

REGISTERED NUMBER: 199495 (Scotland)

Abbreviated Accounts For The Year Ended 31 December 2007

for

Speyside Distillers Company Limited

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Speyside Distillers Company Limited

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For The Year Ended 31 December 2007

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Speyside Distillers Company Limited

Company Information
For The Year Ended 31 December 2007

DIRECTORS:

R Andersen
Sir J Aykroyd
M G Andersen

SECRETARY:

Sir J Aykroyd

REGISTERED OFFICE:

Duchess Road
Rutherglen
GLASGOW
G73 1AU

REGISTERED NUMBER:

199495 (Scotland)

AUDITORS:

ROBB FERGUSON
Chartered Accountants
Registered Auditors
5 Oswald Street
Glasgow
G1 4QR

Speyside Distillers Company Limited

Report of the Directors
For The Year Ended 31 December 2007

The directors present their report with the accounts of the company for the year ended 31 December 2007.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of distillers and purveyors of whisky, bonded warehouse keepers and bottlers and blenders of spirits. The principal activities of the company's trading subsidiaries are as shown in the notes to the financial statements.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

The results for the year and financial position of the company's subsidiaries are shown in the notes to the financial statements

The company traded profitably during the year. The Directors consider that prospects within the whisky industry are good and that the company is in a position to capitalise on these prospects

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2007

FIXED ASSETS

Movements in fixed assets are set out in the notes to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report.

R Andersen
Sir J Aykroyd

Other changes in directors holding office are as follows

G R Taylor resigned 1 November 2007
S F Hendry resigned 1 November 2007
M G Andersen appointed 24 September 2007

SUBSIDIARY UNDERTAKINGS

The company is exempt from preparing group accounts. This is due to the fact that it is a medium group as defined by section 248 of the 1985 Companies Act

The financial statements present information about Speyside Distillers Company Limited as an individual company and not as a group.

Speyside Distillers Company Limited

Report of the Directors
For The Year Ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
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 proper accounting records which 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 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
R Andersen Director

Date: *October 27, 2008*
.....

**Report of the Independent Auditors to
Speyside Distillers Company Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages six to twenty one, together with the financial statements of Speyside Distillers Company Limited for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information

On 29 October 2008 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985, and our report included the following extract:

**"Emphasis of matter
GOING CONCERN"**

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 of the financial statements re the company's accounting policy on basis of preparing the financial statements. In view of the significance of this matter we consider that it should be brought to your attention but our opinion is not qualified in this respect.

POSSIBLE OUTCOME OF LEGAL PROCEEDINGS

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in Note 19 to the financial statements regarding the possible outcome of legal and other proceedings brought by a former director alleging unfair dismissal and breach of contract. The company is actively defending all proceedings.

The ultimate outcome of the various matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. In view of the significance of this matter we consider that it should be brought to your attention but our opinion is not qualified in this respect.

Robb Ferguson

ROBB FERGUSON
Chartered Accountants
Registered Auditors
5 Oswald Street
Glasgow

Speyside Distillers Company Limited

Abbreviated Profit and Loss Account
For The Year Ended 31 December 2007

	Notes	2007 £	2006 £
GROSS PROFIT		1,634,218	1,195,542
Administrative expenses		<u>1,272,093</u>	<u>1,054,634</u>
OPERATING PROFIT	3	362,125	140,908
Interest payable and similar charges	4	<u>268,858</u>	<u>248,138</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		93,267	(107,230)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>93,267</u>	<u>(107,230)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Abbreviated Balance Sheet
31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	6	1,798,636	1,811,114
Investments	7	39,700	39,700
		<u>1,838,336</u>	<u>1,850,814</u>
CURRENT ASSETS			
Stocks	8	3,874,977	3,566,667
Debtors	9	2,261,972	2,134,279
Investments	10	14,800	14,800
Cash in hand		287	1,267
		<u>6,152,036</u>	<u>5,717,013</u>
CREDITORS			
Amounts falling due within one year	11	4,135,563	3,756,071
NET CURRENT ASSETS		<u>2,016,473</u>	<u>1,960,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,854,809</u>	<u>3,811,756</u>
CREDITORS			
Amounts falling due after more than one year	12	2,159,816	2,210,030
NET ASSETS		<u><u>1,694,993</u></u>	<u><u>1,601,726</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	9	9
Share premium	17	671,243	671,243
Revaluation reserve	17	129,718	129,718
Other reserves	17	1,327,750	1,327,750
Profit and loss account	17	(433,727)	(526,994)
SHAREHOLDERS' FUNDS	21	<u><u>1,694,993</u></u>	<u><u>1,601,726</u></u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies

The financial statements were approved by the Board of Directors on October 27, 2008 and were signed on its behalf by


R Andersen Director

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Cash Flow Statement
For The Year Ended 31 December 2007

	Notes	2007 £	£	2006 £	£
Net cash inflow from operating activities	1		286,814		239,489
Returns on investments and servicing of finance	2		(268,858)		(248,138)
Capital expenditure	2		(118,415)		(215,463)
			(100,459)		(224,112)
Financing	2		250,913		88,086
Increase/(Decrease) in cash in the period			<u>150,454</u>		<u>(136,026)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		150,454		(136,026)	
Cash outflow from decrease in debt and lease financing		<u>76,408</u>		<u>4,325</u>	
Change in net debt resulting from cash flows			<u>226,862</u>		<u>(131,701)</u>
Movement in net debt in the period			226,862		(131,701)
Net debt at 1 January			<u>(3,656,317)</u>		<u>(3,524,616)</u>
Net debt at 31 December			<u><u>(3,429,455)</u></u>		<u><u>(3,656,317)</u></u>

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Notes to the Cash Flow Statement
For The Year Ended 31 December 2007

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£	£
Operating profit	362,125	140,908
Depreciation charges	130,893	136,131
Loss on disposal of fixed assets	-	1,309
Deferred grants	(4,701)	(4,700)
Increase in stocks	(308,310)	(57,738)
Increase in debtors	(127,693)	(271,458)
Increase in creditors	234,500	295,037
Net cash inflow from operating activities	<u>286,814</u>	<u>239,489</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest paid	(261,759)	(237,839)
Interest element of hire purchase payments	(7,099)	(10,299)
Net cash outflow for returns on investments and servicing of finance	<u>(268,858)</u>	<u>(248,138)</u>
Capital expenditure		
Purchase of tangible fixed assets	(118,415)	(217,263)
Sale of tangible fixed assets	-	1,800
Net cash outflow for capital expenditure	<u>(118,415)</u>	<u>(215,463)</u>
Financing		
Capital repayments in year	(76,408)	(4,326)
Amount introduced by directors	485,906	414,160
Amount withdrawn by directors	(18,585)	(321,748)
Transferred to shareholders loan	(140,000)	
Net cash inflow from financing	<u>250,913</u>	<u>88,086</u>

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Notes to the Cash Flow Statement
For The Year Ended 31 December 2007

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.07	Cash flow	At
	£	£	31.12.07
			£
Net cash			
Cash at bank and in hand	1,267	(980)	287
Bank overdraft	(1,509,691)	151,434	(1,358,257)
	<u>(1,508,424)</u>	<u>150,454</u>	<u>(1,357,970)</u>
 Liquid resources			
Current asset investments	14,800	-	14,800
	<u>14,800</u>	<u>-</u>	<u>14,800</u>
 Debt.			
Hire purchase	(137,693)	76,408	(61,285)
Debts falling due after one year	(2,025,000)	-	(2,025,000)
	<u>(2,162,693)</u>	<u>76,408</u>	<u>(2,086,285)</u>
 Total	<u><u>(3,656,317)</u></u>	<u><u>226,862</u></u>	<u><u>(3,429,455)</u></u>

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts
For The Year Ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements

The company meets its day to day working capital requirements through a bank overdraft and term loan facilities and loans from directors. The overdraft is repayable on demand and renewable on an annual basis, the next renewal date being 30 April 2009. The term loan facility is renewable on 14 December 2010 and no capital repayments will be made before this time. On the basis of the cashflow information made available and discussions with the company's bankers, the directors consider that the company will continue to operate within the current facilities. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that might result from a withdrawal of the facilities by the company's bankers or directors

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	2% on cost
Short leasehold	over the period of lease
Fixed plant and equipment	25% on reducing balance and 5% on cost
Fixtures and fittings	25% on reducing balance and 15% on reducing balance
Motor vehicles	25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made. Listed current asset investments are stated at the lower of cost or market value where the difference is material, and current asset investments are stated at the lower of cost and estimated net realisable value.

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue in accordance with the terms on which capital expenditure is depreciated.

2. STAFF COSTS

	2007	2006
	£	£
Wages and salaries	1,618,088	1,522,412
Social security costs	149,994	136,414
Other pension costs	34,902	32,551
	<hr/> 1,802,984 <hr/>	<hr/> 1,691,377 <hr/>

The average monthly number of employees during the year was as follows.

	2007	2006
Administrative staff	14	19
Distillery staff	5	4
Bonding staff	83	74
	<hr/> 102 <hr/>	<hr/> 97 <hr/>

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

3. OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Depreciation owned assets	114,934	99,355
Depreciation assets on hire purchase contracts	15,961	36,775
Loss on disposal of fixed assets	-	1,309
Auditors' remuneration	13,000	12,500
Operating lease Distillery	9,500	9,500
	<u>151,859</u>	<u>166,257</u>
Directors' emoluments	19,232	22,245
Directors' pension contributions to money purchase schemes	<u>19,232</u>	<u>22,245</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	-----------------	-----------------

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank & other interest	261,759	237,839
Hire purchase	7,099	10,299
	<u>268,858</u>	<u>248,138</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2007 nor for the year ended 31 December 2006

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

6 TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixed plant and equipment £
COST OR VALUATION			
At 1 January 2007	1,000,000	40,342	1,192,045
Additions			91,629
At 31 December 2007	1,000,000	40,342	1,283,674
DEPRECIATION			
At 1 January 2007	-	26,856	510,513
Charge for year	-	4,476	96,359
At 31 December 2007	-	31,332	606,872
NET BOOK VALUE			
At 31 December 2007	1,000,000	9,010	676,802
At 31 December 2006	1,000,000	13,486	681,532
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2007	142,403	82,926	2,457,716
Additions	26,786	-	118,415
At 31 December 2007	169,189	82,926	2,576,131
DEPRECIATION			
At 1 January 2007	78,627	30,604	646,600
Charge for year	16,980	13,080	130,895
At 31 December 2007	95,607	43,684	777,495
NET BOOK VALUE			
At 31 December 2007	73,582	39,242	1,798,636
At 31 December 2006	63,776	52,322	1,811,116

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

6. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2007 is represented by

	Freehold property £	Short leasehold £	Fixed plant and equipment £
Valuation in 2006	63,934		-
Cost	936,066	40,342	1,283,674
	<u>1,000,000</u>	<u>40,342</u>	<u>1,283,674</u>

	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	-	-	63,934
Cost	169,189	82,926	2,512,197
	<u>169,189</u>	<u>82,926</u>	<u>2,576,131</u>

If freehold property had not been revalued it would have been included at the following historical cost.

	2007 £	2006 £
Cost	<u>936,066</u>	<u>936,066</u>
Aggregate depreciation	<u>143,981</u>	<u>127,078</u>
Value of land in freehold land and buildings	<u>90,900</u>	<u>90,900</u>

Freehold property was valued on an open market basis on 31 December 2006 by the Directors

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

6 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Fixed plant and equipment £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 January 2007	367,784	79,768	447,552
Transfer to ownership	(287,784)	-	(287,784)
At 31 December 2007	<u>80,000</u>	<u>79,768</u>	<u>159,768</u>
DEPRECIATION			
At 1 January 2007	73,592	31,922	105,514
Charge for year	4,000	11,961	15,961
Transfer to ownership	(69,592)		(69,592)
At 31 December 2007	<u>8,000</u>	<u>43,883</u>	<u>51,883</u>
NET BOOK VALUE			
At 31 December 2007	<u>72,000</u>	<u>35,885</u>	<u>107,885</u>
At 31 December 2006	<u>294,192</u>	<u>47,846</u>	<u>342,038</u>

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2007 and 31 December 2007	<u>79,700</u>
PROVISIONS	
At 1 January 2007 and 31 December 2007	<u>40,000</u>
NET BOOK VALUE	
At 31 December 2007	<u>39,700</u>
At 31 December 2006	<u>39,700</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

Speyside Distillery Company Limited
Nature of business Non trading company

	% holding
Class of shares	100.00
Ordinary	

The aggregate capital and reserves of the Speyside Distillery Company Limited at the year end was nil (2006 nil).

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

7. FIXED ASSET INVESTMENTS - continued

Speyside Bonding Company Ltd

Nature of business. Non trading company

	%
Class of shares	holding
Ordinary	100 00

The aggregate capital and reserves of the Speyside Bonding Company Limited at the year end was nil (2006 nil)

Forbes Ross & Company Ltd

Nature of business Whisky trademark owner

	%
Class of shares	holding
Ordinary	100 00

	2007	2006
	£	£
Aggregate capital and reserves	2,509	2,591
Loss for the year	(82)	(171)
	<hr/> <hr/>	<hr/> <hr/>

Included in the costs of unlisted investments is the sum of £5,000 in respect of the cost of the investment in Forbes Ross & Company Limited.

The company also holds other non group, unlisted investments at a cost of £ 34,700 (2006 £34,700), which the directors consider to fairly represent current market value

8. STOCKS

	2007	2006
	£	£
Stock whisky fillings	3,046,599	2,982,637
Materials and cased goods	828,378	584,030
	<hr/> <hr/>	<hr/> <hr/>
	3,874,977	3,566,667

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors	1,684,089	1,491,580
Other debtors		2,000
VAT	6,926	
Prepayments and accrued income	570,957	640,699
	<hr/> <hr/>	<hr/> <hr/>
	2,261,972	2,134,279

10 CURRENT ASSET INVESTMENTS

	2007	2006
	£	£
Unlisted investments	14,800	14,800
	<hr/> <hr/>	<hr/> <hr/>

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 13)	1,358,257	1,509,691
Hire purchase contracts (see note 14)	43,396	76,482
Trade creditors	830,644	1,010,009
Social security and other taxes	176,293	83,566
VAT	-	16,562
Amounts owed to group companies	2,909	2,909
Other creditors	340,444	436,458
Shareholders Loan	140,000	
Directors' current accounts	741,481	414,160
Accrued expenses	495,248	199,344
Deferred government grants	6,891	6,890
	<u>4,135,563</u>	<u>3,756,071</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 13)	2,025,000	2,025,000
Hire purchase contracts (see note 14)	17,889	61,211
Deferred government grants	116,927	123,819
	<u>2,159,816</u>	<u>2,210,030</u>

13. LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,358,257</u>	<u>1,509,691</u>
Amounts falling due between two and five years:		
Bank loans 2 5 years	<u>2,025,000</u>	<u>2,025,000</u>

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2007	2006
	£	£
Gross obligations repayable		
Within one year	46,268	83,288
Between one and five years	18,311	64,579
	<u>64,579</u>	<u>147,867</u>
Finance charges repayable		
Within one year	2,872	6,806
Between one and five years	422	3,368
	<u>3,294</u>	<u>10,174</u>
Net obligations repayable.		
Within one year	43,396	76,482
Between one and five years	17,889	61,211
	<u>61,285</u>	<u>137,693</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2007	2006
	£	£
Expiring		
Between one and five years	9,500	9,500

15. SECURED DEBTS

The following secured debts are included within creditors

	2007	2006
	£	£
Bank overdrafts	1,358,257	1,509,691
Bank loans	2,025,000	2,025,000
	<u>3,383,257</u>	<u>3,534,691</u>

The bank overdraft and term loan are secured by a standard security over No 14 Bond, Duchess Road, Rutherglen and a letter of pledge over the whisky stock as well as a bond and floating charge over the whole of the assets of the company

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts continued
For The Year Ended 31 December 2007

16 CALLED UP SHARE CAPITAL

Authorised. Number:	Class	Nominal value	2007 £	2006 £
1,000	Ordinary	£0.01	<u>10</u>	<u>10</u>
Allotted, issued and fully paid Number:	Class	Nominal value	2007 £	2006 £
889	Ordinary	£0.01	<u>9</u>	<u>9</u>

17 RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Other reserves £	Totals £
At 1 January 2007	(526,994)	671,243	129,718	1,327,750	1,601,717
Profit for the year	<u>93,267</u>				<u>93,267</u>
At 31 December 2007	<u>(433,727)</u>	<u>671,243</u>	<u>129,718</u>	<u>1,327,750</u>	<u>1,694,984</u>

Other reserves represent capital reserves arising on transfer of subsidiary company net assets.

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for nominated employees and directors. The pension charge represents contributions payable by the company to the scheme in the year and amounted to £34,902 (2006 £32,551). There was no outstanding contributions at the year end.

19. CONTINGENT LIABILITIES

At the date of signing of the accounts, a former director has lodged a claim against the Company in an Employment Tribunal for unfair dismissal. The Company disagrees with the claim and a response has been lodged with the Tribunal. The maximum amount that could be paid under the claim as an overall award is approximately £63,000. The former director has also raised proceedings against the Company for breach of contract claiming a sum of £300,000 plus interest and expenses.

The Company is actively defending both claims and the directors consider that no sums will become due. Accordingly, no provision has been made in the financial statements.

Additionally, the Company has raised an action against the former director in relation to a number of breaches of contract amounting to a total sum of £87,667. The action has been defended. The directors consider that there is a reasonable prospect of success in this action however have taken a prudent approach and have not recognised any sums as recoverable in the financial statements until formally awarded.

Speyside Distillers Company Limited

Notes to the Abbreviated Accounts - continued
For The Year Ended 31 December 2007

20 CAPITAL COMMITMENTS

	2007	2006
	£	£
Contracted but not provided for in the financial statements	<u>42,800</u>	<u>6,391</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit/(Loss) for the financial year	<u>93,267</u>	<u>(107,230)</u>
Net addition/(reduction) to shareholders' funds	93,267	(107,230)
Opening shareholders' funds	<u>1,601,726</u>	<u>1,708,956</u>
Closing shareholders' funds	<u>1,694,993</u>	<u>1,601,726</u>