

Financial Statements For The Year Ended 31 December 2022

for

Speyside Distillers Company Limited

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For The Year Ended 31 December 2022

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Speyside Distillers Company Limited

Company Information
For The Year Ended 31 December 2022

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 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	4		6,484		2,020
Tangible assets	5		1,023,564		943,565
Investments	6		39,700		39,700
			<u>1,069,748</u>		<u>985,285</u>
CURRENT ASSETS					
Stocks	7	12,614,310		10,461,641	
Debtors	8	2,225,753		1,636,524	
Investments	9	8,800		8,800	
Cash at bank and in hand		<u>439,010</u>		<u>895,925</u>	
		15,287,873		13,002,890	
CREDITORS					
Amounts falling due within one year	10	<u>2,351,919</u>		<u>1,993,320</u>	
NET CURRENT ASSETS			<u>12,935,954</u>		<u>11,009,570</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,005,702		11,994,855
CREDITORS					
Amounts falling due after more than one year	11		(8,470,059)		(6,990,627)
PROVISIONS FOR LIABILITIES			<u>(73,013)</u>		<u>(102,938)</u>
NET ASSETS			<u>5,462,630</u>		<u>4,901,290</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>3,463,628</u>		<u>2,902,288</u>
SHAREHOLDERS' FUNDS			<u>5,462,630</u>		<u>4,901,290</u>

The notes form part of these financial statements

Speyside Distillers Company Limited (Registered number: SC199495)

Statement of Financial Position - continued
31 December 2022

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 14 June 2023 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 2022

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	- in accordance with the property
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 2022

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 2022

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 15 (2021 - 13) .

4. INTANGIBLE FIXED ASSETS

	Trademarks & licences £
COST	
At 1 January 2022	2,300
Additions	<u>4,898</u>
At 31 December 2022	<u>7,198</u>
AMORTISATION	
At 1 January 2022	280
Amortisation for year	<u>434</u>
At 31 December 2022	<u>714</u>
NET BOOK VALUE	
At 31 December 2022	<u>6,484</u>
At 31 December 2021	<u>2,020</u>

5. TANGIBLE FIXED ASSETS

	Heritable property £	Short leasehold £	Fixed plant and equipment £
COST			
At 1 January 2022	493,146	198,773	1,190,657
Additions	<u>135,338</u>	-	<u>12,943</u>
At 31 December 2022	<u>628,484</u>	<u>198,773</u>	<u>1,203,600</u>
DEPRECIATION			
At 1 January 2022	-	95,425	951,514
Charge for year	<u>-</u>	<u>15,843</u>	<u>28,139</u>
At 31 December 2022	<u>-</u>	<u>111,268</u>	<u>979,653</u>
NET BOOK VALUE			
At 31 December 2022	<u>628,484</u>	<u>87,505</u>	<u>223,947</u>
At 31 December 2021	<u>493,146</u>	<u>103,348</u>	<u>239,143</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

5. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2022	248,170	113,217	2,243,963
Additions	-	-	148,281
At 31 December 2022	<u>248,170</u>	<u>113,217</u>	<u>2,392,244</u>
DEPRECIATION			
At 1 January 2022	205,757	47,702	1,300,398
Charge for year	7,393	16,907	68,282
At 31 December 2022	<u>213,150</u>	<u>64,609</u>	<u>1,368,680</u>
NET BOOK VALUE			
At 31 December 2022	<u>35,020</u>	<u>48,608</u>	<u>1,023,564</u>
At 31 December 2021	<u>42,413</u>	<u>65,515</u>	<u>943,565</u>

There is no depreciation included for Heritable property in the accounts for the year ended 31 December 2022 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	
At 1 January 2022 and 31 December 2022	<u>70,000</u>
DEPRECIATION	
At 1 January 2022	18,593
Charge for year	12,852
At 31 December 2022	<u>31,445</u>
NET BOOK VALUE	
At 31 December 2022	<u>38,555</u>
At 31 December 2021	<u>51,407</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

6. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2022	
and 31 December 2022	<u>79,700</u>
PROVISIONS	
At 1 January 2022	
and 31 December 2022	<u>40,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>39,700</u>
At 31 December 2021	<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 2022

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

	2022	2021
	£	£
Stock - whisky fillings	11,095,981	9,016,186
Materials and cased goods	1,518,329	1,445,455
	<u>12,614,310</u>	<u>10,461,641</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,870,830	1,235,112
Other debtors	14,254	14,254
VAT	98,610	60,775
Prepayments and accrued income	242,059	326,383
	<u>2,225,753</u>	<u>1,636,524</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

9. CURRENT ASSET INVESTMENTS

	2022	2021
	£	£
Unlisted investments	<u>8,800</u>	<u>8,800</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Hire purchase contracts (see note 12)	16,667	16,667
Trade creditors	1,167,366	927,803
Tax	136,337	104,871
Social security and other taxes	21,302	17,612
Other creditors	771,500	777,583
Accrued expenses	233,457	143,494
Deferred government grants	5,290	5,290
	<u>2,351,919</u>	<u>1,993,320</u>

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

	2022	2021
	£	£
Bank loans - 2-5 years	8,450,000	6,950,000
Hire purchase contracts (see note 12)	-	15,278
Deferred government grants	20,059	25,349
	<u>8,470,059</u>	<u>6,990,627</u>

12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	16,667	16,667
Between one and five years	-	15,278
	<u>16,667</u>	<u>31,945</u>
	Non-cancellable	operating
	2022	leases
	£	£
Within one year	117,537	132,537
Between one and five years	223,382	315,919
In more than five years	3,356	28,356
	<u>344,275</u>	<u>476,812</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

13. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	8,450,000	6,950,000
Hire purchase contracts	16,667	31,945
	<u>8,466,667</u>	<u>6,981,945</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 £2,892,095 (2021 - £3,235,859). Goods and services recharged from the parent company in the year amounted to £143,551 (2021 - £280,979).

At the year end there was an amount due from HOE International Limited of £1,659,877 (2021 - £836,671).

Speyside Trading Company Limited
Company with common director

During the year total sales to Speyside Trading Company Limited amounted to £94,655 (2021 - £123,516).

Goods and services recharged from the company in the year amounted to £24,680 (2021 - £13,518).

At the year end there was an amount due from/(to) Speyside Trading Company Limited of £54,601 (2021 - £70,759).

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Harvey's of Edinburgh International Ltd which is registered in Taiwan. Its registered office is 7F-1., No.151, Zhouzi St., Neihu Dist., Taipei City 114, Taiwan (R.O.C.).

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.