

**REGISTERED NUMBER: SC199495 (Scotland)**

**Financial Statements For The Year Ended 31 December 2016**

**for**

**Speyside Distillers Company Limited**

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**For The Year Ended 31 December 2016**

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**Speyside Distillers Company Limited**

**Company Information**  
**For The Year Ended 31 December 2016**

**DIRECTORS:**

J McDonough  
Y H Ho  
Y S Chang

**REGISTERED OFFICE:**

197 Bath Street  
Glasgow  
G2 4HU

**REGISTERED NUMBER:**

SC199495 (Scotland)

**AUDITORS:**

Robb Ferguson  
Chartered Accountants & Statutory Auditors  
Regent Court  
70 West Regent Street  
Glasgow  
G2 2QZ

**Speyside Distillers Company Limited (Registered number: SC199495)**

**Statement of Financial Position**  
**31 December 2016**

	Notes	2016 £	£	2015 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		<b>347,520</b>		2,096,913
Investments	5		<b>39,700</b>		39,700
			<b>387,220</b>		2,136,613
<b>CURRENT ASSETS</b>					
Stocks	6	<b>8,780,171</b>		8,850,414	
Debtors	7	<b>981,958</b>		1,536,687	
Investments	8	<b>8,800</b>		8,800	
Cash at bank and in hand		<b>1,063,063</b>		233,201	
		<b>10,833,992</b>		10,629,102	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<b>1,498,661</b>		3,266,930	
<b>NET CURRENT ASSETS</b>			<b>9,335,331</b>		7,362,172
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>9,722,551</b>		9,498,785
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		<b>(6,166,588)</b>		(5,671,289)
<b>PROVISIONS FOR LIABILITIES</b>	13		<b>(52,950)</b>		(113,735)
<b>NET ASSETS</b>			<b>3,503,013</b>		3,713,761
<b>CAPITAL AND RESERVES</b>					
Called up share capital			<b>9</b>		9
Share premium			<b>671,243</b>		671,243
Revaluation reserve			-		445,306
Other reserves			<b>1,327,750</b>		1,327,750
Retained earnings			<b>1,504,011</b>		1,269,453
<b>SHAREHOLDERS' FUNDS</b>			<b>3,503,013</b>		3,713,761

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 4 August 2017 and were signed on its behalf by:

J McDonough - Director

**Notes to the Financial Statements**  
**For The Year Ended 31 December 2016**

**1. STATUTORY INFORMATION**

Speyside Distillers Company Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The functional currency is pounds sterling.

**Turnover**

Turnover represents net invoiced sales of goods and services, excluding value added tax and trade discounts. Turnover is recognised when services are performed or goods are delivered.

During the year the company derived 88.1% (2015: 91.6%) of its turnover from outwith the United Kingdom.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Heritable 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

**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.

**Stocks**

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Financial instruments**

Financial instruments are initially measured at fair value at the date on which a contract is entered into and are subsequently measured at fair value through profit or loss.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference. Deferred tax is measured on a non-discounted basis.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

**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 profit or loss in the period to which they relate.

**Investments**

Investments are recognised initially at cost value. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably.

**Loans**

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Loans and borrowings that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

**Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 17.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**4. TANGIBLE FIXED ASSETS**

	Heritable property £	Short leasehold £	Fixed plant and equipment £
<b>COST OR VALUATION</b>			
At 1 January 2016	1,300,000	40,342	1,536,132
Additions	-	-	953
Disposals	(1,110,000)	-	(272,107)
Revaluations	(190,000)	-	-
At 31 December 2016	<u>-</u>	<u>40,342</u>	<u>1,264,978</u>
<b>DEPRECIATION</b>			
At 1 January 2016	-	40,342	1,049,919
Charge for year	-	-	45,038
Eliminated on disposal	-	-	(119,792)
At 31 December 2016	<u>-</u>	<u>40,342</u>	<u>975,165</u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>-</u>	<u>-</u>	<u>289,813</u>
At 31 December 2015	<u>1,300,000</u>	<u>-</u>	<u>486,213</u>

	Fixtures and fittings £	Motor vehicles £	Assets under construction £	Totals £
<b>COST OR VALUATION</b>				
At 1 January 2016	216,448	63,860	241,327	3,398,109
Additions	939	-	-	1,892
Disposals	-	-	(241,327)	(1,623,434)
Revaluations	-	-	-	(190,000)
At 31 December 2016	<u>217,387</u>	<u>63,860</u>	<u>-</u>	<u>1,586,567</u>
<b>DEPRECIATION</b>				
At 1 January 2016	166,053	44,882	-	1,301,196
Charge for year	7,860	4,745	-	57,643
Eliminated on disposal	-	-	-	(119,792)
At 31 December 2016	<u>173,913</u>	<u>49,627</u>	<u>-</u>	<u>1,239,047</u>
<b>NET BOOK VALUE</b>				
At 31 December 2016	<u>43,474</u>	<u>14,233</u>	<u>-</u>	<u>347,520</u>
At 31 December 2015	<u>50,395</u>	<u>18,978</u>	<u>241,327</u>	<u>2,096,913</u>

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**4. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2016 is represented by:

	<b>Short leasehold</b>	<b>Fixed plant and equipment</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	<u><b>40,342</b></u>	<u><b>1,264,978</b></u>	<u><b>217,387</b></u>	<u><b>63,860</b></u>	<u><b>1,586,567</b></u>

If heritable property had not been revalued it would have been included at the following historical cost:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cost	<u><b>936,066</b></u>	<u><b>936,066</b></u>
Aggregate depreciation	<u><b>279,206</b></u>	<u><b>279,206</b></u>
Value of land in freehold land and buildings	<u><b>-</b></u>	<u><b>1,086,000</b></u>

Freehold property was valued on an open market basis on 27 February 2013 by Ryden LLP .

**5. FIXED ASSET INVESTMENTS**

	<b>Other investments £</b>
<b>COST</b>	
At 1 January 2016 and 31 December 2016	<u><b>79,700</b></u>
<b>PROVISIONS</b>	
At 1 January 2016 and 31 December 2016	<u><b>40,000</b></u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u><b>39,700</b></u>
At 31 December 2015	<u><b>39,700</b></u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Speyside Distillery Company Limited**

Registered office: United Kingdom

Nature of business: Non trading company

	<b>% holding</b>
Class of shares:	
Ordinary	<b>100.00</b>

The aggregate capital and reserves of the Speyside Distillery Company Limited at the year end was nil (2015 - nil).



**Speyside Distillers Company Limited (Registered number: SC199495)**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**5. FIXED ASSET INVESTMENTS - continued**

**Speyside Bonding Company Limited**

Registered office: United Kingdom

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 (2015 - nil).

**Forbes Ross & Company Limited**

Registered office: United Kingdom

Nature of business: Whisky trademark owner

	%
Class of shares:	holding
Ordinary	100.00

	<b>2016</b>	2015
	£	£
Aggregate capital and reserves	<b><u>2,509</u></b>	<u>2,509</u>

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

**Harvies of Edinburgh Limited**

Registered office: United Kingdom

Nature of business: Non trading company

	%
Class of shares:	holding
Ordinary	100.00

	<b>30.11.16</b>	30.11.15
	£	£
Aggregate capital and reserves	<b>(31,976)</b>	(31,061)
Loss for the year/period	<b><u>(915)</u></b>	<u>(815)</u>

**The Scotch Whisky Heritage Centre Limited**

Registered office: United Kingdom

Nature of business: Private trading company limited by share

	%
Class of shares:	holding
Ordinary	2.33

Included in the cost of other investments is the sum of £34,700 in respect of the cost of the investment in The Scotch Whisky Heritage Centre Limited.

Investments have been shown at cost. As the investments are held in private limited companies, it is impracticable to measure fair value reliably without undue cost or effort.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**6. STOCKS**

	2016	2015
	£	£
Stock - whisky fillings	7,912,881	7,882,139
Materials and cased goods	<u>867,290</u>	<u>968,275</u>
	<u><b>8,780,171</b></u>	<u><b>8,850,414</b></u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	800,299	1,224,398
Other debtors	13,456	-
VAT	22,834	77,467
Prepayments and accrued income	<u>145,369</u>	<u>234,822</u>
	<u><b>981,958</b></u>	<u><b>1,536,687</b></u>

**8. CURRENT ASSET INVESTMENTS**

	2016	2015
	£	£
Unlisted investments	<u><b>8,800</b></u>	<u><b>8,800</b></u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	337,109	695,104
Tax	68,552	43,974
Social security and other taxes	16,773	14,068
Amounts owed to group companies	-	1,449,544
Other creditors	957,757	965,286
Accrued expenses	113,769	94,253
Deferred government grants	<u>4,701</u>	<u>4,701</u>
	<u><b>1,498,661</b></u>	<u><b>3,266,930</b></u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Bank loans - 2-5 years	6,100,000	5,600,000
Deferred government grants	<u>66,588</u>	<u>71,289</u>
	<u><b>6,166,588</b></u>	<u><b>5,671,289</b></u>

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2016</b>	2015
	<b>£</b>	£
Within one year	<b>92,925</b>	92,925
Between one and five years	<b>371,703</b>	371,703
In more than five years	<b>438,149</b>	531,075
	<b><u>902,777</u></b>	<u>995,703</u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2016</b>	2015
	<b>£</b>	£
Bank loans	<b><u>6,100,000</u></b>	<u>5,600,000</u>

The company's banking facilities are secured by a standard security over the assets, a counter indemnity and floating charge over the whole of the assets of the company.

**13. PROVISIONS FOR LIABILITIES**

	<b>2016</b>	2015
	<b>£</b>	£
Deferred tax		
Accelerated capital allowances	<b><u>52,950</u></b>	<u>113,735</u>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 January 2016		<b>113,735</b>
Accelerated capital allowances		<b><u>(60,785)</u></b>
Balance at 31 December 2016		<b><u>52,950</u></b>

**14. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Janice Alexander (Senior Statutory Auditor)  
for and on behalf of Robb Ferguson

**15. 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 £1,028 (2015 - £1,028). There were no outstanding contributions at 31 December 2016 and 31 December 2015.

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 December 2016**

**16. RELATED PARTY DISCLOSURES**

**Forbes Ross & Company Limited**

A subsidiary company

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amount due to related party at the balance sheet date	<b><u>2,909</u></b>	<b><u>2,909</u></b>

**HOE International Limited**

Parent Company

During the year total sales and expenses recharged to the parent company were £3,083,443 (2015 - £3,855,250).  
Goods and services recharged from the parent company in the year amounted to £63,306 (2015 - £74,900)

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amount due from/(to) related party at the balance sheet date	<b><u>649,401</u></b>	<b><u>(581,413)</u></b>

**Harvies of Edinburgh Limited**

A subsidiary company

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amount due from related party at the balance sheet date	<b><u>15,963</u></b>	<b><u>23,840</u></b>

**17. ULTIMATE CONTROLLING PARTY**

The ultimate parent company is HOE International Limited, a company incorporated in Taiwan.

**18. FIRST YEAR ADOPTION**

The company has adopted FRS 102 for the year ended 31 December 2016 and has restated comparative prior year amounts.

There were no necessary changes for FRS 102 adoption.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.