

Abbreviated Accounts For The Year Ended 31 December 2002

for

Speyside Distillers Company Limited



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COMPANIES HOUSE 21/04/04

**Speyside Distillers Company Limited**

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**For The Year Ended 31 December 2002**

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**Speyside Distillers Company Limited**

**Company Information**  
**For The Year Ended 31 December 2002**

**DIRECTORS:** R Andersen  
I Jerman  
G R Taylor  
Sir J Aykroyd  
S F Hendry

**SECRETARY:** S 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 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

**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 financial statements.

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2002.

**FIXED ASSETS**

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

**DIRECTORS**

The directors during the year under review were:

R Andersen  
I Jerman  
G R Taylor  
Sir J Aykroyd  
S F Hendry

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
<b>Ordinary £0.01 shares</b>		
R Andersen	392	392
I Jerman	93	93
G R Taylor	89	89
Sir J Aykroyd	115	115
S F Hendry	-	-

Under an enterprise management incentive option scheme G R Taylor has an option to purchase up to 111 shares, depending upon the company achieving various performance criteria, during the financial years ending on 31 December 2004.

**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 (formerly Speyside Distillery Company Limited) as an individual company and not as a group.

**TRADING OPERATIONS**

As at 1 January 2002, the entire trade, assets and liabilities of the Speyside Bonding Co Limited, a subsidiary of the company, were transferred to the company as a going concern. The consideration for the transfer are the values as stated in the balance sheet of the Speyside Bonding Co Limited as at 31 December 2001, (£nil).

**Speyside Distillers Company Limited**

**Report of the Directors**  
**For The Year Ended 31 December 2002**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

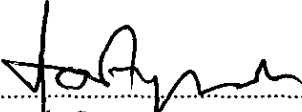
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

**AUDITORS**

The auditors, ROBB FERGUSON, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
.....  
S J Aykroyd - Secretary

Date: 29/3/04

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

We have examined the abbreviated accounts on pages five to twenty two, together with the full financial statements of the company for the year ended 31 December 2002 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 accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**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 on pages five to twenty two are properly prepared in accordance with that provision.*

**Other information**

On 20 April, 2004 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985, and our report included the following paragraph:

**"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 policies. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect."



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

Date: 20/4/04

**Speyside Distillers Company Limited**

**Profit and Loss Account**  
**For The Year Ended 31 December 2002**

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
<b>TURNOVER</b>			<b>6,526,103</b>		<b>7,834,353</b>
Continuing operations		5,699,496		-	
Acquisitions		826,607		7,834,353	
		<u>6,526,103</u>		<u>7,834,353</u>	
 Cost of sales	 2		 <u>5,482,405</u>		 <u>6,793,980</u>
<b>GROSS PROFIT</b>	2		<b>1,043,698</b>		<b>1,040,373</b>
 Net operating expenses	 2		 <u>1,353,993</u>		 <u>891,415</u>
<b>OPERATING (LOSS)/PROFIT</b>	4		<b>(310,295)</b>		<b>148,958</b>
Continuing operations		343,428		-	
Acquisitions		(653,723)		148,958	
		<u>(310,295)</u>		<u>148,958</u>	
 Exceptional items	 5		 <u>225,000</u>		 <u>694,563</u>
			<u>(85,295)</u>		<u>843,521</u>
 Amounts written off investments	 6		 -		 <u>40,000</u>
			<u>(85,295)</u>		<u>803,521</u>
 Interest payable and similar charges	 7		 <u>191,776</u>		 <u>143,959</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>(277,071)</b>		<b>659,562</b>
 Tax on (loss)/profit on ordinary activities	 8		 <u>(29,134)</u>		 <u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<b>(247,937)</b>		<b>659,562</b>
 Retained profit brought forward			 <u>659,562</u>		 <u>-</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>			<b><u>£411,625</u></b>		<b><u>£659,562</u></b>

**TOTAL RECOGNISED GAINS AND LOSSES**

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

The notes form part of these abbreviated accounts

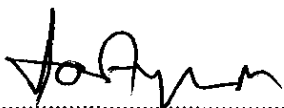
**Speyside Distillers Company Limited**

**Abbreviated Balance Sheet**  
**31 December 2002**

		<b>2002</b>		<b>2001</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS:</b>					
Tangible assets	9		1,457,826		883,042
Investments	10		49,900		53,300
			<u>1,507,726</u>		<u>936,342</u>
<b>CURRENT ASSETS:</b>					
Stocks	11	4,850,810		5,329,000	
Debtors	12	1,124,593		938,580	
Investments	13	27,615		27,615	
Cash in hand		122		408	
		<u>6,003,140</u>		<u>6,295,603</u>	
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>4,924,437</u>		<u>4,437,658</u>	
<b>NET CURRENT ASSETS:</b>			<u>1,078,703</u>		<u>1,857,945</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>2,586,429</u>		<u>2,794,287</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15		(133,802)		(35,723)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	19		(42,000)		(100,000)
			<u>£2,410,627</u>		<u>£2,658,564</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	20		9		9
Share premium	21		671,243		671,243
Other reserves	22		1,327,750		1,327,750
Profit and loss account			411,625		659,562
<b>SHAREHOLDERS' FUNDS:</b>	25		<u>£2,410,627</u>		<u>£2,658,564</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.

**ON BEHALF OF THE BOARD:**



Sir J Aykroyd - Director

Approved by the Board on 28/3/04

The notes form part of these abbreviated accounts



**Speyside Distillers Company Limited**

**Cash Flow Statement**  
**For The Year Ended 31 December 2002**

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		222,518		(1,932,157)
<b>Returns on investments and servicing of finance</b>	2		(191,776)		(143,959)
<b>Taxation</b>			(28,866)		-
<b>Capital expenditure and financial investment</b>	2		(54,857)		(7,231)
			<u>(52,981)</u>		<u>(2,083,347)</u>
<b>Financing</b>	2		(726,679)		(205,605)
<b>Decrease in cash in the period</b>			<u>£(779,660)</u>		<u>£(2,288,952)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
<b>Decrease in cash in the period</b>		(779,660)		(2,288,952)	
Cash outflow from increase in liquid resources		-		27,615	
Cash outflow from decrease in debt and lease financing		<u>39,993</u>		<u>5,940</u>	
Change in net debt resulting from cash flows			(739,667)		(2,255,397)
New finance leases			<u>(74,796)</u>		<u>(64,667)</u>
<b>Movement in net debt in the period</b>			<u>(814,463)</u>		<u>(2,320,064)</u>
<b>Net debt at 1 January</b>			<u>(2,320,064)</u>		-
<b>Net debt at 31 December</b>			<u>£(3,134,527)</u>		<u>£(2,320,064)</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 2002

1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating (loss)/profit	(310,295)	148,958
Depreciation charges	158,662	92,449
Loss on sale of fixed assets	3,252	7,583
Creditor transferred to capital reserve re transfer of subsidiary company net assets	-	2,200,000
Exceptional items	225,000	694,563
Decrease/(Increase) in stocks	478,190	(5,329,000)
Increase in debtors	(186,011)	(938,578)
(Decrease)/Increase in creditors	(146,280)	1,191,868
<b>Net cash inflow/(outflow) from operating activities</b>	<b>222,518</b>	<b>(1,932,157)</b>

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

	2002 £	2001 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(186,142)	(142,418)
Interest element of hire purchase payments	(5,634)	(1,541)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(191,776)</b>	<b>(143,959)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(68,757)	(25,631)
Sale of tangible fixed assets	10,500	18,400
Cash receipts - investmt sales	3,400	-
<b>Net cash outflow for capital expenditure</b>	<b>(54,857)</b>	<b>(7,231)</b>

Speyside Distillers Company Limited

Notes to the Cash Flow Statement  
For The Year Ended 31 December 2002

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

	2002 £	2001 £
<b>Financing</b>		
New loan (taken out)/repaid in year	-	199,998
Group company advances in year	(836,685)	(420,913)
HP capital repayments	(39,994)	(5,940)
Amount introduced by directors	150,000	-
Cash receipt re share issue	-	21,250
	<hr/>	<hr/>
Net cash outflow from financing	(726,679)	(205,605)
	<hr/>	<hr/>

The notes form part of these abbreviated accounts

Speyside Distillers Company Limited

Notes to the Cash Flow Statement  
For The Year Ended 31 December 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.02 £	Cash flow £	Other non-cash changes £	At 31.12.02 £
Net cash:				
Cash at bank and in hand	408	(286)		122
Bank overdraft	(2,289,360)	(779,374)		(3,068,734)
	<u>(2,288,952)</u>	<u>(779,660)</u>		<u>(3,068,612)</u>
Liquid resources:				
Current asset investments	27,615	-	-	27,615
	<u>27,615</u>	<u>-</u>	<u>-</u>	<u>27,615</u>
Debt:				
Hire purchase	(58,727)	39,993	(74,796)	(93,530)
	<u>(58,727)</u>	<u>39,993</u>	<u>(74,796)</u>	<u>(93,530)</u>
Total	<u>(2,320,064)</u>	<u>(739,667)</u>	<u>(74,796)</u>	<u>(3,134,527)</u>
<b>Analysed in Balance Sheet</b>				
Cash at bank and in hand	408			122
Current asset investments	27,615			27,615
Bank overdraft	(2,289,360)			(3,068,734)
Hire purchase				
within one year	(23,004)			(42,128)
after one year	(35,723)			(51,402)
	<u>(2,320,064)</u>			<u>(3,134,527)</u>

The notes form part of these abbreviated accounts

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**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 an overdraft facility and loans from directors. The overdraft is repayable on demand and renewable on an annual basis, the next renewal date being 20 February 2005. 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.

**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 property	- over the period of lease
Plant and machinery	- 25% on reducing balance and 5% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

**Stocks**

Stock is 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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**1. ACCOUNTING POLICIES - continued**

**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 investment 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. ANALYSIS OF OPERATIONS**

	Continuing	2002 Acquisitions	Total
	£	£	£
Cost of sales	<u>4,511,064</u>	<u>971,341</u>	<u>5,482,405</u>
Gross profit/(loss)	<u>1,188,432</u>	<u>(144,734)</u>	<u>1,043,698</u>
Net operating expenses:			
Administrative expenses	847,577	511,189	1,358,766
Other operating income	(2,573)	(2,200)	(4,773)
	<u>845,004</u>	<u>508,989</u>	<u>1,353,993</u>

	Continuing	2001 Acquisitions	Total
	£	£	£
Cost of sales	<u>-</u>	<u>6,793,980</u>	<u>6,793,980</u>
Gross profit	<u>-</u>	<u>1,040,373</u>	<u>1,040,373</u>
Net operating expenses:			
Administrative expenses	-	894,226	894,226
Other operating income	-	(2,811)	(2,811)
	<u>-</u>	<u>891,415</u>	<u>891,415</u>

**3. STAFF COSTS**

	2002	2001
	£	£
Wages and salaries	1,421,118	539,689
Social security costs	115,830	55,781
Other pension costs	28,472	23,226
	<u>1,565,420</u>	<u>618,696</u>

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**3. STAFF COSTS - continued**

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

	2002	2001
Administrative staff	21	13
Distillery staff	4	4
Bonding staff	76	-
	<u>101</u>	<u>17</u>

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2001 - operating profit) is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	134,639	70,724
Depreciation - assets on hire purchase contracts	24,023	21,725
Loss on disposal of fixed assets	3,252	7,583
Auditors' remuneration	10,000	8,004
Operating lease - Distillery	9,500	9,500
Operating lease - Equipment	33,181	1,238
	<u>155,942</u>	<u>185,609</u>
Directors' emoluments	155,942	185,609
Directors' pension contributions to money purchase schemes	15,750	15,583
	<u>15,750</u>	<u>15,583</u>

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

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

No directors received shares under long term incentive schemes (2001 - one directors).

**5. EXCEPTIONAL ITEMS**

At 31 December 2001, a provision for Customs duty existed of £225,000 (2001:£400,000). This provision of £225,000 (2001:£175,000) has been written back to the profit and loss account as, in the opinion of the directors, it is unlikely that a liability will now arise. The reduction in the provision is taxable.

**6. AMOUNTS WRITTEN OFF INVESTMENTS**

	2002	2001
	£	£
Provision for unlisted investments	-	40,000
	<u>-</u>	<u>40,000</u>

During the previous year, the investment in Speyside Bonding Co Ltd (£40,000) was provided in full due to the nil balance sheet position of the company.

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	2002	2001
	£	£
Bank interest	172,705	139,875
Other interest	13,437	2,543
Hire purchase	5,634	1,541
	<u>191,776</u>	<u>143,959</u>

**8. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
S419 tax provided	28,866	-
Deferred taxation	<u>(58,000)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(29,134)</u>	<u>-</u>

**9. TANGIBLE FIXED ASSETS**

	Freehold property	Short leasehold property	Plant and machinery
	£	£	£
<b>COST:</b>			
At 1 January 2002	417,072	40,342	355,374
Additions	<u>491,192</u>	<u>-</u>	<u>196,185</u>
At 31 December 2002	<u>908,264</u>	<u>40,342</u>	<u>551,559</u>
<b>DEPRECIATION:</b>			
At 1 January 2002	15,000	4,476	36,862
Charge for year	<u>25,114</u>	<u>4,476</u>	<u>85,905</u>
At 31 December 2002	<u>40,114</u>	<u>8,952</u>	<u>122,767</u>
<b>NET BOOK VALUE:</b>			
At 31 December 2002	<u>868,150</u>	<u>31,390</u>	<u>428,792</u>
At 31 December 2001	<u>402,072</u>	<u>35,866</u>	<u>318,512</u>



**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts  
For The Year Ended 31 December 2002**

**9. TANGIBLE FIXED ASSETS - continued**

	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST:</b>			
At 1 January 2002	63,203	99,500	975,491
Additions	22,253	37,568	747,198
Disposals	-	(18,336)	(18,336)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	85,456	118,732	1,704,353
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>			
At 1 January 2002	11,236	24,875	92,449
Charge for year	18,555	24,612	158,662
Eliminated on disposals	-	(4,584)	(4,584)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	29,791	44,903	246,527
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>			
At 31 December 2002	55,665	73,829	1,457,826
	<hr/>	<hr/>	<hr/>
At 31 December 2001	51,967	74,625	883,042
	<hr/>	<hr/>	<hr/>

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

	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST:</b>			
At 1 January 2002	-	86,901	86,901
Additions	53,480	31,326	84,806
Disposals	-	(14,812)	(14,812)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	53,480	103,415	156,895
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>			
At 1 January 2002	-	21,725	21,725
Charge for year	2,674	21,349	24,023
Eliminated on disposals	-	(3,703)	(3,703)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	2,674	39,371	42,045
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>			
At 31 December 2002	50,806	64,044	114,850
	<hr/>	<hr/>	<hr/>
At 31 December 2001	-	65,176	65,176
	<hr/>	<hr/>	<hr/>

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**10. FIXED ASSET INVESTMENTS**

	<b>£</b>
<b>COST:</b>	
At 1 January 2002	93,300
Disposals	<u>(3,400)</u>
At 31 December 2002	<u>89,900</u>
<b>PROVISIONS:</b>	
At 1 January 2002	
and 31 December 2002	<u>40,000</u>
<b>NET BOOK VALUE:</b>	
At 31 December 2002	<u>49,900</u>
At 31 December 2001	<u>53,300</u>
	2002
	£
Unlisted investments	<u>49,900</u>
	2001
	£
	<u>53,300</u>

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

**Speyside Distillery Company Limited**  
Nature of business: Non trading company

	%		
Class of shares:	holding		
Ordinary	100.00		
		2002	2001
		£	£
Loss for the year		<u>-</u>	<u>(2,825,093)</u>

The aggregate capital and reserves of the Speyside Distillery Company Limited at the year end was nil (2001 - nil).

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**10. FIXED ASSET INVESTMENTS - continued**

**Speyside Bonding Company Ltd**

Nature of business: Non trading company

	%
Class of shares:	holding
Ordinary	100.00

	2002	2001
	£	£
Loss for the year	-	(108,424)
	<u>          </u>	<u>          </u>

The aggregate capital and reserves of the Speyside Bonding Company Limited at the year end was nil (2001 - nil).

Included in the costs of unlisted investments is the sum of £40,000 in respect of the cost of the investment in the Speyside Bonding Company Limited. This has been provided for in full due to the nil balance sheet position of the company at the year end.

**Forbes Ross & Company Ltd**

Nature of business: Holding company & whisky trademark owner

	%
Class of shares:	holding
Ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	3,275	3,446
(Loss)/Profit for the year	(171)	229
	<u>          </u>	<u>          </u>

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 £ 44,900 (2001 - £48,300), which the directors consider to fairly represent current market value.

**11. STOCKS**

	2002	2001
	£	£
Stock - whisky fillings	4,076,764	4,640,121
Cased goods	109,918	231,251
Materials	664,128	457,628
	<u>          </u>	<u>          </u>
	4,850,810	5,329,000
	<u>          </u>	<u>          </u>

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

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

	2002	2001
	£	£
V.A.T.	46,616	89,098
Trade debtors	969,414	793,059
Prepayments & accrued income	108,563	56,423
	<u>1,124,593</u>	<u>938,580</u>

**13. CURRENT ASSET INVESTMENTS**

	2002	2001
	£	£
Listed investments	12,815	12,815
Unlisted investments	14,800	14,800
	<u>27,615</u>	<u>27,615</u>

Market value of listed investments at 31 December 2002 - £6,615 (2001 - £6,615).

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

	2002	2001
	£	£
Bank loans and overdrafts (see note 16)	3,068,734	2,289,360
Hire purchase contracts (see note 17)	42,128	23,004
Trade creditors	936,093	1,090,811
Directors current accounts	150,000	-
Amounts owed to group companies	2,908	235,947
Other creditors	149,603	1,616
Social security & other taxes	94,202	363,675
Accrued expenses	478,569	433,245
Deferred government grants	2,200	-
	<u>4,924,437</u>	<u>4,437,658</u>

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

	2002	2001
	£	£
Deferred government grants	82,400	-
Hire purchase contracts (see note 17)	51,402	35,723
	<u>133,802</u>	<u>35,723</u>

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**16. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>3,068,734</u>	<u>2,289,360</u>

**17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	2002 £	2001 £
	<b>Hire purchase contracts</b>	
Gross obligations repayable:		
Within one year	46,859	25,829
Between one and five years	<u>53,811</u>	<u>37,526</u>
	<u>100,670</u>	<u>63,355</u>
Finance charges repayable:		
Within one year	4,731	2,825
Between one and five years	<u>2,409</u>	<u>1,803</u>
	<u>7,140</u>	<u>4,628</u>
Net obligations repayable:		
Within one year	42,128	23,004
Between one and five years	<u>51,402</u>	<u>35,723</u>
	<u>93,530</u>	<u>58,727</u>

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

	<b>Operating leases</b>			
	<b>Land and buildings</b>		<b>Other</b>	
	2002 £	2001 £	2002 £	2001 £
Expiring:				
Within one year	-	-	18,881	-
Between one and five years	-	-	14,300	-
In more than five years	<u>9,500</u>	<u>9,500</u>	-	-
	<u>9,500</u>	<u>9,500</u>	<u>33,181</u>	<u>-</u>

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	<u>3,068,734</u>	<u>2,289,360</u>

The bank overdraft is 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.

**19. PROVISIONS FOR LIABILITIES AND CHARGES**

	2002 £	2001 £
Deferred tax	<u>42,000</u>	<u>100,000</u>

	Deferred tax £
Balance at 1 January 2002	100,000
Movement in provision	(58,000)
Balance at 31 December 2002	<u>42,000</u>

	2002 £	2001 £
Deferred tax provision		
Accelerated capital allowances	<u>42,000</u>	<u>100,000</u>
	<u>42,000</u>	<u>100,000</u>

**20. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
1,000	Ordinary	£0.01	<u>10</u>	<u>10</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
889	Ordinary	£0.01	<u>9</u>	<u>9</u>

The company set up an enterprise management incentive option agreement during the year ended 31 December 2001. Under the agreement 111 shares are held under option. The option to purchase these shares for a consideration of £0.01 each is exercisable in various tranches relating to results in the period to 31 December 2004 depending upon the performance of the company in these periods. The options expire on 12 July 2011.

**Speyside Distillers Company Limited**

**Notes to the Abbreviated Accounts**  
**For The Year Ended 31 December 2002**

**21. SHARE PREMIUM**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Brought forward	<b>671,243</b>	649,994
Cash share issue	-	21,249
	<u><b>671,243</b></u>	<u>671,243</u>

**22. OTHER RESERVES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Capital reserve arising on transfer of subsidiary company net assets	<u><b>1,327,750</b></u>	<u>1,327,750</u>

**23. 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 £28,472 (2001 - £23,226). There was no outstanding contributions at the year end.

**24. CAPITAL COMMITMENTS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the financial statements	<u>-</u>	<u>50,000</u>

**25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	<b>(247,937)</b>	659,562
Share capital issue	-	1
Share Premium	-	21,249
Capital Reserve created	-	1,327,750
	<u><b>(247,937)</b></u>	<u>2,008,562</u>
Opening shareholders' funds	<b>2,658,564</b>	650,002
	<u><b>2,410,627</b></u>	<u>2,658,564</u>
	<u><b>2,410,627</b></u>	<u>2,658,564</u>
Equity interests	<u><b>2,410,627</b></u>	<u>2,658,564</u>