

# Angus Dundee Distillers plc

## REPORT AND FINANCIAL STATEMENTS

30 June 2012



Company Registration No 487356

# Angus Dundee Distillers plc

## DIRECTORS, OFFICERS AND ADVISERS

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### DIRECTORS

TM Hillman Esq  
AN Hillman Esq  
Miss T Hillman  
Mrs JE Hillman  
MH Humphreys Esq  
R Fleming Esq  
B Megson Esq

### SECRETARY

Mrs JE Hillman

### REGISTERED OFFICE

20/21 Cato Street  
London W1H 5JQ

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

# Angus Dundee Distillers plc

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Angus Dundee Distillers plc for the year ended 30 June 2012

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of Scotch Whisky distillers and exporters

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company traded at a profitable level during the year given the general economic background, and the directors consider that the key performance indicators relating to financial, employee and environmental matters are all satisfactory

The malt distilleries continued to make a positive contribution to the financial performance of the company, and the bottling plant at Coatbridge has commenced production of cased goods. The company ended the year in a strong financial position with improved working capital

The company will continue to invest in the development of the malt distilleries and bottling plant, and develop the growth in customers in both overseas and home markets

### PRINCIPAL RISKS

The management of the business and execution of the company's strategy are subject to a number of risks. The principal risks and uncertainties facing the company are reviewed on a regular basis by the Board, and actions put in place to mitigate identified risks. The company has exposure to the following key risks

- Downturn in levels of demand from customers
- Fraud and business disruption

The directors have implemented appropriate internal processes in order to mitigate these key risks to business performance

### DIVIDENDS

A preference dividend of £245,000 (2011: £245,000) was paid in the year. No ordinary dividends were paid in either 2012 or 2011

### PAYMENT OF CREDITORS

The company does not follow any code or standard on payment practice, but it is the company's policy to negotiate payment terms with its suppliers and to ensure that they know the terms on which payment will take place when the business is agreed. All payments are made on the terms agreed

The company's average settlement period during the year with regard to its payment of creditors in accordance with the agreed terms referred to above has been 43 days (2011: 52 days)

### MARKET VALUE OF LAND AND BUILDINGS

The directors consider that the market value of land and buildings is considerably greater than the value shown in the balance sheet, but they do not consider that there is any benefit to shareholders in the company paying for a professional valuation to quantify the difference

# Angus Dundee Distillers plc

## DIRECTORS' REPORT

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### DIRECTORS

The following directors have held office since 1 July 2011

TM Hillman Esq  
AN Hillman Esq  
Miss T Hillman  
Mrs JE Hillman  
MH Humphreys Esq  
R Fleming Esq  
B Megson Esq

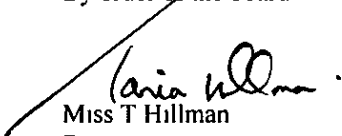
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



Miss T Hillman  
Director

21<sup>st</sup> December 2012

# Angus Dundee Distillers plc

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and,
- d 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGUS DUNDEE DISTILLERS PLC

We have audited the financial statements on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

EUAN BANKS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

21<sup>st</sup>

December 2012

**Angus Dundee Distillers plc**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 30 June 2012

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	<i>Notes</i>	2012 £	2011 £
TURNOVER	1	55,034,514	45,208,478
Cost of sales		(34,067,705)	(28,286,069)
Gross profit		<u>20,966,809</u>	<u>16,922,409</u>
Administrative expenses		(3,222,196)	(2,468,801)
OPERATING PROFIT		<u>17,744,613</u>	<u>14,453,608</u>
Interest receivable		22,519	5,849
Interest payable	2	(392,393)	(487,127)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>17,374,739</u>	<u>13,972,330</u>
Taxation	5	(4,543,739)	(3,942,917)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	15	<u><u>12,831,000</u></u>	<u><u>10,029,413</u></u>

The operating profit for both years arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

# Angus Dundee Distillers plc

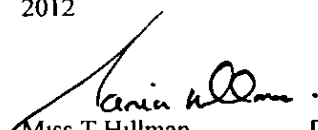
## BALANCE SHEET

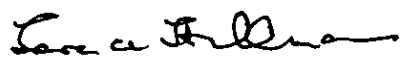
30 June 2012

Company Registration No 487356

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	6	8,000	9,000
Tangible assets	7	7,395,813	5,627,319
Investments	8	168,536	108,536
		<u>7,572,349</u>	<u>5,744,855</u>
<b>CURRENT ASSETS</b>			
Stocks	9	67,343,834	59,976,020
Debtors	10	7,023,329	8,177,330
Cash at bank and in hand		8,448,666	5,798,853
		<u>82,815,829</u>	<u>73,952,203</u>
<b>CREDITORS Amounts falling due within one year</b>	12	(16,980,278)	(19,120,158)
<b>NET CURRENT ASSETS</b>		<u>65,835,551</u>	<u>54,832,045</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		73,407,900	60,576,900
<b>CREDITORS Amounts falling due after more than one year</b>	13	(3,500,000)	(3,500,000)
<b>NET ASSETS</b>		<u>69,907,900</u>	<u>57,076,900</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000,000	1,000,000
Profit and loss account	15	68,907,900	56,076,900
<b>SHAREHOLDERS' FUNDS</b>	16	<u>69,907,900</u>	<u>57,076,900</u>

The financial statements on pages 6 to 19 were approved and authorised for issue by the board on 21<sup>st</sup> December 2012

  
Miss T Hillman Director

  
TM Hillman Esq Director



# Angus Dundee Distillers plc

## CASH FLOW STATEMENT

for the year ended 30 June 2012

	<i>Notes</i>	2012 £	2011 £
Cash inflow from operating activities	17a	12,387,888	16,543,284
Returns on investments and servicing of finance	17b	(369,874)	(481,278)
Taxation		(4,361,000)	(3,851,234)
Capital expenditure and financial investment	17b	(2,007,201)	(3,216,493)
		<u>5,649,813</u>	<u>8,994,279</u>
Financing	17b	(3,000,000)	(3,120,000)
INCREASE IN CASH IN THE YEAR		<u>2,649,813</u>	<u>5,874,279</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)			
		2012 £	2011 £
Increase in cash in the year		2,649,813	5,874,279
Cash outflow from debt financing		3,000,000	3,120,000
MOVEMENT IN NET FUNDS IN THE YEAR	17c	<u>5,649,813</u>	<u>8,994,279</u>
NET DEBT AT 30 JUNE 2011		(2,901,147)	(11,895,426)
NET FUNDS/(DEBT) AT 30 JUNE 2012	17c	<u>2,748,666</u>	<u>(2,901,147)</u>

# Angus Dundee Distillers plc

## ACCOUNTING POLICIES

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The following accounting policies have been used consistently in dealing with the items which are considered material in relation to the financial statements

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

### GOING CONCERN

The directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future. This has been determined by the review of the forecast cash flows for at least the next 12 months. For these reasons the directors continue to adopt the going concern basis in preparing the financial statements

### INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost, net of amortisation and any provision for impairment

Intangible fixed assets are amortised over their useful lives, as follows -

Purchased goodwill	5% on cost
Intellectual property	5% on cost

### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows

Freehold land	Nil
Freehold buildings	2% per annum on cost
Plant and machinery	10% per annum on cost
Office equipment	25% per annum on cost
Fixtures and fittings	25% per annum on cost
Motor vehicles	25% per annum on the reducing balance
Leasehold improvements	20% per annum on cost

### GOVERNMENT GRANTS

Government grants on capital expenditure are credited to a deferral account and are released to revenue by equal amounts over the expected useful life of the asset to which they relate. Government grants of a revenue nature are credited to income in the period to which they relate

### INVESTMENTS

Long term investments are classified as fixed assets

Fixed asset investments are stated at cost in the balance sheet

Provision is made for any impairment in the value of fixed asset investments

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost includes all expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal

# Angus Dundee Distillers plc

## ACCOUNTING POLICIES

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### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies and matched to forward contracts are translated into sterling at the rates of exchange fixed under the terms of those contracts

All other assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All other transactions in foreign currencies are recorded at the rates ruling at the date of the transactions and any exchange differences arising from these translations are taken to the profit and loss account

### PENSIONS CONTRIBUTIONS

The company operates a defined contribution scheme covering certain of its permanent employees and also offers a stakeholders pension scheme to all of its employees. Pension costs charged against profits represent the amounts payable to the scheme in respect of the year.

### TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold to customers.

Revenue from the sale of cased goods is recognised when the goods are shipped. Bulk whisky revenue is recognised when the stock is dispatched or when ownership of the stock is transferred to the purchaser.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS

Operating lease rentals are charged to the profit and loss account on a straight line basis.

### GROUP ACCOUNTS

The company's subsidiary undertakings have not been consolidated as, in the opinion of the directors, the results of the subsidiaries are not material. As such, the parent entity's accounts present information about it as an individual undertaking and not about its group.

### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Redeemable preference shares are classified as a financial liability in accordance with FRS25 'Financial Instruments: Presentation', as the preference dividend represents a contractual obligation to deliver cash.

# Angus Dundee Distillers plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 1 TURNOVER

The turnover derives from the same class of business which is described in the directors' report. A geographical analysis of turnover is not given as it is considered to be prejudicial to the company.

2	INTEREST PAYABLE	2012 £	2011 £
	On bank loans	37,393	110,538
	Other interest	110,000	131,589
	Preference dividends paid	245,000	245,000
		<u>392,393</u>	<u>487,127</u>

A preference dividend of £245,000 (2011 £245,000), representing the dividend due on the preference shares, was paid during the year.

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012 £	2011 £
	Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation and amortisation	502,880	274,770
	Operating lease rentals land and buildings	97,469	91,900
	(Profit)/loss on disposal of fixed assets	(3,173)	609
	(Gain)/loss on foreign exchange	(39,893)	12,158
		<u></u>	<u></u>

Amounts payable to Baker Tilly in respect of both audit and non-audit services were

	2012 £	2011 £
Fees payable to Baker Tilly UK Audit LLP for the audit of the company's annual financial statements	30,000	29,500
Fees payable to Baker Tilly Tax and Accounting Limited for tax compliance services	14,100	4,250
Fees payable to Baker Tilly UK Audit LLP for other services pursuant to legislation	1,750	-
	<u>45,850</u>	<u>33,750</u>

**Angus Dundee Distillers plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

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<b>4</b>	<b>EMPLOYEES</b>	<b>2012</b>	<b>2011</b>
		<b>No</b>	<b>No</b>
	The average monthly number of persons (including directors) employed by the company during the year was		
	Office and management	47	29
	Production	41	40
		<u>88</u>	<u>69</u>
		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Staff costs for the above persons		
	Wages and salaries	3,727,370	2,402,544
	Social security costs	333,046	240,959
	Other pension costs	436,177	156,138
		<u>4,496,593</u>	<u>2,799,641</u>
		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	<b>DIRECTORS' REMUNERATION</b>		
	Remuneration	617,923	469,279
	Amounts paid to money purchase pension schemes	332,000	51,000
		<u>949,923</u>	<u>520,279</u>
		<b>2012</b>	<b>2011</b>
		<b>No</b>	<b>No</b>
	The number of directors to whom relevant benefits are accruing under money purchase pension schemes was	3	3
		<u>3</u>	<u>3</u>
		<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Emoluments in respect of the highest paid director amounted to		
	Remuneration	285,099	180,725
		<u>285,099</u>	<u>180,725</u>

**Angus Dundee Distillers plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

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5	TAXATION	2012 £	2011 £
	Current tax		
	UK corporation tax on profits of the period	4,650,996	3,916,189
	Adjustments in respect of previous periods	(1,480)	(2,471)
	Total current tax	4,649,516	3,913,718
	Deferred taxation		
	Origination and reversal of timing differences (note 11)	(105,777)	29,199
	Tax on profit on ordinary activities	4,543,739	3,942,917
	Factors affecting tax charge for period	2012 £	2011 £
	The tax assessed for the period differs from a charge based on the average standard rate of corporation tax in the UK in the year of 25.5% (2011 27.5%) The differences are explained below		
	Profit on ordinary activities before tax	17,374,739	13,972,330
	Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK in the year of 25.5% (2011 27.5%)	4,430,558	3,842,391
	Effects of		
	Expenses not deductible for tax purposes	72,883	81,033
	Income not taxable	-	(5,542)
	Depreciation in excess of capital allowances	153,024	2,377
	Land remediation tax relief	-	(4,414)
	Other timing differences	(10)	344
	Other differences re assets disposed of during the year	(5,459)	-
	Adjustment to tax charge in respect of previous periods	(1,480)	(2,471)
	Current tax charge for period	4,649,516	3,913,718

**Angus Dundee Distillers plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

6	INTANGIBLE FIXED ASSETS	Purchased goodwill £	Intellectual property £	Total £
	Cost			
	30 June 2011 and 2012	10,000	10,000	20,000
	Amortisation			
	30 June 2011	5,500	5,500	11,000
	Charged in year	500	500	1,000
	30 June 2012	6,000	6,000	12,000
	Net book amount			
	30 June 2012	4,000	4,000	8,000
	30 June 2011	4,500	4,500	9,000

7	TANGIBLE FIXED ASSETS	Freehold land and buildings £	Plant and machinery £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Leasehold improvements £	Total £
	Cost							
	30 June 2011	4,494,658	5,024,076	149,222	83,325	93,488	2,260	9,847,029
	Additions	540,194	1,586,001	46,382	30,220	75,404	-	2,278,201
	Disposals	-	(12,205)	-	-	(24,740)	-	(36,945)
	30 June 2012	5,034,852	6,597,872	195,604	113,545	144,152	2,260	12,088,285
	Depreciation							
	30 June 2011	248,825	3,716,320	133,824	81,600	36,881	2,260	4,219,710
	Charged in year	54,443	409,677	13,372	4,002	20,386	-	501,880
	Disposals	-	(12,205)	-	-	(16,913)	-	(29,118)
	30 June 2012	303,268	4,113,792	147,196	85,602	40,354	2,260	4,692,472
	Net book value							
	30 June 2012	4,731,584	2,484,080	48,408	27,943	103,798	-	7,395,813
	30 June 2011	4,245,833	1,307,756	15,398	1,725	56,607	-	5,627,319

Included in freehold land and buildings is land with an estimated cost of £2,153,600 (2011 £1,853,600) which is not depreciated

# Angus Dundee Distillers plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### 8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
30 June 2011	108,536
Additions	60,000
30 June 2012	<u>168,536</u>

Subsidiary undertaking	Country of registration or incorporation	Class of holding	Proportion directly held	Aggregate capital & reserves £	Result for the year £	Nature of business
Angus Dundee Distillers (Shanghai) Company Limited	China	Ordinary	100%	730,407	124,654	Sales and distribution
Angus Dundee India Private Limited	India	Ordinary	100%	60,000	-	Sales and distribution

Angus Dundee Distillers (Shanghai) Company Limited and Angus Dundee India Private Limited have not been consolidated as, in the opinion of the directors, the results of the subsidiaries are not material

9	STOCKS	2012 £	2011 £
	Whisky	67,343,834	59,976,020
		<u>67,343,834</u>	<u>59,976,020</u>
10	DEBTORS	2012 £	2011 £
	Due within one year		
	Trade debtors	6,092,999	7,195,634
	Other debtors	438,416	346,836
	Prepayments	47,680	296,403
	Deferred tax asset (note 11)	444,234	338,457
		<u>7,023,329</u>	<u>8,177,330</u>



# Angus Dundee Distillers plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

11	DEFERRED TAX ASSET	2012 £	2011 £
	Deferred taxation		
	30 June 2011	338,457	367,656
	Credited/(charged) to the profit and loss account (note 5)	105,777	(29,199)
	30 June 2012	<u>444,234</u>	<u>338,457</u>
	Deferred taxation comprises		
		2012 £	2011 £
	Decelerated capital allowances	442,107	336,143
	Other timing differences	2,127	2,314
	Deferred tax asset	<u>444,234</u>	<u>338,457</u>
12	CREDITORS Amounts falling due within one year	2012 £	2011 £
	Bank loans	-	3,000,000
	Directors' loans	2,200,000	2,200,000
	Trade creditors	6,567,392	6,316,428
	Corporation tax	2,387,706	2,099,190
	Other taxation and social security costs	141,778	113,483
	Accruals and deferred income	3,775,243	2,662,948
	Payments in advance	1,908,159	2,728,109
		<u>16,980,278</u>	<u>19,120,158</u>
13	CREDITORS Amounts falling due in more than one year	2012 £	2011 £
	Redeemable preference shares	<u>3,500,000</u>	<u>3,500,000</u>

The preference shares are redeemable at the option of the company at any time after 31 December 2019 and a dividend is payable at 7% of the nominal value of preference shares in issue per annum

The preference shares have been classified as a financial liability in accordance with FRS25 'Financial Instruments Presentation', as the preference dividend represents a contractual obligation to deliver cash

**Angus Dundee Distillers plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

14	SHARE CAPITAL	2012 £	2011 £
	Allotted, issued and fully paid 1,000,000 (2011 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
15	PROFIT AND LOSS ACCOUNT	2012 £	2011 £
	30 June 2011	56,076,900	46,047,487
	Profit for the financial year	12,831,000	10,029,413
	30 June 2012	68,907,900	56,076,900
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2012 £	2011 £
	Profit for the financial year	12,831,000	10,029,413
	Opening shareholders' funds	57,076,900	47,047,487
	Closing shareholders' funds	69,907,900	57,076,900
17	CASH FLOWS	2012 £	2011 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	17,744,613	14,453,608
	Depreciation and amortisation	502,880	274,770
	Increase in stocks	(7,367,814)	(2,371,058)
	Decrease/(increase) in debtors	1,259,778	(1,567,938)
	Increase in creditors	251,604	5,753,293
	(Profit)/loss on sale of fixed assets	(3,173)	609
	Net cash inflow from operating activities	12,387,888	16,543,284

**Angus Dundee Distillers plc**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2012

17	<b>CASH FLOWS (continued)</b>		<b>2012</b>	<b>2011</b>
			<b>£</b>	<b>£</b>
b	Analysis of cash flows for headings netted in the cash flow			
	<b>Returns on investments and servicing of finance</b>			
	Interest received		22,519	5,849
	Interest paid		(147,393)	(242,127)
	Preference dividends paid		(245,000)	(245,000)
	<b>Net cash outflow from returns on investment and servicing of finance</b>		<b>(369,874)</b>	<b>(481,278)</b>
	<b>Capital expenditure and financial investment</b>			
	Sale of tangible fixed assets		11,000	5,000
	Purchase of tangible fixed assets		(2,278,201)	(3,221,493)
	Payment for allotted shares in subsidiary undertaking		(60,000)	-
	Government grant for tangible fixed assets		320,000	-
	<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(2,007,201)</b>	<b>(3,216,493)</b>
	<b>Financing</b>			
	Decrease in bank loans		(3,000,000)	(2,320,000)
	Repayment of other loans		-	(800,000)
	<b>Net cash outflow from financing</b>		<b>(3,000,000)</b>	<b>(3,120,000)</b>
c	Analysis of net (debt)/funds	At		At
		30 June 2011	Cash flow	30 June 2012
		£	£	£
	Cash at bank and in hand	5,798,853	2,649,813	8,448,666
	Debt due in less than 1 year	(5,200,000)	3,000,000	(2,200,000)
		598,853	5,649,813	6,248,666
	Debt due after 1 year	(3,500,000)	-	(3,500,000)
	Total net (debt)/funds	(2,901,147)	5,649,813	2,748,666

**18 CAPITAL COMMITMENTS**

Capital expenditure contracted for but not provided in the financial statements total £nil (2011 £232,241)

# Angus Dundee Distillers plc

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 June 2012

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#### 19 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Land and buildings		
expiring within two to five years	108,000	80,000
expiring after more than five years	-	28,000
	<u>108,000</u>	<u>108,000</u>

#### 20 RELATED PARTY DISCLOSURES

Mr T M Hillman, a director of the company, holds 2,300,000 (2011 3,500,000) £1 preference shares. The preference shares have a coupon rate of 7% per annum and preference dividends of £221,392 (2011 £245,000) were paid to Mr TM Hillman in the year.

Miss T Hillman and Mr A N Hillman, directors of the company, are trustees of trusts holding 1,200,000 (2011 nil) £1 preference shares. The preference shares have a coupon rate of 7% per annum and preference dividends of £23,608 (2011 £nil) were paid to the trusts during the year.

The company has loans of £2,200,000 (2011 £2,200,000) from Miss T Hillman and Mr AN Hillman, both of whom are directors of the company. The loans attract interest at 5% per annum and are repayable on demand. Interest of £110,000 (2011 £123,590) was paid in the year.

The company occupies premises owned by its self-administered pension scheme. The total rent payable for these premises during the year ended 30 June 2012 was £80,000 (2011 £80,000).

The company made sales of £327,402 (2011 £365,720) in the year to Angus Dundee Distillers (Shanghai) Company Limited, a wholly owned subsidiary undertaking (see note 8). At the balance sheet date £176,690 (2011 £88,004) was due to the company from Angus Dundee Distillers (Shanghai) Company Limited.

#### 21 ULTIMATE CONTROLLING PARTIES

The company is under the ultimate control of Miss T Hillman and Mr AN Hillman by virtue of their majority shareholdings.