Registered number: SC036622

DUNCAN TAYLOR SCOTCH WHISKY LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

DUNCAN TAYLOR SCOTCH WHISKY LIMITED

COMPANY INFORMATION

Directors	E C Shand K A McLeod (appointed 1 January 2018)
Company secretary	Stronachs Secretaries Limited
Registered number	SC036622
Registered office	28 Albyn Place Aberdeen AB10 1YL
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

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DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

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 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'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

DUNCAN TAYLOR SCOTCH WHISKY LIMITED
REGISTERED NUMBER:SC036622

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	4		474,993		463,332
Investments	5		1		1
			474,994		463,333
Current assets					
Stocks	6	7,590,905		6,768,318	
Debtors: amounts falling due within one year	7	6,944,199		5,295,591	
Cash at bank and in hand	8	130,739		306,971	
		14,665,843		12,370,880	
Creditors: amounts falling due within one year	9	(6,236,687)		(7,252,946)	
Net current assets			8,429,156		5,117,934
Total assets less current liabilities			8,904,150		5,581,267
Creditors: amounts falling due after more than one year	10		(3,069,020)		(1,740)
Provisions for liabilities					
Deferred tax	13	(24,576)		(27,031)	
			(24,576)		(27,031)
Net assets			5,810,554		5,552,496
Capital and reserves					
Called up share capital			10,000		10,000
Revaluation reserve			14,000		14,000
Profit and loss account			5,786,554		5,528,496
			5,810,554		5,552,496

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

E C Shand
Director
Date: 21 September 2018

The notes on pages 3 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Duncan Taylor Scotch Whisky Limited is a limited liability company incorporated in the United Kingdom. The registered office is 28 Albyn Place, Aberdeen, AB10 1YL.

The principal activity of the company is the purchase and resale of quality whiskies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The director, having made due and careful enquiry and preparing forecasts, is of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The director, therefore has made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the director has continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	5% straight line
Plant & machinery	-	33.33% straight line
Motor vehicles	-	25% straight line
Office equipment	-	25-33% straight line
Tenants' Improvements	-	4% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Revaluation of tangible fixed assets

Individual freehold properties are carried at a revalued cost which is permitted under FRS 102. The revalued cost is based on a historic revaluation which is deemed to be a reasonable market value. Subsequent to this valuation, freehold properties are carried at the revalued cost less any accumulated depreciation.

The fair value is determined from market based evidence as well as directors' judgement.

Revaluation gains and losses are recognised in the statement of comprehensive income.

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, creditors and loans to and from related parties. These are measured at amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2. Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt on a straight line basis. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

2.15 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.16 Pensions

The company contributes to 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 in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Research and development

Research and development costs are written off to the Profit and loss account as incurred.

2. Accounting policies (continued)

2.19 Factored debts

The company has a debt factoring agreement in place with the bank. Due to the nature of the agreement, the risks and rewards are still retained with the company and therefore separate presentation is made in the financial statements.

3. Employees

Staff costs, including directors' remuneration, were as follows:

The average monthly number of employees, including directors, during the year was 23 (2016 - 22).

4. Tangible fixed assets

	Freehold property	Plant & machinery	Motor vehicles	Office equipment	Tenant's improvements	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2017	191,000	196,720	44,960	83,886	290,292	806,858
Additions	53,301	10,855	-	10,113	8,366	82,635
At 31 December 2017	244,301	207,575	44,960	93,999	298,658	889,493
Depreciation						
At 1 January 2017	55,355	151,548	33,289	77,896	25,438	343,526
Charge for the year on owned assets	10,666	17,410	3,544	6,345	11,723	49,688
Charge for the year on financed assets	-	17,282	4,004	-	-	21,286
At 31 December 2017	66,021	186,240	40,837	84,241	37,161	414,500
Net book value						
At 31 December 2017	178,280	21,335	4,123	9,758	261,497	474,993
At 31 December 2016	135,645	45,172	11,671	5,990	264,854	463,332

4. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	-	17,282
Motor vehicles	4,123	8,127
	4,123	25,409

Cost or valuation at 31 December 2017 is as follows:

	Land and buildings £
At cost	230,301
At valuation:	
December 2008	14,000
	244,301

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	230,301	177,000
Accumulated depreciation	(63,415)	(51,900)
Net book value	166,886	125,100

Freehold property was valued on 1 December 2008 by J&E Shepherd, Chartered Surveyors, on the basis of market value with vacant possession and with full planning consent for conversion to residential flats. The valuation has not been updated as in the opinion of the director the value will not have materially changed.

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	1
At 31 December 2017	1
Net book value	
At 31 December 2017	1
At 31 December 2016	1

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal place of buisness
George Willsher & Company Limited	United Kingdom	Ordinary	100 %	28 Albyn Place, Aberdeen, AB10 1YL

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	7,590,905	6,768,318

7. Debtors

	2017 £	2016 £
Trade debtors	567,558	116,318
Amounts owed by group undertakings	3,557,013	3,560,002
Amounts owed by related parties	540,793	722,004
Other debtors	1,057,113	888,033
Prepayments and accrued income	1,221,722	9,234
	6,944,199	5,295,591

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	130,739	306,971

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	3,400,000	6,469,020
Trade creditors	1,996,424	297,758
Amounts owed to other participating interests	5,862	4,872
Corporation tax	141,632	247,311
Other taxation and social security	-	14,459
Obligations under finance lease and hire purchase contracts	2,204	21,252
Other creditors	11,386	1
Accruals and deferred income	679,179	198,273
	6,236,687	7,252,946

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	3,069,020	-
Net obligations under finance leases and hire purchase contracts	-	1,740
	3,069,020	1,740

Secured loans

The factoring advance is secured over £84,625 (2016 : £110,250) of the company's trade debtors under a factoring agreement with HSBC.

The bank loans with HSBC are secured by a First Legal Scottish Charge over 4 Upper Kirkgate, Huntly, a Floating Charge over all the company's assets, a Cross Company Unlimited Guarantee and a First Mortgage over a Scottish Equitable policy.

11. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	3,400,000	6,469,020
Amounts falling due 1-2 years		
Bank loans	1,200,000	-
Amounts falling due 2-5 years		
Bank loans	1,869,020	-
	6,469,020	6,469,020

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	1,740	21,182
Between 1-2 years	-	1,740
	1,740	22,922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Deferred taxation

	2017 £	2016 £
At beginning of year	(27,031)	(37,579)
Charged to profit or loss	2,455	10,548
At end of year	(24,576)	(27,031)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(24,576)	(27,031)
	(24,576)	(27,031)

14. Capital commitments

At 31 December 2017 the company had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	92,000

15. Pension commitments

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,605 (2016 - NIL).

16. Related party transactions

Control

Throughout the year the company was controlled by the director.

Transactions

During the year, a dividend of £22,989 was paid to the parent company. The balance due by the parent company at 31 December 2017 was £3,557,013.

During the year, the company has raised sales of £237,568 and received costs of £4,991 from a company controlled by a director. The amount due by the company controlled by the director at 31 December 2017 was £148,447.

During the year, the company received management fees of £252,384 from a company controlled by a director. The amount due by the company controlled by the director at 31 December 2017 was £190,993.

During the year, the company has raised sales of £832,375 and received costs of £1,430 from a company controlled by the wife of a director. The amount due by the company controlled by the director at 31 December 2017 was £201,413.

During the year, the company received recharges of £990 from a company controlled by a director. The amount due by the company at 31 December 2017 was £5,862.

During the year, the company provided loan funding of £203,516 to a director. The amount due by the director at 31 December 2017 was £819,919.

During the year, the company paid property rental of £24,000 to a director. There was no outstanding balance at 31 December 2017.

During the year, the company paid expenses of £1,944 to a director. The full balance remains outstanding at 31 December 2017.

17. Controlling party

The ultimate parent undertaking is Duncan Taylor and Company Holdings Limited, a company incorporated in Scotland. The parent company's registered office is at 28 Albyn Place, Aberdeen, AB10 1YL.

Throughout the year, the company was controlled by E C Shand, who controls the company by virtue of 87% (2016: 87%) holding of the ordinary share capital of the ultimate parent undertaking, Duncan Taylor & Company Holdings.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 21 September 2018 by James Pirrie (senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.