

## Historical information

The following tables present selected consolidated financial data for Diageo for the five years ended 30 June 2020 and as at the respective year ends. The data presented below for the five years ended 30 June 2020 and the respective year ends has been derived from Diageo's consolidated financial statements, audited by Diageo's independent auditor, PricewaterhouseCoopers LLP for each of the five years ended 30 June 2020.

### Income statement data

	Year ended 30 June				
	2020 £ million	2019 £ million	2018 £ million	2017 £ million	2016 £ million
<b>Sales</b>	<b>17,697</b>	19,294	18,432	18,114	15,641
Excise duties	(5,945)	(6,427)	(6,269)	(6,064)	(5,156)
<b>Net sales</b>	<b>11,752</b>	12,867	12,163	12,050	10,485
Cost of sales	(4,654)	(4,866)	(4,634)	(4,680)	(4,251)
<b>Gross profit</b>	<b>7,098</b>	8,001	7,529	7,370	6,234
Marketing	(1,841)	(2,042)	(1,882)	(1,798)	(1,562)
Other operating expenses	(3,120)	(1,917)	(1,956)	(2,013)	(1,831)
<b>Operating profit</b>	<b>2,137</b>	4,042	3,691	3,559	2,841
Non-operating items	(23)	144	–	20	123
Net interest and other finance charges	(353)	(263)	(260)	(329)	(327)
Share of after tax results of associates and joint ventures	282	312	309	309	221
<b>Profit before taxation</b>	<b>2,043</b>	4,235	3,740	3,559	2,858
Taxation	(589)	(898)	(596)	(732)	(496)
<b>Profit from continuing operations</b>	<b>1,454</b>	3,337	3,144	2,827	2,362
Discontinued operations	–	–	–	(55)	–
<b>Profit for the year</b>	<b>1,454</b>	3,337	3,144	2,772	2,362
Weighted average number of shares	million	million	million	million	million
Shares in issue excluding own shares	2,346	2,418	2,484	2,512	2,508
Dilutive potential ordinary shares	8	10	11	11	10
	<b>2,354</b>	<b>2,428</b>	<b>2,495</b>	<b>2,523</b>	<b>2,518</b>
Per share data	pence	pence	pence	pence	pence
<b>Dividend per share</b>	<b>69.88</b>	68.57	65.3	62.2	59.2
<b>Basic earnings per share</b>					
Continuing operations	60.1	130.7	121.7	108.2	89.5
Discontinued operations	–	–	–	(2.2)	–
	<b>60.1</b>	<b>130.7</b>	<b>121.7</b>	<b>106.0</b>	<b>89.5</b>
<b>Diluted earnings per share</b>					
Continuing operations	59.9	130.1	121.1	107.7	89.1
Discontinued operations	–	–	–	(2.2)	–
	<b>59.9</b>	<b>130.1</b>	<b>121.1</b>	<b>105.5</b>	<b>89.1</b>

## Historical information (continued)

### Balance sheet data

	As at 30 June				
	2020 £ million	2019 £ million	2018 £ million	2017 £ million	2016 £ million
Non-current assets	21,837	21,923	21,024	20,196	19,639
Current assets	11,471	9,373	8,691	8,652	8,852
<b>Total assets</b>	<b>33,308</b>	<b>31,296</b>	<b>29,715</b>	<b>28,848</b>	<b>28,491</b>
Current liabilities	(6,496)	(7,003)	(6,360)	(6,660)	(6,187)
Non-current liabilities	(18,372)	(14,137)	(11,642)	(10,160)	(12,124)
<b>Total liabilities</b>	<b>(24,868)</b>	<b>(21,140)</b>	<b>(18,002)</b>	<b>(16,820)</b>	<b>(18,311)</b>
<b>Net assets</b>	<b>8,440</b>	<b>10,156</b>	<b>11,713</b>	<b>12,028</b>	<b>10,180</b>
Share capital	742	753	780	797	797
Share premium	1,351	1,350	1,349	1,348	1,347
Other reserves	2,272	2,372	2,133	2,693	2,625
Retained earnings	2,407	3,886	5,686	5,475	3,761
<b>Equity attributable to equity shareholders of the parent company</b>	<b>6,772</b>	<b>8,361</b>	<b>9,948</b>	<b>10,313</b>	<b>8,530</b>
<b>Non-controlling interests</b>	<b>1,668</b>	<b>1,795</b>	<b>1,765</b>	<b>1,715</b>	<b>1,650</b>
<b>Total equity</b>	<b>8,440</b>	<b>10,156</b>	<b>11,713</b>	<b>12,028</b>	<b>10,180</b>
<b>Net borrowings</b>	<b>(13,246)</b>	<b>(11,277)</b>	<b>(9,091)</b>	<b>(7,892)</b>	<b>(8,635)</b>

# Historical information (continued)

## Notes to the historical information

**1. Accounting policies** The consolidated financial statements for each of the five years ended 30 June 2020 have been prepared in accordance with IFRS. The IFRS accounting policies applied by the group to prepare the financial information in this document are disclosed in the notes to the consolidated financial statements.

The group adopted IFRS 16 with effect from 1 July 2019 by applying the modified retrospective method. Comparative periods have not been restated. The adoption of IFRS 16 resulted in an increase to net borrowings of £251 million at 1 July 2019. The impact on the income statement is not material.

**2. Exceptional items** Exceptional items are those that in management's judgement need to be disclosed separately. Such items are included within the income statement caption to which they relate, and are separately disclosed in the notes to the consolidated financial statements. An analysis of exceptional items is as follows:

	Year ended 30 June				
	2020 £ million	2019 £ million	2018 £ million	2017 £ million	2016 £ million
<b>Exceptional operating items</b>					
Brand, goodwill, tangible and other assets impairment	(1,345)	–	(128)	–	(118)
Donations	(89)	–	–	–	–
Obsolete inventories	(30)	–	–	–	–
Substitution drawback	83	–	–	–	–
Indirect tax in Korea	24	(35)	–	–	–
Guaranteed minimum pension equalisation	–	(21)	–	–	–
French tax audit penalty	–	(18)	–	–	–
Competition authority investigation in Turkey	–	–	–	(33)	–
Customer claim in India	–	–	–	(32)	–
Disengagement agreements relating to United Spirits Limited	–	–	–	23	(49)
	(1,357)	(74)	(128)	(42)	(167)
<b>Non-operating items</b>					
Sale of businesses and brands	(31)	144	–	20	215
Step acquisitions	8	–	–	–	–
Other non-operating items	–	–	–	–	(92)
	(23)	144	–	20	123
<b>French tax audit interest</b>	–	(9)	–	–	–
<b>Items included in taxation</b>					
French audit settlement	–	(61)	–	–	–
Tax rate change in the Netherlands	–	51	–	–	–
US tax reform	–	–	354	–	–
UK transfer pricing settlement	–	–	(143)	–	–
UK industrial building allowance	–	–	(21)	–	–
Tax credit on exceptional operating items	154	4	13	11	7
Tax on sale of businesses	–	(33)	–	(7)	49
	154	(39)	203	4	56
<b>Exceptional items in continuing operations</b>	(1,226)	22	75	(18)	12
Discontinued operations net of taxation (note 3)	–	–	–	(55)	–
<b>Exceptional items</b>	(1,226)	22	75	(73)	12

**3. Discontinued operations** In the year ended 30 June 2017 discontinued operations of £55 million, net of £9 million deferred tax comprise additional amounts payable to the UK Thalidomide Trust following an agreement reached in December 2016, updates to the discount and inflation rates applied to the existing thalidomide provision and legal costs.