

Financial Statements For The Year Ended 31 December 2021

for

Speyside Distillers Company Limited

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For The Year Ended 31 December 2021

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Speyside Distillers Company Limited

Company Information
For The Year Ended 31 December 2021

DIRECTORS:

J McDonough
Y H Ho
Y S Chang

REGISTERED OFFICE:

197 Bath Street
Glasgow
G2 4HU

REGISTERED NUMBER:

SC199495 (Scotland)

INDEPENDENT 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 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	4		2,020		1,150
Tangible assets	5		943,565		365,628
Investments	6		39,700		39,700
			<u>985,285</u>		<u>406,478</u>
CURRENT ASSETS					
Stocks	7	10,461,641		10,364,034	
Debtors	8	1,636,524		1,238,724	
Investments	9	8,800		8,800	
Cash at bank and in hand		<u>895,925</u>		<u>474,269</u>	
		13,002,890		12,085,827	
CREDITORS					
Amounts falling due within one year	10	<u>1,993,320</u>		<u>1,591,595</u>	
NET CURRENT ASSETS			<u>11,009,570</u>		<u>10,494,232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,994,855		10,900,710
CREDITORS					
Amounts falling due after more than one year	11		(6,990,627)		(6,481,227)
PROVISIONS FOR LIABILITIES			<u>(102,938)</u>		<u>(60,118)</u>
NET ASSETS			<u>4,901,290</u>		<u>4,359,365</u>
CAPITAL AND RESERVES					
Called up share capital			9		9
Share premium			671,243		671,243
Other reserves			1,327,750		1,327,750
Retained earnings			<u>2,902,288</u>		<u>2,360,363</u>
SHAREHOLDERS' FUNDS			<u>4,901,290</u>		<u>4,359,365</u>

The notes form part of these financial statements

Speyside Distillers Company Limited (Registered number: SC199495)

Statement of Financial Position - continued
31 December 2021

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 8 August 2022 and were signed on its behalf by:

J McDonough - Director

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 31 December 2021

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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks & licences are being amortised evenly over their estimated useful life of ten years.

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.

Heritable property	- Heritable land is not depreciated
Short leasehold	- over the period of lease
Fixed plant and equipment	- 25% on cost, 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.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. This includes borrowing costs attributable to bringing the product to its present condition.

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 2021

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.

Operating leases

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

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. This policy is not applied to immaterial investments, which are stated at cost.

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.

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.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2020 - 13) .

4. INTANGIBLE FIXED ASSETS

	Trademarks & licences £
COST	
At 1 January 2021	1,200
Additions	<u>1,100</u>
At 31 December 2021	<u>2,300</u>
AMORTISATION	
At 1 January 2021	50
Amortisation for year	<u>230</u>
At 31 December 2021	<u>280</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,020</u>
At 31 December 2020	<u>1,150</u>

5. TANGIBLE FIXED ASSETS

	Heritable property £	Short leasehold £	Fixed plant and equipment £
COST			
At 1 January 2021	4,750	197,774	1,065,500
Additions	<u>488,396</u>	<u>999</u>	<u>125,157</u>
At 31 December 2021	<u>493,146</u>	<u>198,773</u>	<u>1,190,657</u>
DEPRECIATION			
At 1 January 2021	-	79,607	929,633
Charge for year	<u>-</u>	<u>15,818</u>	<u>21,881</u>
At 31 December 2021	<u>-</u>	<u>95,425</u>	<u>951,514</u>
NET BOOK VALUE			
At 31 December 2021	<u>493,146</u>	<u>103,348</u>	<u>239,143</u>
At 31 December 2020	<u>4,750</u>	<u>118,167</u>	<u>135,867</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

5. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2021	230,475	101,967	1,600,466
Additions	<u>17,695</u>	<u>11,250</u>	<u>643,497</u>
At 31 December 2021	<u>248,170</u>	<u>113,217</u>	<u>2,243,963</u>
DEPRECIATION			
At 1 January 2021	198,797	26,801	1,234,838
Charge for year	<u>6,960</u>	<u>20,901</u>	<u>65,560</u>
At 31 December 2021	<u>205,757</u>	<u>47,702</u>	<u>1,300,398</u>
NET BOOK VALUE			
At 31 December 2021	<u>42,413</u>	<u>65,515</u>	<u>943,565</u>
At 31 December 2020	<u>31,678</u>	<u>75,166</u>	<u>365,628</u>

There is no depreciation included for Heritable property in the accounts for the year ended 31 December 2021 as the cost relates to land purchased for development.

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

	Motor vehicles £
COST	
Reclassification/transfer	<u>70,000</u>
At 31 December 2021	<u>70,000</u>
DEPRECIATION	
Charge for year	17,135
Reclassification/transfer	<u>1,458</u>
At 31 December 2021	<u>18,593</u>
NET BOOK VALUE	
At 31 December 2021	<u>51,407</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

6. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2021	
and 31 December 2021	<u>79,700</u>
PROVISIONS	
At 1 January 2021	
and 31 December 2021	<u>40,000</u>
NET BOOK VALUE	
At 31 December 2021	<u>39,700</u>
At 31 December 2020	<u>39,700</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

	%
Class of shares:	holding
Ordinary	100.00

Speyside Bonding Company Limited

Registered office: United Kingdom

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

Forbes Ross & Company Limited

Registered office: United Kingdom

Nature of business: Whisky trademark owner

	%
Class of shares:	holding
Ordinary	100.00

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

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

6. FIXED ASSET INVESTMENTS - continued

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.

Drumguish Distillery Company Limited

Registered office: United Kingdom

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

Speyside Spring Water Company Limited

Registered office: United Kingdom

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

Glentromie Distillery Company Limited

Registered office: United Kingdom

Nature of business: Non-trading company

	%
Class of shares:	holding
Ordinary	100.00

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.

7. STOCKS

	2021	2020
	£	£
Stock - whisky fillings	9,016,186	8,646,148
Materials and cased goods	1,445,455	1,717,886
	<u>10,461,641</u>	<u>10,364,034</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	1,235,112	789,125
Other debtors	14,254	14,254
VAT	60,775	43,814
Prepayments and accrued income	326,383	391,531
	<u>1,636,524</u>	<u>1,238,724</u>

Speyside Distillers Company Limited (Registered number: SC199495)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

9. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Unlisted investments	<u>8,800</u>	<u>8,800</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 12)	16,667	-
Trade creditors	927,803	542,174
Tax	104,871	75,818
Social security and other taxes	17,612	16,098
Other creditors	777,583	812,583
Accrued expenses	143,494	140,221
Deferred government grants	5,290	4,701
	<u>1,993,320</u>	<u>1,591,595</u>

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

	2021	2020
	£	£
Bank loans - 2-5 years	6,950,000	6,450,000
Hire purchase contracts (see note 12)	15,278	-
Deferred government grants	25,349	31,227
	<u>6,990,627</u>	<u>6,481,227</u>

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	16,667	-
Between one and five years	15,278	-
	<u>31,945</u>	<u>-</u>
	Non-cancellable	operating
	2021	2020
	£	£
Within one year	132,537	148,960
Between one and five years	315,919	473,533
In more than five years	28,356	210,856
	<u>476,812</u>	<u>833,349</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2021

13. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank loans	6,950,000	6,450,000
Hire purchase contracts	31,945	-
	<u>6,981,945</u>	<u>6,450,000</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.

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. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

HOE International Limited
Parent Company

During the year total sales and expenses recharged to the parent company were £3,235,859 (2020 - £1,475,993). Goods and services recharged from the parent company in the year amounted to £280,979 (2020 - £72,542).

At the year end there was an amount due from HOE International Limited of £836,671 (2020 - £714,413).

Speyside Trading Company Limited
Company with common director

During the year total sales to Speyside Trading Company Limited amounted to £123,516 (2020 - £78,823).

Goods and services recharged from the company in the year amounted to £13,518 (2020 - £17,544).

At the year end there was an amount due from/(to) Speyside Trading Company Limited of £70,759 (2020 - £82,257).

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.