

Angus Dundee Distillers plc
REPORT AND FINANCIAL STATEMENTS

30 June 2014



Company Registration No. 487356

Angus Dundee Distillers plc

DIRECTORS AND OFFICERS

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

STRATEGIC REPORT

The directors submit their report and the financial statements of Angus Dundee Distillers plc for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

There was a decline in turnover during the year from £59 million to £53 million which was mainly due to a loss of business from certain overseas markets.

As a result, EBITDA fell from £21 million to £18 million.

Gross profit margins fell from 39.55% to 39.44% during the year.

The company will continue to invest in the modernisation of its malt distilleries and bottling plant, and develop its customer base in both overseas and home markets respectively.

KEY RISKS AND UNCERTAINTIES

The directors regularly monitor the risks and uncertainties of the business.

- a) **Operating risk** : the company's management system provides a framework to ensure that operational policies and procedures are communicated, understood and adhered to
- b) **Market risk** : the company maintains its competitive position by actively managing its operational risk. It also provides a high level of service to its customers and maintains a good relationship with its suppliers and partners
- c) **Personnel risk** : the company places great emphasis on ongoing assessment of competent staff. The directors consider succession planning issues on a regular basis
- d) **Financial risk** : financial monitoring, forecasting and planning is a continuous process, with particular emphasis on cash flow management and delivering a cost effective service to customers while maintaining an acceptable return to shareholders

Angus Dundee Distillers plc

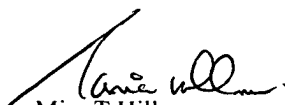
STRATEGIC REPORT

KEY PERFORMANCE INDICATORS

To track the financial performance of the company, key performance indicators are monitored as follows :

£'000	2014	2013
Turnover	52,979	59,010
Gross profit margin	20,892	23,341
Profit on ordinary activities before tax	17,418	19,968
Cash flow from operating activities	15,315	9,202

By order of the board


Miss T Hillman
Director

22nd December 2014

Angus Dundee Distillers plc

DIRECTORS' REPORT

REVIEW OF THE BUSINESS

See the Strategic Report for further information.

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 (2013: £245,000) was paid in the year. No ordinary dividends were paid in either 2014 or 2013.

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 55 days (2013: 53 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.

DIRECTORS

The following directors have held office since 1 July 2013:

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.

Angus Dundee Distillers plc

DIRECTORS' REPORT

AUDITOR

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

By order of the board



Miss T Hillman
Director

22nd December 2014

Angus Dundee Distillers plc

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 7 to 20. 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 to them 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 5, 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2014 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 Strategic Report and 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

23rd December 2014

Angus Dundee Distillers plc
 PROFIT AND LOSS ACCOUNT
 for the year ended 30 June 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	52,978,671	59,010,452
Cost of sales		(32,086,346)	(35,669,557)
Gross profit		<u>20,892,325</u>	<u>23,340,895</u>
Administrative expenses		(3,190,041)	(3,068,972)
OPERATING PROFIT		<u>17,702,284</u>	<u>20,271,923</u>
Interest receivable		70,208	54,159
Interest payable	2	(354,699)	(358,414)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>17,417,793</u>	<u>19,967,668</u>
Taxation	5	(3,244,038)	(4,860,450)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX	15	<u><u>14,173,755</u></u>	<u><u>15,107,218</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 2014

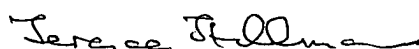
Company Registration No. 487356

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	6	6,000	7,000
Tangible assets	7	9,712,018	7,377,548
Investments	8	212,685	212,685
		<u>9,930,703</u>	<u>7,597,233</u>
CURRENT ASSETS			
Stocks	9	78,572,643	73,274,986
Debtors	10	7,369,599	10,334,139
Cash at bank and in hand		19,736,938	12,137,631
		<u>105,679,180</u>	<u>95,746,756</u>
CREDITORS: Amounts falling due within one year	12	(12,921,010)	(14,828,871)
NET CURRENT ASSETS		<u>92,758,170</u>	<u>80,917,885</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		102,688,873	88,515,118
CREDITORS: Amounts falling due after more than one year	13	(3,500,000)	(3,500,000)
NET ASSETS		<u>99,188,873</u>	<u>85,015,118</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000,000	1,000,000
Profit and loss account	15	98,188,873	84,015,118
SHAREHOLDERS' FUNDS	16	<u>99,188,873</u>	<u>85,015,118</u>

The financial statements on pages 7 to 20 were approved and authorised for issue by the board on 22nd December 2014.


Miss T Hillman

Director



TM Hillman Esq

Director

Angus Dundee Distillers plc

CASH FLOW STATEMENT

for the year ended 30 June 2014

	<i>Notes</i>	2014 £	2013 £
Cash inflow from operating activities	17a	15,315,448	9,202,443
Returns on investments and servicing of finance	17b	(284,491)	(304,255)
Taxation		(4,451,098)	(4,690,363)
Capital expenditure and financial investment	17b	(2,980,552)	(518,860)
		<u>7,599,307</u>	<u>3,688,965</u>
Financing	17b	-	-
INCREASE IN CASH IN THE YEAR		<u>7,599,307</u>	<u>3,688,965</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		2014 £	2013 £
Increase in cash in the year		7,599,307	3,688,965
Cash outflow from debt financing		-	-
MOVEMENT IN NET FUNDS IN THE YEAR	17c	<u>7,599,307</u>	<u>3,688,965</u>
NET FUNDS AT 30 JUNE 2013		6,437,631	2,748,666
NET FUNDS AT 30 JUNE 2014	17c	<u>14,036,938</u>	<u>6,437,631</u>

Angus Dundee Distillers plc

ACCOUNTING POLICIES

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

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

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 2014

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	2014 £	2013 £
	Other interest	109,699	113,414
	Preference dividends paid	245,000	245,000
		<u>354,699</u>	<u>358,414</u>

A preference dividend of £245,000 (2013: £245,000), representing the dividend due on the preference shares, was paid during the year.

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £	2013 £
	Profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation and amortisation	645,810	581,030
	Operating lease rentals: land and buildings	106,767	105,701
	Loss/(profit) on disposal of fixed assets	1,273	(1,096)
	Loss/(gain) on foreign exchange	8,166	(19,747)
		<u>861,916</u>	<u>776,888</u>

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

	2014 £	2013 £
Fees payable to Baker Tilly UK Audit LLP for the audit of the company's annual financial statements	32,800	32,000
Fees payable to Baker Tilly Tax and Accounting Limited for tax compliance services	7,150	30,500
Fees payable to Baker Tilly UK Audit LLP for other services pursuant to legislation	2,550	2,650
	<u>42,500</u>	<u>65,150</u>

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

4	EMPLOYEES	2014 No.	2013 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office and management	57	52
	Production	57	50
		<u>114</u>	<u>102</u>
		2014 £	2013 £
	Staff costs for the above persons:		
	Wages and salaries	3,840,447	3,385,942
	Social security costs	411,373	361,891
	Other pension costs	217,500	204,322
		<u>4,469,320</u>	<u>3,952,155</u>
		2014 £	2013 £
	DIRECTORS' REMUNERATION		
	Remuneration	756,655	637,552
	Amounts paid to money purchase pension schemes	94,205	93,050
		<u>850,860</u>	<u>730,602</u>
		2014 No.	2013 No.
	The number of directors to whom relevant benefits are accruing under money purchase pension schemes was	3	3
		2014 £	2013 £
	Emoluments in respect of the highest paid director amounted to:		
	Remuneration	<u>359,109</u>	<u>308,649</u>

Angus Dundee Distillers plc
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

5	TAXATION	2014	2013
		£	£
	Current tax:		
	UK corporation tax on profits of the period	3,099,515	4,824,531
	Adjustments in respect of previous periods	-	4,332
	Total current tax	3,099,515	4,828,863
	Deferred taxation:		
	Origination and reversal of timing differences (note 11)	90,699	13,077
	Effect of tax rate change on opening balance (note 11)	53,824	18,510
	Tax on profit on ordinary activities	3,244,038	4,860,450
	Factors affecting tax charge for period:	2014	2013
		£	£
	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 22.50% (2013: 23.75%). The differences are explained below:		
	Profit on ordinary activities before tax	17,417,793	19,967,668
	Profit on ordinary activities multiplied by the average standard rate of corporation tax in the UK in the year of 22.50% (2013: 23.75%)	3,919,242	4,742,458
	Effects of:		
	Expenses not deductible for tax purposes	59,329	62,622
	Income not taxable	(16,257)	(10,925)
	Depreciation (less than)/in excess of capital allowances	(90,748)	32,388
	Other timing differences	(60)	(2,012)
	Adjustment to tax charge in respect of previous periods	(703,983)	4,332
	Provisional additional deduction for research and development expenditure	(68,008)	-
	Current tax charge for period	3,099,515	4,828,863

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

6	INTANGIBLE FIXED ASSETS	Purchased goodwill £	Intellectual property £	Total £
	Cost:			
	30 June 2013 and 2014	10,000	10,000	20,000
	Amortisation:			
	30 June 2013	6,500	6,500	13,000
	Charged in year	500	500	1,000
	30 June 2014	7,000	7,000	14,000
	Net book amount:			
	30 June 2014	3,000	3,000	6,000
	30 June 2013	3,500	3,500	7,000

7	TANGIBLE FIXED ASSETS	Freehold land and buildings £	Plant and machinery £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
	Cost:						
	30 June 2013	5,049,207	7,025,318	204,524	185,174	179,572	12,643,795
	Additions	260,402	2,682,329	5,062	9,070	36,283	2,993,146
	Disposals	-	(9,720)	-	-	(16,400)	(26,120)
	30 June 2014	5,309,609	9,697,927	209,586	194,244	199,455	15,610,821
	Depreciation:						
	30 June 2013	363,193	4,554,150	165,029	109,828	74,047	5,266,247
	Charged in year	58,717	506,683	19,399	27,369	32,642	644,810
	Disposals	-	(4,374)	-	-	(7,880)	(12,254)
	30 June 2014	421,910	5,056,459	184,428	137,197	98,809	5,898,803
	Net book value:						
	30 June 2014	4,887,699	4,641,469	25,158	57,047	100,646	9,712,018
	30 June 2013	4,686,014	2,471,168	39,495	75,346	105,525	7,377,548

Included in freehold land and buildings is land with an estimated cost of £2,153,600 (2013: £2,153,600) which is not depreciated.

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £
Cost:	
30 June 2013 and 30 June 2014	212,685

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%	963,342	(39,256)	Sales and distribution
Angus Dundee India Private Limited	India	Ordinary	100%	107,664	32,797	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

	2014 £	2013 £
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Whisky	78,572,643	73,274,986
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10 DEBTORS

	2014 £	2013 £
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Due within one year:		
Trade debtors	5,851,003	8,678,341
Other debtors	495,003	485,743
Prepayments	49,201	757,408
Deferred tax asset (note 11)	268,124	412,647
Corporation tax receivable	706,268	-
	<u>7,369,599</u>	<u>10,334,139</u>

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

11	DEFERRED TAX ASSET	2014 £	2013 £
	Deferred taxation		
	30 June 2013	412,647	444,234
	Charged to the profit and loss account (note 5)	(144,523)	(31,587)
	30 June 2014	<u>268,124</u>	<u>412,647</u>
	Deferred taxation comprises:		
		2014 £	2013 £
	Decelerated capital allowances	266,194	412,558
	Other timing differences	1,930	89
	Deferred tax asset	<u>268,124</u>	<u>412,647</u>
12	CREDITORS: Amounts falling due within one year	2014 £	2013 £
	Directors' loans	2,200,000	2,200,000
	Trade creditors	5,369,181	6,988,718
	Corporation tax	1,880,892	2,526,207
	Other taxation and social security costs	187,459	150,595
	Accruals and deferred income	3,283,478	2,963,351
		<u>12,921,010</u>	<u>14,828,871</u>
13	CREDITORS: Amounts falling due in more than one year	2014 £	2013 £
	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 2014

14	SHARE CAPITAL	2014 £	2013 £
	Allotted, issued and fully paid: 1,000,000 (2013: 1,000,000) ordinary shares of £1 each	1,000,000	1,000,000
15	PROFIT AND LOSS ACCOUNT	2014 £	2013 £
	1 July	84,015,118	68,907,900
	Profit for the financial year	14,173,755	15,107,218
	30 June	98,188,873	84,015,118
16	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2014 £	2013 £
	Profit for the financial year	14,173,755	15,107,218
	Opening shareholders' funds	85,015,118	69,907,900
	Closing shareholders' funds	99,188,873	85,015,118
17	CASH FLOWS	2014 £	2013 £
a	Reconciliation of operating profit to net cash inflow from operating activities:		
	Operating profit	17,702,284	20,271,923
	Depreciation and amortisation	645,810	581,030
	Increase in stocks	(5,297,657)	(5,931,152)
	Decrease/(increase) in debtors	3,526,284	(3,342,397)
	Decrease in creditors	(1,262,546)	(2,429,908)
	Loss on sale of fixed assets	1,273	1,096
	Impairment of Investments	-	51,851
	Net cash inflow from operating activities	15,315,448	9,202,443

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

17	CASH FLOWS (continued)	2014	2013
		£	£
b	Analysis of cash flows for headings netted in the cash flow:		
	Returns on investments and servicing of finance		
	Interest received	70,208	54,159
	Interest paid	(109,699)	(113,414)
	Preference dividends paid	(245,000)	(245,000)
	Net cash outflow from returns on investment and servicing of finance	(284,491)	(304,255)
	Capital expenditure and financial investment		
	Sale of tangible fixed assets	12,593	850
	Purchase of tangible fixed assets	(2,993,145)	(563,710)
	Payment for allotted shares in subsidiary undertaking	-	(96,000)
	Government grant for tangible fixed assets	-	140,000
	Net cash outflow from capital expenditure and financial investment	(2,980,552)	(518,860)
	Financing		
	Decrease in bank loans	-	-
	Net cash outflow from financing	-	-
c	Analysis of net (debt)/funds:		
		At	At
		30 June 2013	30 June 2014
		£	£
	Cash at bank and in hand	12,137,631	19,736,938
	Debt due in less than 1 year	(2,200,000)	(2,200,000)
		<u>9,937,631</u>	<u>17,536,938</u>
	Debt due after 1 year	(3,500,000)	(3,500,000)
	Total net (debt)/funds	<u>6,437,631</u>	<u>14,036,938</u>

18 CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the financial statements totals £631,800 (2013: £Nil).

Angus Dundee Distillers plc

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

19 COMMITMENTS UNDER OPERATING LEASES

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Land and buildings:		
expiring in less than one year	86,500	-
expiring within two to five years	32,000	118,500
	<u>118,500</u>	<u>118,500</u>

20 RELATED PARTY DISCLOSURES

Mr T M Hillman, a director of the company, holds 2,300,000 (2013: 2,300,000) £1 preference shares. The preference shares have a coupon rate of 7% per annum and preference dividends of £161,000 (2013: £161,000) 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 (2013: 1,200,000) £1 preference shares. The preference shares have a coupon rate of 7% per annum and preference dividends of £84,000 (2013: £84,000) were paid to the trusts during the year.

The company has loans of £2,200,000 (2013: £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 (2013: £110,000) 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 2014 was £86,500 (2013: £83,250).

The company made sales of £122,093 (2013: £621,068) in the year to Angus Dundee Distillers (Shanghai) Company Limited, a wholly owned subsidiary undertaking (see note 8). At the balance sheet date £149,008 (2013: £227,158) was due to the company from Angus Dundee Distillers (Shanghai) Company Limited.

The company made sales of £104,876 (2013: £22,176) in the year to Angus Dundee India Private Limited, a wholly owned subsidiary undertaking (see note 8). At the balance sheet date £119,146 (2013: £27,218) was due to the company from Angus Dundee India Private 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.