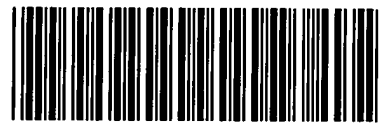


**Guinness Limited**  
**Directors' report and financial statements**  
**30 June 2024**

Registered number: 00510607

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**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

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**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

## **DIRECTORS' REPORT**

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

The directors are entitled to take advantage of the small companies' exemption in not preparing a strategic report. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **Activities and business review**

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

The company owns the freehold of the former UK brewing site at Park Royal, London. Over a number of years the company has leased, on long term leases, a number of different plots to third parties who constructed commercial and residential units on the plots. The company received the sale proceeds on the date of the lease agreements and does not receive any annual rent from the third parties, though it is responsible for any liabilities that may arise in respect of the original infrastructure of the site.

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

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

As a result of the functional and presentational currency change of the company from 1 July 2023, to manage the changed foreign currency exposures of the company, the sterling denominated intercompany loans of the entity have been converted from sterling to US dollar on transition date with no material fair value impact and no cash settlement. The amounts of the intercompany loans denominated in sterling were £1,153,784,000 which have been converted to \$1,453,767,840.

During the financial year ending 30 June 2024, as part of simplifying the financial structure of Guinness Limited, it was proposed to reduce the share capital in the company and subsequently declare and pay dividend of \$1,551,169,000 by Guinness Limited to Diageo Plc via intercompany transfers. As a result of the capital reduction in Guinness Limited, the number of ordinary shares of \$1 each will be two.

During the year ended 30 June 2024, the company realised decreased interest income in respect of its loan receivable from its fellow group undertaking. The reason for the decrease is the financial simplification of the entity where all the intercompany loans were paid back to the company. This was partially offset by the increase in the average reference interest rate which increase from 3.85% to 5.74% compared to the previous financial year.

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

### **Going concern**

The company is expected to continue to generate profit on its own account and to remain in a positive net asset position for the foreseeable future. The directors have no reason to believe that a material

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**DIRECTORS' REPORT (continued)**

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 profit for the year ended 30 June 2024 are shown on page 12.

The profit for the year transferred to reserves was \$25,964,769 (2023 - \$57,832,509).

Dividends paid during the year ended 30 June 2024 and 30 June 2023 were \$1,551,169,000 and \$18,397,500 respectively.

**Proposed dividend**

There is no dividend proposed to be distributed to the shareholders in regards to the financial year 2024.

**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

K E Major

A Mahler

**Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2023 - \$nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

**Directors' indemnity**

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

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

The company operates under the financial reporting processes and controls of the Diageo group ("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.

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

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

### **Principal 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. The most relevant of the group risks to this entity are the ones we have selected and articulated below, together with specific considerations relating to the company's operations and environment.

If any of these risks occur, the company's business, financial condition and operational results could suffer. As the company forms part of the group's investment holding and financing structure, the financial risk management measures used by management to analyse the development, performance and position of the company's business are mainly similar to those facing the group as a whole. The directors consider that the following risks might impact the performance and the solvency or liquidity of the company through its intercompany financing structure. One company-specific risk has been identified, which is the liquidity risk in respect of the intercompany funding position.

#### *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, unemployment and global trade tensions. Financial volatility risk could arise from variability in financial markets, interest rate fluctuations and currency instability. Failure to react quickly enough to changing economic and/or political conditions, e.g. inflationary pressures, currency instability, global trade tensions, heightened political protectionism, changes to customs duties and tariffs, and/or eroded consumer confidence, may impact on the freedom to operate in a market and could adversely impact financial performance. The group monitors key business drivers and performance, to prepare for rapid changes in the external environment and there is an enhanced group-level strategic analysis and scenario planning to strengthen market strategies and risk management.

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

During the year ended 30 June 2024, inflation rates increase has slowed down, but remained elevated and interest rates continued to be relatively high in many countries. High levels of inflation are expected to continue in the short to medium term. The cumulative effect of this longer period of sustained, elevated inflation intensifies pressures on both businesses and consumers. 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.

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**DIRECTORS' REPORT (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 license 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.

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

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

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

*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.

**Independent Auditors**

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

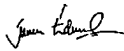
**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**DIRECTORS' REPORT (continued)**

**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



.....  
J M C Edmunds  
*Director*

16 Great Marlborough Street  
London  
W1F 7HS

4 December 2024

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**Statement of directors' responsibilities in respect of the financial statements**

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

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

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**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 Guinness Limited

## Report on the audit of the financial statements

### **Opinion**

In our opinion, Guinness 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2024; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

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

### **Independence**

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

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

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

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

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

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the 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.

#### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 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 the 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 the recoverability of amounts owed by fellow group undertakings;
- 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

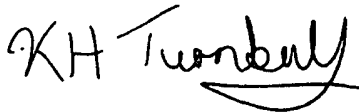
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. 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  
4 December 2024

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**INCOME STATEMENT**

	Note	Year ended 30 June 2024	Year ended 30 June 2023
		\$ 000	re-presented(1) \$ 000
Operating income	2	—	3,668
Operating expenses	2	—	(232)
<b>Operating profit</b>		—	<b>3,436</b>
Finance income	3	25,965	54,396
<b>Profit before taxation</b>		<b>25,965</b>	<b>57,832</b>
Taxation on profit	4	—	—
<b>Profit for the financial year and total comprehensive income for the year</b>		<b>25,965</b>	<b>57,832</b>

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

**STATEMENT OF COMPREHENSIVE INCOME**

	Year ended 30 June 2024	Year ended 30 June 2023
	\$ 000	re-presented(1) \$ 000
<b>Items that will not be recycled subsequently to the income statement</b>		
<b>Other comprehensive income</b>		
Profit/(loss) for the financial year	25,965	57,832
Retranslation impact of opening balances (2)	—	61,339
<b>Total comprehensive income/(expense) for the year</b>	<b>25,965</b>	<b>119,171</b>

(1) See note 1 Accounting policies, section Functional and presentation currency for an explanation.

(2) Includes amounts relating to foreign translation differences arising from the retranslation of reserves due to the change in the company's presentation currency.

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

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**BALANCE SHEET**

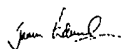
		<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<i>Note</i>	<b>\$ 000</b>	<b>re-presented(1) \$ 000</b>	<b>re-presented(1) \$ 000</b>
<b>Non-current assets</b>				
Trade and other receivables	5	—	1,453,768	1,396,079
<b>Current assets</b>				
Trade and other receivables	5	3,505	74,937	31,853
<b>Total assets</b>		<b>3,505</b>	<b>1,528,705</b>	<b>1,427,932</b>
<b>Net assets</b>		<b>3,505</b>	<b>1,528,705</b>	<b>1,427,932</b>
<b>Equity</b>				
Called up share capital	7	—	1,456,686	1,398,881
Retained earnings		3,505	72,019	29,051
<b>Total equity</b>		<b>3,505</b>	<b>1,528,705</b>	<b>1,427,932</b>

(1) See note 1 Accounting policies, section Functional and presentation currency for an explanation.

The financial statement have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The accounting policies and other notes on pages 15 to 22 form part of the financial statements.

These financial statements on pages 12 to 22 were approved by the Board on 4 December 2024 and were signed on its behalf by:



.....  
 J M C Edmunds  
 Director

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

**STATEMENT OF CHANGES IN EQUITY**

ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

	<i>Note</i>	Called up share capital `\$ 000	Retained earnings `\$ 000	Total `\$ 000
<b>Balance at 30 June 2022 (Re-presented) (1)</b>		1,398,881	29,051	1,427,932
Retranslation impact of opening balances (2)		57,805	(57,805)	—
Profit for the financial year		—	57,832	57,832
Other comprehensive income		—	61,339	61,339
Dividends to shareholders		—	(18,398)	(18,398)
<b>Balance at 30 June 2023 (Re-presented) (1)</b>		<b>1,456,686</b>	<b>72,019</b>	<b>1,528,705</b>
Profit for the financial year and total comprehensive income		—	25,965	25,965
Fx in reserves		—	4	4
Dividends to shareholders		—	(1,551,169)	(1,551,169)
Capital reduction	7	(1,456,686)	1,456,686	—
<b>Balance at 30 June 2024</b>		<b>—</b>	<b>3,505</b>	<b>3,505</b>

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

(1) See note 1 Accounting policies, section Functional and presentation currency for an explanation.

(2) Includes amounts relating to foreign translation differences arising from the retranslation of reserves due to the change in the company's presentation currency.

**Guinness Limited**  
**Registered number: 00510607**  
**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:

- 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).
- The following paragraphs of IAS 24 'Related party disclosures':

**Guinness Limited**  
**Registered number: 00510607**  
**Year ended 30 June 2024**

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

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

- Paragraph 17 of IAS 24, (key management compensation).
- Paragraph 18A of IAS 24, 'Related party disclosures', related to 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.

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

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.

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

Assets and liabilities at 30 June 2023 and 30 June 2022 were translated to US dollars at the relevant year-end closing rate. Performance items and movements in assets and liabilities in the year ended 30 June 2023 were translated into US dollars at weighted average rates of exchange for the relevant period, except for substantial transactions that were translated at the rate on the date of the transaction. Exchange differences arising on the retranslation to closing rates are taken to retained earnings as other comprehensive income and expense.

The company opted to re-present its share capital, share premium at closing rate for the comparative periods therefore exchange differences arising on revaluation to year-end closing rate at 30 June 2023 are taken to retained earnings. From 1 July 2023, as the company changed its functional currency, the share capital, share premium, and retained earnings are recorded in US dollars, hence no such revaluation arises at the year ended 30 June 2024.

**Guinness Limited**  
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**Year ended 30 June 2024**

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

**1. ACCOUNTING POLICIES (continued)**

At 30 June 2023 the company's other comprehensive income includes incomes/losses in relation to the exchange differences arising on the retranslation of the opening balance sheet and the change in net assets during the period to the year-end closing rate.

The foreign exchange rates used in the translation of financial statements for the comparative years, expressed in US dollars per £1, were as follows:

	2023	2022
Assets and liabilities (2)	0.79	0.83
Income statement (1)	0.83	
(1) Weighted average rates		
(2) Closing rates		

**Finance income**

Finance income is recognised in the statement of comprehensive income in the year in which it is earned.

**Financial assets and liabilities**

Financial assets and liabilities 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 and liabilities into the following categories: financial assets and liabilities at amortised cost, financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income. Where financial assets or liabilities are eligible to be carried at either amortised cost or fair value, the company does not apply the fair value option.

*Trade and other receivables due after one year* The company entered into a loan agreement with a fellow group undertaking, where the borrower was granted a contractual right to defer the repayment by one year and one day, therefore this amount is disclosed as a non-current asset.

*Trade and other receivables* Amounts owed by other group companies are initially measured at fair value and are subsequently reported at amortised cost. 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.

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

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

**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.

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

Freehold land is measured at acquisition cost and not depreciated. The company acquired the freehold of the former UK brewing site at Park Royal, London in 1926 with zero value.

#### **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.

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

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

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

- **Taxation:** The evaluation of deferred tax assets recoverability requires judgements to be made regarding the availability of future taxable income. The directors believe that the company will not generate capital gains in the future, so no deferred tax asset has been recognised in respect of capital losses.

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

**2. OPERATING INCOME/COSTS**

The auditors' remuneration of \$5,491 (2023 - \$3,000) was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditors in respect of non-audit services (2023 - \$nil).

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

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2023 - \$nil). The directors were paid by fellow group undertakings, and no cost was recharged to the company.

**3. FINANCE INCOME**

	<b>Year ended 30 June 2024</b>	<b>Year ended 30 June 2023 re-presented</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Interest income</b>		
Interest income from fellow group undertakings		
Diageo Finance plc	1,149	1,449
Diageo plc	<u>24,816</u>	<u>52,947</u>
<b>Net finance income</b>	<u><u>25,965</u></u>	<u><u>54,396</u></u>

During the year ended 30 June 2024, the company realised decreased interest income in respect of its loan receivable from its fellow group undertaking. The reason for the decrease is the financial simplification of the entity where all the intercompany loans were paid back to the company. This was offset by the increase in the average reference interest rate which increase from 3.85% to 5.74% compared to the previous financial year.

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

**4. TAXATION**

	Year ended 30 June 2024	Year ended 30 June 2023 re- presented(1)
	\$ 000	\$ 000
<b>(a) Analysis of taxation for the year</b>		
<b>Current tax</b>	—	—
<b>Deferred tax</b>	—	—
<b>Taxation on profit</b>	<u>—</u>	<u>—</u>
<b>(b) Factors affecting total tax for the year</b>		
Profit before taxation	<u>25.965</u>	<u>57.832</u>
Taxation on profit at UK corporation tax rate of 25% (2023 - 20.5%)	(6.491)	(11.842)
Expenses not deductible for tax purposes	—	(48)
Income not taxable	—	740
Group relief received for nil consideration	<u>6.491</u>	<u>11.150</u>
<b>Total tax for the year</b>	<u>—</u>	<u>—</u>

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.

Guinness Limited 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.<sup>1</sup>

In December 2021, the OECD released a framework for Pillar Two Model Rules which will 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.

(1) See note 1 Accounting policies, section Functional and presentation currency for an explanation.

**Guinness Limited**  
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**Year ended 30 June 2024**

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

**5. TRADE AND OTHER RECEIVABLES**

	30 June 2024		30 June 2023	
	Due within one year \$ 000	Due after one year \$ 000	Due within one year re- presented \$ 000	Due after one year re- presented \$ 000
Amounts owed by fellow group undertakings				
Diageo Finance plc	—	—	74,937	—
Diageo plc	3,505	—	—	1,453,768
	<u>3,505</u>	<u>—</u>	<u>74,937</u>	<u>1,453,768</u>

For the year ended 30 June 2024, all intercompany loans were fully repaid to the company as part of the entity's financial simplification process. The amount owed by Diageo plc is an open interest receivable.

**6. DEFERRED TAX ASSETS**

**Unrecognised deferred tax assets**

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

	30 June 2024		30 June 2023	
	\$ 000	\$ 000	\$ 000	\$ 000
	Gross Amount	Tax Affected	re-presented Gross Amount	re-presented Tax Affected
Tax losses	<u>9,471</u>	<u>2,368</u>	<u>9,671</u>	<u>2,418</u>

**Guinness Limited**  
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**Year ended 30 June 2024**

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

**7. CALLED UP SHARE CAPITAL**

*Allotted, called up and fully paid:*

	<b>30 June 2024</b>
	<b>\$</b>
2 (2023 - 1,456,686,000) ordinary shares of \$1 each	<u><u>2</u></u>

During the financial year ending 30 June 2024, as part of simplifying the financial structure of Guinness Limited, it was proposed to reduce the share capital in the company and subsequently declare and pay dividend of \$1,551,169,000 by Guinness Limited to Diageo Plc via intercompany transfers. As a result of the capital reduction in Guinness Limited, the number of ordinary shares of \$1 each will be two.

**8. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The immediate and 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 St, London, W1F 7HS, United Kingdom.