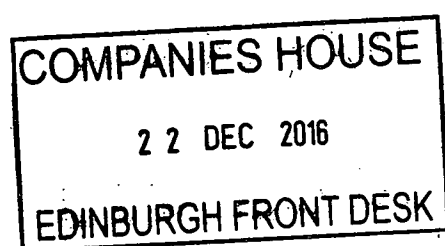


The Bombay Spirits Company Limited
Annual report and financial statements
for the year ended 31 March 2016

Registered Number 03579983



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THE BOMBAY SPIRITS COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2016

Contents

Directors and Advisers for the year ended 31 March 2016	2
Strategic report for the year ended 31 March 2016	3
Directors' report for the year ended 31 March 2016	5
Independent auditors' report to the members of The Bombay Spirits Company Limited	8
Statement of comprehensive income for the year ended 31 March 2016	11
Statement of financial position as at 31 March 2016	12
Statement of changes in equity for the year ended 31 March 2016	13
Notes to the financial statements for the year ended 31 March 2016	14

THE BOMBAY SPIRITS COMPANY LIMITED

Directors and advisers for the year ended 31 March 2016

Directors

J M Burke

I M Lochhead

J A Henderson (Appointed 12 February 2016)

J Hughes (Resigned 14 March 2016)

Registered office

Laverstoke Mill

London Road

Laverstoke

Whitchurch

Hampshire

RG28 7NR

Independent auditors

PricewaterhouseCoopers LLP

Chartered accountants and statutory auditors

141 Bothwell Street

Glasgow

G2 7EQ

Bankers

Lloyds TSB Bank plc

PO BOX 17328

11-15 Monument Street

London

EC3V 9JA

Solicitors

MacLay Murray & Spens

151 St Vincent Street

Glasgow

G2 5NJ

THE BOMBAY SPIRITS COMPANY LIMITED

Strategic report for the year ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Business Review

The company continued to increase sales volume. The directors are satisfied with the current trading performance of the company, and remain confident that this will continue in future years.

Key performance indicators

The construction phase of the Laverstoke development is now complete and this has been the company's first full year of operation. The activities of the company generated an Operating Profit of £2,251,000, representing 12.5% of Revenue, which enabled the company to report a Profit before Tax of £936,000.

Future outlook

As the site construction is now completed, the directors forecast that the increased capacity to produce gin spirit will lead to increased sales and profitability over the coming years, with further capital investments planned to support this growth.

As part of a planned group reorganisation, the company has received notification since year-end that its immediate parent company has forgiven £3,000,000 of the intercompany loan provided to finance the company's capital investment and operations, which should result in the company moving to a positive net asset position. It is also expecting to transfer its trade and net assets at book value to another Bacardi group company. This is currently scheduled to be completed in mid 2017.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

Financial risk management

The company is exposed to changes in liquidity, interest rates and foreign currency exchange rates. The Bacardi group operates a centralised treasury function and the directors make use of this facility to manage such risks.

Business continuity

The company has a fully developed business continuity plan. In the event of crisis or disaster, performance of critical business activities and supply of core products would be maintained.

Market forecasts

In common with all companies in the drinks industry, the company is susceptible to changes in consumer trends and resulting demand for its products. The company relies on short, medium and long-term forecasts to determine appropriate levels of inventory and infrastructure to support future sales. These plans are regularly reviewed, and modified if necessary to align with prospective changes in future demand.

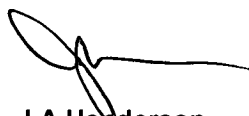
THE BOMBAY SPIRITS COMPANY LIMITED

Strategic report for the year ended 31 March 2016

Change in accounting framework

This is the first year that the company has presented its results under Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). The last financial statements under the previous form of UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. The change did not have an impact on equity or results.

This report was approved by the board on 20 December 2016 and signed on its behalf.



J A Henderson
Director

THE BOMBAY SPIRITS COMPANY LIMITED

Directors' report for the year ended 31 March 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016. The company's registered number is 3579983.

Future development

Future developments for the Company's business have been covered in the Strategic Report.

Results and dividends

The results for the company show a profit on ordinary activities before taxation of £936,000 (2015: £662,000 loss) for the year, and revenue of £17,974,000 (2015: £11,836,000).

No dividends were proposed or paid in the year (2015: Nil).

Going concern

The company was in a net liability position as at 31 March 2015 and 2016. The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of its parent company Bacardi-Martini B.V. The directors have received confirmation that Bacardi-Martini B.V. will continue to support the company for at least one year after these financial statements are signed.

Employees

Employee involvement is promoted through regular consultation on issues concerning business performance, working conditions, industry trends and future developments. The company continues to keep staff informed and involved through communication channels such as regular team briefs and roadshow presentations.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as listed on page 2.

Insurance of directors

The company maintains insurance for directors in respect of their duties as directors of the company.

THE BOMBAY SPIRITS COMPANY LIMITED

Directors' report for the year ended 31 March 2016 (continued)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Statement of directors' responsibilities

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

THE BOMBAY SPIRITS COMPANY LIMITED

Directors' report for the year ended 31 March 2016 (continued)

Independent auditors and disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed.

This report was approved by the board on 20 December 2016 and signed on its behalf.



J A Henderson
Director

THE BOMBAY SPIRITS COMPANY LIMITED

Independent auditors' report to the members of The Bombay Spirits Company Limited

Report on the financial statements

Our opinion

In our opinion, The Bombay Spirits Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

What we have audited

The financial statements, included within the annual report and financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 March 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

THE BOMBAY SPIRITS COMPANY LIMITED

Independent auditors' report to the members of The Bombay Spirits Company Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

THE BOMBAY SPIRITS COMPANY LIMITED

Independent auditors' report to the members of The Bombay Spirits Company Limited (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report. With respect to the strategic report and directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

22 December 2016

THE BOMBAY SPIRITS COMPANY LIMITED

Statement of comprehensive income for the year ended 31 March 2016

		2016	2015
	Note	£'000	£'000
Revenue	5	18,984	11,836
Cost of sales		(16,257)	(11,259)
Gross profit		2,727	577
Administrative expenses		(476)	(182)
Operating profit	6	2,251	395
Finance expense	9	(1,315)	(1,057)
Profit/ (loss) on ordinary activities before taxation		936	(662)
Tax on profit/(loss) on ordinary activities	10	49	-
Total comprehensive income/(loss) for the year		985	(662)

All activities relate to continuing operations.

Further comments to the income statement line items are presented in the notes to the financial statements.

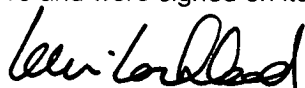
THE BOMBAY SPIRITS COMPANY LIMITED

Statement of financial position as at 31 March 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Property, plant and equipment	11	35,598	36,800
		35,598	36,800
Current assets			
Inventories	12	759	858
Trade and other receivables	13	7,001	6,843
Cash and cash equivalents		-	196
		7,760	7,897
Creditors: amounts falling due within one year	14	(43,928)	(46,835)
Net current liabilities		(36,168)	(38,938)
Total assets less current liabilities		(570)	(2,138)
Provision for other liabilities	15	(583)	-
Net liabilities		(1,153)	(2,138)
Equity			
Called-up share capital	16	50	50
Retained earnings		(1,203)	(2,188)
Total equity		(1,153)	(2,138)

Further comments to the statement of financial position are presented in the notes to the financial statements.

The financial statements on pages 11 to 26 were approved by the board of directors on 20 December 2016 and were signed on its behalf by:



I M Lochhead
Director



J A Henderson
Director

THE BOMBAY SPIRITS COMPANY LIMITED

Statement of changes in equity for the year ended 31 March 2016

	Called-up share capital	Retained earnings	Total
	£'000	£'000	£'000
Balance as at 1 April 2014	50	(1,526)	(1,476)
Total comprehensive income for the financial year	-	(662)	(662)
Balance as at 31 March 2015	50	(2,188)	(2,138)
Total comprehensive income for the financial year	-	985	985
Balance as at 31 March 2016	50	(1,203)	(1,153)

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016

1 General information

The company's principal activity is the distillation of gin spirit and the operation of the Bombay Sapphire Visitor Centre.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is London Road, Laverstoke, Whitchurch Hampshire, RG28 7NR.

2 Statement of compliance

The financial statements of The Bombay Spirits Company Limited have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, as amended in July 2015.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. The adoption of FRS 102 did not have any impact upon the reported results of the company or its financial position, for the current or comparative period. As a result, no restatement of comparative balances was required on the adoption of FRS 102.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Going concern

The company was in a net liability position as at 31 March 2015 and 2016. The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of its parent company Bacardi-Martini B.V. The directors have received confirmation that Bacardi-Martini B.V. will continue to support the company for at least one year after these financial statements are signed.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

3 Summary of significant accounting policies (continued)

Disclosure exemptions

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- (a) The requirement to prepare a reconciliation of the number of shares at the beginning and end of the financial year.
- (b) The requirement to prepare a statement of cash flows, under FRS102 paragraph 1.12(b), on the basis that it is a qualifying entity and an intermediate parent Company, Bacardi-Martini B.V., a company registered in The Netherlands, includes the Company's cash flows in its own, publically available, consolidated financial statements.
- (c) The requirement to disclose transactions with wholly owned subsidiaries within the group.

Revenue

Revenue represents the invoiced amount of goods and services provided during the year, stated net of excise duty and value added tax.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation. Costs include the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

3 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The expected useful economic lives used for this purpose are:

Buildings	40 years
Plant and machinery	10 years

Tangible fixed assets include assets in the course of construction, which are not depreciated.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all expenditure incurred in purchasing or producing the stock and bringing it to its current state, including an appropriate allocation of production overheads.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the statement of financial position or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the average monthly rate.

Finance and operating leases

Leasing agreements, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in equal instalments over the period of the lease. Assets held under finance leases are depreciated over the same period as equivalent owned assets. Costs in respect of operating leases are charged to the income statements on a straight line basis over the lease term.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in administration costs in the Statement of Comprehensive Income for the excess of the carrying value of the asset over the present value of the estimated future cash flows.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans between group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in Statement of Comprehensive Income in finance expense or finance income as appropriate. No derivatives are held in the Company in the current or prior year.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual right to the cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some of the significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Hedging arrangements

The Company does not apply hedge accounting and does not hold any derivative financial instruments with which to consider applying hedge accounting.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

4 Critical accounting judgements and estimation uncertainty

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Inventory provisioning

The company runs a distillation of gin spirits and the operation of the Bombay Sapphire Visitor Centre and is subject to changing consumer demands and trends. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods.

(iii) Impairment of trade receivables

The company makes an estimate of the recoverable value of trade and other trade receivables. When assessing impairment of trade and other trade receivables, management considers factors including the current credit rating of the debtor, the ageing profile of trade receivables and historical experience.

5 Revenue

An analysis of the revenue, profit and net assets by class of business and geographical destination has not been disclosed, as the directors are of the opinion that to disclose such information would be seriously prejudicial to the interests of the company.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

6 Operating profit

	2016 £'000	2015 £'000
Operating profit/(loss) is stated after charging:		
Depreciation charge for the year:		
- tangible owned fixed assets	1,577	1,236
Auditors' remuneration – audit related services	26	20

Cost of sales predominately is represented by inventory recognised as expense.

7 Directors' emoluments

Emoluments for all Directors of the company are borne by John Dewar & Sons Limited. No costs are recharged back to The Bombay Spirits Company Limited.

8 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2016 Number	2015 Number
Production and distribution	14	13
Brand development	21	25
	35	38

Staff costs	2016 £'000	2015 £'000
Wages and salaries	1,237	969
Social security costs	119	107
Other pension costs (note 18)	117	78
	1,473	1,154

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

9 Finance expense

	2016 £'000	2015 £'000
Interest on loans from group undertakings	1,080	1,009
Loss on foreign exchange	235	48
	1,315	1,057

10 Tax on result on ordinary activities

	2016 £'000	2015 £'000
Current tax		
UK corporation tax on profit for the year	111	-
Adjustment in respect of prior periods	(743)	-
Total current tax	(632)	-
	2016 £'000	2015 £'000
Deferred tax		
Origination and reversal of timing differences	135	-
Impact of change in tax rate	(50)	-
Adjustment in respect of prior periods	498	-
Total deferred tax	583	-
Total tax on profit on ordinary activities	(49)	-

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

10 Tax on result on ordinary activities (continued)

The tax assessed for the year is lower (2015: Lower) than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £'000	2015 £'000
Profit/ (loss) on ordinary activities before taxation	936	(662)
Profit/ (loss) on ordinary activities at standard rate of corporation tax in the UK of 20% (2015: 21%)	187	(139)
Effect of:		
Expenses not deductible for tax purposes	24	3
Not recognised depreciation	315	-
Capital allowances	(280)	-
Impact of change in deferred tax rate	(50)	-
Adjustment in respect of prior year	(245)	-
Losses carried forward (not recognised in deferred tax)	-	136
Total tax charge for the year	(49)	-

The cumulative tax losses available to carry forward against future profits are £nil (2015: 2.9m). All tax losses have been recognised during this financial year.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015 and the effect of this change is included within these financial statements. As the change to 17% had not been substantively enacted at the statement of financial position date its effects are not included in these financial statements.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

11 Property, plant and equipment

	Freehold land and buildings	Plant and machinery	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2015	26,632	11,542	123	38,297
Additions	-	-	375	375
Transfers	-	191	(191)	-
At 31 March 2016	26,632	11,733	307	38,672
Accumulated Depreciation				
At 1 April 2015	475	1,022	-	1,497
Charge for year	636	941	-	1,577
At 31 March 2016	1,111	1,963	-	3,074
Net book value				
At 31 March 2016	25,521	9,770	307	35,598
At 31 March 2015	26,157	10,520	123	36,800

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

12 Inventories

	2016 £'000	2015 £'000
The book value of the main categories of stocks are:		
Grain neutral spirit and botanicals	365	199
Distilled spirit	205	295
Goods held for resale	189	364
	759	858

There is no significant difference between the replacement cost of inventories and their carrying amounts.

13 Trade and other receivables

Amounts falling due within one year:	2016 £'000	2015 £'000
Trade receivables	4,327	3,298
Amounts owed by group undertakings	2,395	3,328
Taxes	268	173
Other receivables and prepaid expenses	11	44
	7,001	6,843

No provisions for impairment for on trade receivables have been formed (2015: £nil).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

14 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	483	760
Amounts owed to group undertakings	-	220
Loans from group undertakings	42,135	43,900
Corporation tax	10	-
Taxation and social security costs	28	29
Other creditors	264	980
Accruals and deferred income	1,008	946
	43,928	46,835

The loans from group undertakings are unsecured, repayable on demand and earn interest at 1% above Bacardi Group rates. During the year Bacardi Group rates varied, with an average rate of 1.5% (2015: 1.6%) being applied. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

15 Provision for other liabilities

	2016 £'000	2015 £'000
Deferred tax liability	583	-
	583	-

The deferred tax liability reflects timing differences in the accounting depreciation and the tax allowances related to capital expenditure.

16 Called up share capital

	£'000
Authorised, allotted, called up and fully paid	
50,000 (2015: 50,000) ordinary shares of £1.00 each	50

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

17 Capital commitments

Amounts contracted for but not provided in the financial statements totalled £nil (2015: £392,000).

18 Pension commitments

The company operates a defined contribution scheme, the assets of which are also held separately from those of the company in an independently administered fund. The contributions to this scheme were £117,000 in the year ended 31 March 2016 (2015: £78,000).

19 Obligations under operating leases

At 31 March, the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Motor vehicles	
	2016	2015
	£'000	£'000
Within one year	4	5
In the second to fifth years inclusive	10	3

20 Controlling parties

The directors regard Bacardi Limited, a company incorporated in Bermuda, as the ultimate parent and controlling company, and is the largest group to consolidate these results. The company that heads the smallest group of undertakings is Bacardi U.K. Limited, its immediate parent company, which is incorporated in the United Kingdom. The financial statements of The Bombay Spirits Company Limited are included in the consolidated financial statements of Bacardi-Martini B.V., a company registered in The Netherlands, whose financial statements are available from the Registrar at Companies House.

21 Related party transactions

Advantage has been taken of the exemptions available for subsidiaries not to disclose inter-group transactions.

THE BOMBAY SPIRITS COMPANY LIMITED

Notes to the financial statements for the year ended 31 March 2016 (continued)

22 Financial instruments

The company has the following financial instruments:

	Note	2016 £'000	2015 £'000
Financial assets measured at fair value through the income statement		-	-
Financial assets that are debt instruments measured at amortised cost:			
Trade receivables	13	4,327	3,298
Amounts owed by Group undertakings	13	2,395	3,328
Other receivables (excluding deferred tax)	13	268	173
Cash		-	196
		6,990	6,995
Financial liabilities measured at fair value through the income statement			
Financial liabilities measured at amortised cost:			
Trade payables	14	483	760
Amounts owed to Group undertakings	14	42,135	44,120
Other payables (excluding accruals) due within one year	14	302	1,009
		42,920	45,889

The company has taken advantage of the exemption for the requirements to disclose additional information with regards to financial instruments already disclosed in consolidated financial statements. [Section 11 and 12 financial instruments 11.39-11.48 and 12.26-12.29]

23 Subsequent events

In December 2016, the company has received notification that its immediate parent company has forgiven £3,000,000 of the intercompany loan provided to finance the company's capital investment and operations, which should result in the company moving to a positive net asset position.