



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 976 795 849
Organisasjonsform: Aksjeselskap
Foretaksnavn: DIAGEO NORWAY AS
Forretningsadresse: Apotekergata 10B
0180 OSLO

Regnskapsår

Årsregnskapets periode: 01.07.2020 - 30.06.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Norbert Imre
Dato for fastsettelse av årsregnskapet: 23.11.2021

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 03.02.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2	812 338 000	614 643 000
Duty on alcoholic beverages		-603 398 000	-448 547 000
Sum inntekter		208 940 000	166 096 000
Kostnader			
Costs of goods sold	8	143 637 000	124 182 000
Payroll and related costs	3	7 670 000	6 260 000
Depreciation and amortization of fixed and intangible assets	4	0	0
Other operating expenses	3	48 657 000	28 460 000
Sum kostnader		199 964 000	158 902 000
Driftsresultat		8 976 000	7 194 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		332 000	891 000
Other financial income		360 000	5 000
Sum finansinntekter		692 000	896 000
Rentekostnad til foretak i samme konsern		35 000	11 000
Other financial expenses		26 000	499 000
Sum finanskostnader		61 000	510 000
Netto finans		631 000	386 000
Ordinært resultat før skattekostnad		9 607 000	7 580 000
Income tax	5	2 136 000	1 719 000
Ordinært resultat etter skattekostnad		7 471 000	5 861 000
Årsresultat		7 471 000	5 861 000
Overføringer og disponeringer			
Ordinært utbytte	6	10 013 000	5 150 000
Transferred to/(from) equity	6	-2 542 000	711 000
Sum overføringer og disponeringer		7 471 000	5 861 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
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Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	326 000	802 000
Sum immaterielle eiendeler		326 000	802 000
Sum anleggsmidler		326 000	802 000
Omløpsmidler			
Varer			
Inventories	11	23 054 000	15 068 000
Sum varer		23 054 000	15 068 000
Fordringer			
Accounts receivable	10	85 521 000	56 037 000
Other receivables		322 000	457 000
Konsernfordringer	7, 8	48 040 000	71 008 000
Sum fordringer		133 883 000	127 502 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	12	188 000	177 000
Sum bankinnskudd, kontanter og lignende		188 000	177 000
Sum omløpsmidler		157 125 000	142 747 000
SUM EIENDELER		157 451 000	143 549 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6	1 000 000	1 000 000
Overkurs	6	21 376 000	21 376 000
Sum innskutt egenkapital		22 376 000	22 376 000



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Other equity	6	0	533 000
Sum opptjent egenkapital		0	533 000
Sum egenkapital		22 376 000	22 909 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	9	659 000	2 882 000
Sum avsetninger for forpliktelser		659 000	2 882 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		659 000	2 882 000
Kortsiktig gjeld			
Leverandørgjeld		5 314 000	2 685 000
Current income taxes payable	5	2 225 000	3 262 000
Other taxes and withholdings		95 152 000	88 644 000
Utbytte	6	10 013 000	5 150 000
Kortsiktig konserngjeld	7, 8	10 830 000	13 497 000
Other current liabilities	14	10 882 000	4 520 000
Sum kortsiktig gjeld		134 416 000	117 758 000
Sum gjeld		135 075 000	120 640 000
SUM EGENKAPITAL OG GJELD		157 451 000	143 549 000



Skatteetaten

Vår dato
12.07.2021

Din/Deres dato
16.06.2021

Saksbehandler
Lars Waalorp

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
90833418

Org.nr
974761076

Vår referanse
2021/6053830

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off.

ERNST & YOUNG ADVOKATFIRMA AS
Postboks 1156 Sentrum
0107 OSLO

Att. Lars Helland

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Diageo Norway AS, org.nr. 976 795 849

Vi viser til deres brev av 16. juni 2021 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Diageo Norway AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Diageo Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Diageo Norway AS er eid av et utenlandsk selskap. Selskapet driver virksomhet innen import, handel og agentur med vin og brennevin. Store deler av arbeidsspråket i selskapet er på engelsk. Selskapet har utenlandske styremedlemmer.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."



Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informativ regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Financial Statement

Diageo Norway AS

2020/2021



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Diageo Norway AS Profit and loss statement

	2020/2021 NOK '000	2019/2020 NOK '000	
OPERATING REVENUE AND OPERATING EXPENSES			
NOTE			
2	Sales revenue	812,338	614,643
	Duty on alcoholic beverages	(603,398)	(448,547)
	Total operating revenue	208,940	166,096
8	Costs of goods sold	(143,637)	(124,182)
3	Payroll and related costs	(7,670)	(6,260)
4	Depreciation and amortization of fixed and intangible assets	0	(0)
3	Other operating expenses	(48,657)	(28460)
	Total operating expenses	(199,964)	(158,902)
	Operating profit/(loss)	8,976	7,194
FINANCIAL INCOME AND FINANCIAL EXPENSES			
	Interest received from group companies	332	891
	Interest paid to group companies	(35)	(11)
	Other financial expenses	(26)	(499)
	Other financial income	360	5
	Financial items, net	631	386
	Profit/(loss) before taxation	9,607	7,580
5	Income tax	(2,136)	(1,719)
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	7,471	5,861
ALLOCATION OF NET PROFIT/(LOSS) AND EQUITY TRANSFERS			
6	Transferred to/(from) equity	(2,542)	711
6	Proposed dividend	10,013	5,150
	Total allocations and equity transfers	7,471	5,861



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Diageo Norway AS Balance sheet at 30 June

NOTE	ASSETS	30/06/2021 NOK '000	30/06/2020 NOK '000
	Non-current assets		
	Intangible assets		
5	Deferred tax assets	326	802
	Total intangible assets	326	802
	Tangible fixed assets		
4	Fixtures and fittings	0	0
	Total tangible fixed assets	0	0
	Total non-current assets	326	802
	Current assets		
11	Inventories	23,054	15,068
	Receivables		
10	Accounts receivable	85,521	56,037
7, 8	Intragroup receivables	48,040	71,008
	Other receivables	322	457
	Total receivables	133,883	127,502
12	Cash and cash equivalents	188	177
	Total current assets	157,125	142,747
	TOTAL ASSETS	157,451	143,549



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Diageo Norway AS
Balance sheet at 30 June

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	30/06/2021 NOK '000	30/06/2020 NOK '000
	Shareholders equity		
	Paid-in capital		
6	Share capital	1,000	1,000
6	Share premium account	21,376	21,376
	Total paid-in capital	22,376	22,376
6	Other equity	0	533
	Total retained earnings	0	533
	Total shareholders equity	22,376	22,909
	Liabilities		
	Provisions for liabilities and charges		
9	Pension obligations	659	2,882
	Total provisions for liabilities and charges	659	2,882
	Current liabilities		
	Accounts payable	5,314	2,685
7,8	Intragroup payable	10,830	13,497
6	Proposed dividend	10,013	5,150
5	Current income taxes payable	2,225	3,262
	Other taxes and withholdings	95,152	88,644
14	Other current liabilities	10,882	4,520
	Total current liabilities	134,416	117,758
	Total liabilities	135,075	120,640
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	157,451	143,549

Oslo, 23 November 2021

DocuSigned by:

Burak Budak

Chairman of the board

DocuSigned by:

Manijeh Sophia Torabbeigi

Managing director/Board member

DocuSigned by:

Robertus Cornelis Abraham Werkhoven

Board member

DocuSigned by:

Gábor Zeisler

Board member

DocuSigned by:

Csilla Sándor-Loós

Board member

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Diageo Norway AS Cash Flow statement

	2020/2021	2019/2020
Note	NOK '000	NOK '000
CASH FLOW FROM OPERATIONS:		
Profit/(loss) before taxation	9,607	7,580
Taxes paid for the period	(3,263)	(603)
Depreciation and amortization	-	-
Disposal of fixed assets	-	-
Pension expenses without cash effect	352	34
Changes in Inventory, Trade receivables and Trade payables	13 (14,542)	(27,393)
Changes in other assets and liabilities	13,007	26,526
Net cash flow from operations	5,161	6,144
CASH FLOW FROM INVESTMENT ACTIVITIES:		
	0	0
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend payments	(5,150)	(6,200)
Net cash flow from financing activities	(5,150)	(6,200)
Net change in bank deposits, cash and equivalents	11	(56)
Bank deposits, cash and equivalents at 1 July	177	233
Bank deposits, cash and equivalents at 30 June	188	177



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria. Current assets are valued at the lower of historical cost and fair value. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been mainly transferred to the customer. This will normally be the case when the goods are delivered to the customer. VAT, discounts and bonuses are deducted for in the revenue recognition.

Cost of sales and other expenses

Cost of sales and other expenses are recognised in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Intangible fixed assets

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Inventories

Inventories are recognised at the lower of cost in accordance with the FIFO method and net realisable value.

Receivables

Receivables are recognised at nominal value.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions is recognised directly in equity. Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Leasing agreements

Fixed assets leased on conditions which mainly transfer economic risk and control to the company (financial leasing) are considered as fixed assets in the balance sheet. The accompanying leasing obligation is included under interest-bearing long-term liabilities and valued at present value of the leasing payments. The fixed asset is depreciated on a systematic



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Notes to the accounts

basis, and the liability is reduced with the paid leasing amount less the calculated interest costs. Other hiring agreements are classified as operating leasing, and the leasing charge is charged as an expense.

Post-employment benefits

The company has pension plans that provide employees the right to future retirement benefits, called defined benefit scheme. The pension liabilities is calculated on a straight line basis on earnings, based on assumptions about contribution time, discount rate, future return on pension assets, future salary adjustment, pension and benefits from National insurance and actuarial assumptions regarding mortality, voluntary retirement, etc. The pension assets are valued market value. Net pension obligation consists of gross pension liabilities less the market value of pension assets. Net pension liability of the underfunded scheme is recognized as non-interest-bearing long-term debt. Any differences due to changes in assumptions are recognized in Equity. Net pension expenses adjusted of pension plans, are classified as ordinary operating expenses, and are presented along with salary and other benefits.

Foreign currency

Transactions in the profit and loss statement are translated into NOK at the exchange rate prevailing at the transaction date. All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Cash flow

Cash flow statement is prepared using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid investments which immediately and with low risk can be converted for cash, and with a maturity shorter than three months from the date of investment.

Note 2 Sales revenue

The main activity of the company is wholesale of alcoholic products in Norway.

The geographical analysis of sales revenue by destination is given below:

	'000 NOK	
	2020/2021	2019/2020
Norway	812,338	614,643

Note 3 Payroll costs, benefits, number of employees

	'000 NOK	
Payroll costs	2020/2021	2019/2020
Wages and salaries	5,742	4,631
Social security tax	942	927
Pension costs	735	702
Other benefits	251	0
Total	7,670	6,260

Average number of employees during the year: 7 7



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

	'000 NOK
Benefits	
Salary/Board fee	701
Pension expenses	98
Other remuneration	84

Neither the chairman of the Board, nor the general manager, has any bonus or severance pay agreement.

Auditor fees

Remuneration/fees to PWC is as follows:

	'000 NOK
	2020/2021
Statutory audit	134
Other services	0
Total:	134

Note 4 Fixed assets

	'000 NOK	
	30/06/2021	30/06/2020
Fixtures and fittings		
Cost at 01.07	2,120	2,120
Additions, purchased	0	0
Disposal of fixed assets	490	0
Cost at 30.06	1,630	2,120
Accumulated depreciation at 01.07	2,120	2,120
Current year amortization charge	0	0
Disposal of fixed assets	490	0
Accumulated depreciation at 30.06	1,630	2,120
Balance at 30.06	0	0

Economic life 5 years
Amortization method straight-line

Leasing

Operating Lease:

The company leases cars from Lease Plan Norge AS. Leasing expenses for 2020/2021 comes to 231,291 NOK (NOK 269,320 in 2019/2020).

The company has entered into a lease agreement for rental of business premises located in 10 Apotekergata in Oslo. Rental costs amounted to 1,607,364 NOK in 2020/2021 (NOK 1,441,466 in 2019/2020).

As of 30/06/2021 the company has no finance lease.



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

Note 5	Income tax expense		'000 NOK
		2020/2021	2019/2020
Specification of income tax expense:			
	Current income tax payable	2,225	1,839
	Changes in deferred tax	(89)	(127)
	Adjustment (previous year)	0	7
	Tax on profit/(loss)	2,136	1,719
Tax payable is calculated as follow:			
	Profit before taxation	9,607	7,580
	Permanent differences	100	204
	Changes in temporary differences	(2,168)	1,582
	OCI adjustment temporary differences	2,575	(1,006)
	This year's tax basis	10,114	8,360
	Nominal tax rate	22%	22%
	This year's payable income tax expense	2,225	1,839
Taxes payable in the balance sheet appears as follows			
	Taxes payable relating to current year result:	2,225	1,839
	Taxes payable relating to previous year result:	1,839	2,026
	Adjustment (previous year)	0	0
	Prepaid tax	(1,839)	(603)
	Total tax payables:	2,225	3,262
Reconciliation from nominal to real income tax rate:			
	Profit before taxation	9,607	7,580
	Estimated income tax according to nominal tax rate:	2,114	1,668
The tax effect of the following items:			
	Tax rate change	0	0
	Adjustment (previous year)	0	7
	Other non-deductible expenses	589	(177)
	Change of pension to equity	(567)	221
	Income tax expense	2,136	1,719
	Effective income tax rate	22,23%	22,68%
Specification of temporary differences and losses carried forward:			
	Fixed assets	(137)	(174)
	Inventories	(771)	(415)
	Pensions	(659)	(2,882)
	Receivables	90	(174)
	Total temporary differences	(1,477)	(3,645)
	Tax rate	22%	22%
	Net deferred tax (benefit)/liability in the balance sheet	(326)	(802)

The deferred tax benefit is included in the balance sheet on the basis of future income.



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

Note 6 Equity and shareholder information

	'000 NOK			
Paid in equity	Share capital	Share premium	Other equity	Total equity
Equity at 1 July 2020	1,000	21,376	533	22,909
Profit/(loss) of the year			7,471	7,471
Proposed dividend			(10,013)	(10,013)
Remeasurement gain pension			2,576	2,576
Tax effect pension			(567)	(567)
Equity at 30 June 2021	1,000	21,376	0	22,376

The share capital consists of 10,000 shares at NOK 100. All shares are owned by Selviac Nederland B.V.

Note 7 Intragroup balance items

	'000 NOK	
	30/06/2021	30/06/2020
Intercompany Receivables	48,040	71,008
Total	48,040	71,008
Intercompany Payables	10,830	13,497
Total	10,830	13,497

Diageo Norway AS is part of the consolidated financial statement for the Diageo group. The group financial statement may be obtained from the parent company registered office located at:

Diageo Plc
Lakeside Drive, Park Royal
London, NW10 7HQ
United Kingdom

Note 8 Related parties information

The company is related to any company within the Diageo Group. The entity makes all of its purchases from the group companies Copper Dog Whisky Limited, Diageo Brands B.V., Diageo North America Inc., Diageo Scotland Ltd., Ketel One Worldwide B.V., R&A Baileys & Co., Seedlip Ltd. Purchases of goods between the group companies are priced at market value.

Other charges from group companies included in Other operating expenses and Other operating Income net amounted to NOK'000 18,041 in F21 (amount in F20 is NOK'000 9,098).

Interest received from group companies is NOK'000 332 (amount in F20 NOK'000 891). Interest paid to group companies amounted to NOK'000 35 (amount in F20 NOK'000 11). The company has paid NOK'000 5,150 dividend to its parent company during the year.



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

Diageo Norway AS has as of 30/06/2021 placed liquid assets amounted to NOK'000 44,661 in Diageo Finance (NOK'000 70,221 at 30/06/2020).

Otherwise, the company has outstanding accounts with the following companies within the Group:

Diageo Brands B.V, Copper Dog Whisky Limited, Diageo Scotland Limited, Diageo Great Britain Limited, Diageo North America Inc., Ketel One Worldwide B.V., Diageo plc, Seedlip Ltd., Diageo Finance plc, Diageo Germany GmbH

Note 9 Pension costs, assets and liabilities

Composition of total pensions and pension liabilities

The pension plans are accounted in accordance with the preliminary Norwegian Accounting Standard. The company's pension scheme is covering a total of 7 persons. The scheme provides a defined future benefit plan. These benefits are mainly determined by number of contribution years, salary at retirement and the size of social security benefits. The obligations are organized through Storebrand Livsforsikring AS ("Storebrand Life Insurance").

	'000 NOK	
Pension costs	2020/2021	2019/2020
Present value of current year service cost	-	-
Interest cost on projected benefit obligations	-	-
Return on plan assets	-	-
Service costs	742	713
Other pension expenses (defined contribution plan etc.)	49	48
Net pension costs included social taxes	791	761

Pensions obligations	30/06/2021	30/06/2020
Accrued post-employment benefit obligations	7,149	6,175
Plan assets (market value)	(3,914)	(4,299)
Recognised net actuarial losses/(gains)	(2,576)	1,006
Net post-employment benefit obligations included social taxes	659	2,882

Financial assumptions	30/06/2021	30/06/2020
Discount rate	2.00%	1.70%
Expected return on pension plan assets	2.00%	1.70%
Expected increase in salaries	2.25%	2.25%
Expected increase in pensions	0.00%	0.50%
Expected increase in the base amount (G-amount)	2.00%	2.00%

Actuary assumptions for demographic factors and exit are based on widely used assumptions in assurance.

The company's pension plan meets the requirements of Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon").



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Diageo Norway AS

Annual report 2020/2021

Notes to the accounts

Note 10 Accounts receivable

	'000 NOK	
	30/06/2021	30/06/2020
Trade debtors	85,521	56,037
Trade debtors at nominal value	85,521	56,312
Bad debt provision	0	(275)
Total accounts receivable	85,521	56,037

Note 11 Inventories

	'000 NOK	
	30/06/2021	30/06/2020
Finished goods	23,054	15,068
Finished goods at purchase cost	22,825	15,483
Provisions	(771)	(415)
Total inventories	23,054	15,068

Note 12 Bank deposits

	'000 NOK	
	30/06/2021	30/06/2020
Cash and bank balance	188	177

Cash and bank balance contains the restricted tax withholding account amount of '000 NOK 188 at 30/06/2021.

Note 13 Combined items in the Cash flow statement

	'000 NOK	
	30/06/2021	30/06/2020
Change in inventories	(7,986)	1,634
Change in receivables	(6,517)	(36,282)
Change in payables	(39)	7,255
Total	(14,542)	(27,393)

Note 14 Other current liabilities

	'000 NOK	
	30/06/2021	30/06/2020
A&P Accruals	2,538	514
Trade Accruals	1,780	1,175
Other Accruals	2,641	1,673
Other Creditors	3,923	1,158
Total current liabilities	10,882	4,520



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Diageo Norway AS Directors' report 2020/2021

Group relation

The ultimate parent company (holding company), Diageo plc, has annual sales that exceed 100 billion NOK. Diageo plc operates within the areas of production, distribution and sales of spirits and wine while Diageo Norway AS is the Norwegian sales company. Smirnoff, Baileys, Gordon's, Bell's and Johnnie Walker are some of the brands in Diageo's portfolio. Moreover, the corporation activities consist of the production and sale of beer (Guinness).

Business operations

The company has considerable activity both within purchasing, sales and distribution of their own wine and spirits brands in Norway. The head office for Norway is located in Oslo.

Statement on the assumption for continued activity

In accordance with section 3-3 of the Norwegian Accounting Act, we confirm that the annual accounts have been prepared on a going concern basis. The company is profitable and have a solid liquidity and the board has no indicators that any events should change that fact for the next 12 months.

Working environment

At the year end, the company had 5 people who were fully employed. While the working environment is considered to be good, efforts are continuously being made to improve it.

No work-related incidents leading to significant personal injury or damage to property were reported during the year.

The total number of sick days for the fiscal year was 10.

Gender Equality

Celebrating our inclusive and diverse culture is core to Diageo's purpose of "celebrating life every day everywhere"

We know that for our business to thrive and for Diageo to realise its ambition, we depend on having diverse talent with a range of backgrounds, skills and capabilities. We view diversity as one of the key enablers that helps our business to grow. Our values, purpose and standards set the conditions for us to respect the unique contribution each person brings. Authentic relationships are at the heart of how we operate together.

Currently in Norway, the board consists of 3 male and 2 female members. There are 2 female and 3 male employees working in the company at year end. Both the board as well as the management is conscious regarding the social expectations in the matter of promoting gender equality in the enterprise as well as in the board. Through Diageo's global commitment to inclusivity and dedicated recruitment practices, we aim to have the most inclusive working environment possible.

External Environment

Pollution of the environment as a result of Diageo Norway AS's operations is very limited. Nevertheless, we emphasize measures for sorting and recycling waste and packaging.

Responsibly managing our environmental impact continues to be a high priority for us and we are committed to protecting and sustaining our natural resources and making a positive contribution to the communities in which we live and work. In November 2020, we were proud to launch our new 10-year



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sustainability action plan, 'Society 2030: Spirit of Progress'. The plan builds on Diageo's long and ambitious track record on environmental, social and governance issues, with goals focused in three core areas: promoting positive drinking; championing inclusion and diversity; and pioneering grain to glass sustainability. Detailed information on the steps taken can be obtained from the consolidated financial statement of the Diageo Group.

Diageo Norway AS has been a member of Materialretur AS since 1 July 1997.

Research and Development

There are no research and development activities commenced by Diageo Norway AS.

Performance

We have seen continued volatility impacting 2020/21 performance with disruption caused by the closure of bars and restaurants, restrictions to travel and changes in consumer occasions and behaviours. Notwithstanding this dynamic and challenging operating environment, we have delivered a strong set of results.

Growth was driven by strong consumer demand in the off-trade channel whilst the Coronavirus (Covid-19) pandemic continued to disrupt the on-trade channel. Baileys and Captain Morgan drove the performance, supported by our Innovation portfolio. Operating profit increased as a result of the strong top line performance partially offset by upweighted marketing investment.

Financial statements

With respect to the allocation and the price adjustment for the products that are part of the company's business operations, the board is not aware of any matters that can have significance or relevance when evaluating the company, beyond what appears in the financial statement. The board's understanding is that the presented income statement and the balance sheet with notes gives a justified overview over the development in the company's business operations, its position in the accounting period and position as of 30th of June, 2021.

Financial Risk

The business operations have limited financial risk. All of the substantial purchase of goods for resale happens within the corporation. Through a third party agreement, Diageo Norway AS has secured itself against credit risk towards customers. The company's liquidity is good and through the corporation they have a good security against risk associated with liquidity. Diageo Norway AS both procures and sells goods in local currency (in NOK) and does accordingly not bear any significant foreign exchange risk.

Based on actual results recorded for the first quarter of 2021/22 ending 30 September 2021 and considering the fact that the entity belongs to a large structured group, the directors have no reasons to believe that the economical and sanitary context could materially hit the financial healthy situation of the Company for the coming 12 Months. However, the trajectory of the recovery from Covid-19 is uncertain and near-term volatility is expected to remain in 2021/22.

Post balance sheet events

No significant events that would be relevant when evaluating the company are known to have taken place after the end of the fiscal year, which are not captured in the financial statements with belonging notes.



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Financial position

The company's assets consist mainly of receivables, intercompany receivables and inventory. Total assets at year-end amount to 157,451 TNOK.

The short term debt equals to 134,416 TNOK.

The operating profit for the financial year is 8,976 TNOK. In comparison the operating results for the previous financial year were 7,194 TNOK.

Net cash flow from operating activities for the fiscal year is 5,161 TNOK, whereas the net cash flow from financing activities amounts to (5,150) TNOK.

The company's future development statement

In recent years, turnover at Vinmonopolet has remained consistent. An increase in the consumer's purchasing power and more outlets with self-service are seen to be pulling the turnover upwards, while the cross-border shopping, temporarily reduced due to Covid-19 travel restrictions, in particular remains a concern, with the level of international travel pulling sales downwards. The launch of innovations and Reserve brands are expected to be the most important drivers for increased turnover for Diageo Norway AS going forward.

Profit Distribution

The profit for the year is 7,471 TNOK. The following application of profit is suggested:

Accrued dividend distribution	10,013 TNOK
Transferred from retained earnings	(2,542) TNOK
Sum	7,471 TNOK

The proposed dividend is considered adequate with respect to adequate equity and liquidity.

Oslo, 23 November 2021

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Burak Budak
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Burak Budak
Chairman of the board

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Manijeh Sophia Torabbeigi
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Manijeh Sophia Torabbeigi
Managing director/Board member

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Csilla Sándor-Lócs
Board member

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Board member

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Robertus Cornelis Abraham Werkhoven
Board member

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To the General Meeting of Diageo Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Diageo Norway AS, which comprise the balance sheet as at 30 June 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, 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 in this regard.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and
authorised accounting firm*



Independent Auditor's Report - Diageo Norway AS



Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's 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 auditor's 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



Independent Auditor's Report - Diageo Norway AS



Oslo, 23 November 2021
PricewaterhouseCoopers AS

Gorm F. Nymark
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning 2021

Signers:

Name	Method	Date
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