                  |
| Disposals                       | 582                                     | —  | —  | —  | 582                    |
| <b>At 30 June 2024</b>          | <b>(226)</b>                            | <b>(69)</b>                              | <b>(10)</b>                                | <b>—</b>                                       | <b>(305)</b>           |
| <b>Carrying amount</b>          |   |  |  |  |                        |
| <b>At 30 June 2024</b>          | <b>3,577</b>                            | <b>10</b>                                | <b>60</b>                                  | <b>1,183</b>                                   | <b>4,830</b>           |
| At 30 June 2023                 | 302                                     | 21                                       | 27   | 336  | 686                    |

Assets under construction relates to the St. James Street office.

Additions include two new lease agreements in respect of the Head Office of the company signed for 25 years starting from 23 May 2024 and a new tasting room in London signed for 3 years starting from 29 September 2023. (Further details on the Leases are in Note 9.)

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

**9. LEASES**

**Movements of leases**

|  | <b>Lands and<br/>buildings<br/>£ 000</b> | <b>Cars<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|--|--|-----------------------|------------------------|
| <b>(a) Movement of right-of-use assets</b> |  |                       |                        |
| At 30 June 2023                            | 302                                      | 21                    | 323                    |
| Additions                                  | 3,441                                    | —                     | 3,441                  |
| Disposals                                  | (85)                                     | —                     | (85)                   |
| Depreciation                               | (290)                                    | (11)                  | (301)                  |
| <b>At 30 June 2024</b>                     | <b><u>3,368</u></b>                      | <b><u>10</u></b>      | <b><u>3,378</u></b>    |

The company leases offices and vehicles. Rental contracts are typically made for fixed periods of 3 years to 25 years. Right-of-use assets are included in note 8 "Property, plant and equipment". Right-of-use land and buildings are included in the respective category. Right-of-use cars are included in "Plant and equipment". Additions include two new lease agreements in respect of the Head Office of the company signed for 25 years starting from 23 May 2024 and a new selling, tasting and entertaining space in London.

|  | <b>Lands and<br/>buildings<br/>£ 000</b> | <b>Cars<br/>£ 000</b> | <b>Total<br/>£ 000</b> |
|--|--|-----------------------|------------------------|
| <b>(b) Movement of lease liabilities</b> |  |                       |                        |
| At 30 June 2023                          | (281)                                    | (21)                  | (302)                  |
| Exchange differences                     | —  | —                     | —                      |
| Additions                                | (3,441)                                  | —                     | (3,441)                |
| Payments                                 | 442                                      | 11                    | 453                    |
| Interest expense                         | (18)                                     | —                     | (18)                   |
| Disposals                                | 62                                       | —                     | 62                     |
| <b>At 30 June 2024</b>                   | <b><u>(3,236)</u></b>                    | <b><u>(10)</u></b>    | <b><u>(3,246)</u></b>  |
| Current lease liabilities                |  |                       | (362)                  |
| Non-current lease liabilities            |  |                       | (2,884)                |

**(c) Amounts recognised in the statement of comprehensive income**

Other operating expenses associated with leases of low value assets and short term leases were £75,000 (2023 - £59,000) in the year ended 30 June 2024.

The total cash outflow for leases in the year ended 30 June 2024 was £453,000 (2023 - £205,000).

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

**10. INVESTMENTS**

*Shares in subsidiary and joint venture undertaking*

|                                     | Subsidiary<br>£ 000 | Joint venture<br>£ 000  | Total<br>£ 000          |
|-------------------------------------|---------------------|-------------------------|-------------------------|
| <b>Cost</b>                         |                     |                         |                         |
| At 30 June 2023 and at 30 June 2024 | <u>884,891</u>      | <u>1,503,615</u>        | <u>2,388,506</u>        |
| <b>Provisions</b>                   |                     |                         |                         |
| At 30 June 2023 and at 30 June 2024 | <u>(884,881)</u>    | <u>—</u>                | <u>(884,881)</u>        |
| <b>Carrying amount</b>              |                     |                         |                         |
| At 30 June 2023 and at 30 June 2024 | <u><u>10</u></u>    | <u><u>1,503,615</u></u> | <u><u>1,503,625</u></u> |

The investments 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 undertaking and joint venture are worth at least the amounts at which they are stated in the financial statements.

The company incorporated Justerini & Brooks Importers B.V. on 21 April 2022 with 10,000 ordinary shares with a nominal value of 1 GBP per share, which was fully paid on 21 August 2023.

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.

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

**10. INVESTMENTS (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>Direct holdings</b>                     |              |  |  |   |
| <i>Subsidiary undertaking</i>              |              |  |  |   |
| Arthur Bell & Sons Limited                 | (i)          | 11 Lochside Place, Edinburgh, Scotland, EH12 9HA, United Kingdom | 100%                                       | 100%  |
| Justerini & Brooks Importers B.V.          |              | Molenwerf 12, 1014 BG, Amsterdam, The Netherlands                | 100%                                       | 100%  |
| <i>Joint venture</i>                       |              |  |  |   |
| Grand Metropolitan Capital Company Limited | (ii)         | 16 Great Marlborough Street, London, W1F 7HS, United Kingdom     | 50%  | 50%   |
| <b>Indirect holdings</b>                   |              |  |  |   |
| <i>Subsidiary undertakings</i>             |              |  |  |   |
| Diageo (IH) Limited                        | (i)          | 16 Great Marlborough Street, London, W1F 7HS, United Kingdom     | 100%                                       | 100%  |

(i) Dormant company.

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

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

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

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

**11. DEFERRED TAX ASSETS AND LIABILITIES**

The amounts of deferred tax accounted for in the balance sheet comprises the following net deferred tax assets / (liabilities):

|   | <b>Property, plant<br/>and equipment<br/>£ 000</b> |
|---|--|
| At 30 June 2022                                 | 66   |
| Recognised in statement of comprehensive income | <u>(223)</u>                                       |
| At 30 June 2023                                 | (157)  |
| Recognised in statement of comprehensive income | <u>(58)</u>  |
| <b>At 30 June 2024</b>                          | <b><u><u>(215)</u></u></b>                         |

**12. INVENTORIES**

|                                     | <b>30 June 2024<br/>£ 000</b> | <b>30 June 2023<br/>£ 000</b> |
|-------------------------------------|-------------------------------|-------------------------------|
| Finished goods and goods for resale | <u>17,000</u>                 | <u>17,185</u>                 |

Inventories are disclosed net of provisions of £1,689,000 (2023 - £2,144,000) for obsolescence. The amount of reversal of write down of inventory to net realisable value is recognised in the statement of comprehensive income.

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

**13. TRADE AND OTHER RECEIVABLES**

|   | <b>30 June 2024</b>  | <b>30 June 2023</b>  |
|---|----------------------|----------------------|
|   | <b>£ 000</b>         | <b>£ 000</b>         |
| Trade receivables                               | 10,691               | 7,514                |
| Amounts owed by other fellow group undertakings | 9,238                | 11,168               |
| Other receivables                               | 444                  | 246                  |
| Prepayments                                     | 1,655                | 1,881                |
| Accrued income                                  | 10,180               | 11,915               |
|   | <u><b>32,208</b></u> | <u><b>32,724</b></u> |

Trade receivables are disclosed net of provisions of £125,000 (2023 - £89,000) for bad and doubtful debts.

Amounts owed by Diageo Finance plc of £5,837,000 (2023 - £7,678,000) are interest bearing and repayable on demand which represents the net of an amount of £14,462,000 (2023 - £12,743,000) in respect of an intercompany deposit and £8,625,000 (2023 - £5,065,000) in respect of a loan with Diageo Finance plc. The netting of the loan and deposit balances with Diageo Finance plc has been presented in accordance with the applicable Intercompany Funding Policy. All other amounts owed by subsidiary undertakings and other fellow group undertakings are interest free and repayable on demand.

Prepayments and accrued income include en primeur, distribution wines and spirits products that have been purchased but not yet received from suppliers.

The aged analysis of trade receivables is as follows:

|                            | <b>30 June 2024</b>  | <b>30 June 2023</b> |
|----------------------------|----------------------|---------------------|
|                            | <b>£ 000</b>         | <b>£ 000</b>        |
| Not overdue                | 9,439                | 7,072               |
| Overdue 1-30 days          | 755                  | 249                 |
| Overdue 31-60 days         | 223                  | 31                  |
| Overdue 61-90 days         | 19                   | 36                  |
| Overdue 91-180 days        | 109                  | 40                  |
| Overdue more than 180 days | 146                  | 86                  |
|                            | <u><b>10,691</b></u> | <u><b>7,514</b></u> |

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

**14. TRADE AND OTHER PAYABLES**

|   | <b>30 June 2024</b>  | <b>30 June 2023</b>  |
|---|----------------------|----------------------|
|   | <b>£ 000</b>         | <b>£ 000</b>         |
| Trade payables                                  | 3,441                | 3,341                |
| Amounts owed to other fellow group undertakings | 1,790                | 2,406                |
| Other taxation including social security        | 123                  | 436                  |
| Other payables                                  | 4,334                | 5,318                |
| Deferred income en primeur                      | 16,459               | 14,968               |
| Accruals  | 2,473                | 2,435                |
|   | <u><b>28,620</b></u> | <u><b>28,904</b></u> |

Amounts owed to other fellow group undertakings are interest free, unsecured and repayable on demand. Other payables represent accrued whisky cask bottling revenue and proceeds payable to customers for their brokering transactions.

**15. CALLED UP SHARE CAPITAL AND CAPITAL RESERVES**

*Allotted, called up and fully paid:*

|   | <b>30 June 2024</b>   |
|---|-----------------------|
|   | <b>£ 000</b>          |
| 520,086,500 (2023 - 520,086,500) ordinary shares of £1 each | <u><b>520,087</b></u> |

The capital reserve of £1,003,615,000 arose in respect of a capital contribution provided by Grand Metropolitan Limited, a fellow group undertaking, in the form of shares in Grand Metropolitan Capital Company Limited during the year-ended 30 June 2019.

**16. RELATED PARTY TRANSACTIONS**

Transactions between the company and its related parties (group undertakings not wholly owned by the Diageo group) are made on terms equivalent to those that prevail in arm's length transactions.

Transactions between the company and other group undertakings not wholly owned by Diageo group were as follows:

Turnover includes £2,441,000 (2023 - £3,623,000) in respect of amounts owed by MHD Moët Hennessy Diageo SAS (a joint operation of Diageo and the Moët Hennessy group).

At 30 June 2024, payables include £28,000 (2023 - £318,000) in respect of amounts owed to MHD Moët Hennessy Diageo SAS (a joint operation of Diageo and the Moët Hennessy group).

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

### **17. GUARANTEES**

The company has unused bank guarantee of £5,000,000 in respect of duty deferment and unused facility of Foreign Bills of Negotiation in the amount of £11,500,000 as and when required.

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

The immediate parent undertaking of the company is Diageo Great Britain 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.