

BRUICHLADDICH

PROGRESSIVE HEBRIDEAN DISTILLERS

Bruichladdich Distillery Company Limited

Financial statements for the year ended 31 March 2016

Registered number: SC 209196

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Strategic Report

For the year ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

Principal activity

The group's principal activity is the distillation, warehousing, marketing and sale of single malt whisky.

Business review

The audited financial statements for the year ended 31 March 2016 are set out on pages 6 to 26. The group profit for the year before taxation was £24,841 (2015 - £1,897,932) and after taxation it was a loss of £16,682 (2015 - £1,460,244 profit). Turnover increased from £14,183,018 to £15,153,962. During the year the investment in distilled bulk whisky stocks increased from £21,620,015 to £24,603,084.

Key Performance Indicators

	Year ended 31 March 2016	Year ended 31 March 2015
Turnover	£15,153,962	£14,183,018
Turnover (decrease)/increase	6.8%	27.5%
Turnover per employee	£213,436	£211,687
Gross profit margin	36.1%	45.5%
Pre-tax profit margin	0.2%	13.4%
Earnings before interest, tax and depreciation	£744,322	£2,444,264
Earnings before interest, tax and depreciation before exceptional items	£744,322	£2,369,264

Future developments

The continued support of Remy Cointreau gives the company the ongoing ability to continue to expand its investment program into bulk whisky stocks. With the global route to market fully integrated, the company will focus on building breadth and depth of distribution and increased rate of sale, in key markets.

Strategic Report (Continued)

For the year ended 31 March 2016

Financial risk management objectives and policies

The group uses various financial instruments such as loans, cash and overdraft facilities, equity instruments, trade debtors and trade creditors to raise finance for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks, currency risk, liquidity risk, cash flow interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The group is exposed to transaction foreign currency risk. Transaction exposures are not currently hedged but will be kept under continuing review.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The short and long term needs are achieved through intercompany loans from its holding company Remy Cointreau UK Limited.

Interest rate risk

The group finances its operations through a mixture of retained profits, intercompany and other borrowings. The directors are continually assessing this position with a view to implementing appropriate hedging in the future.

Credit risk

The group's principal financial asset is trade debtors which carries the principal credit risk. In order to manage credit risk the directors set limits for customers based upon a combination of payment history and credit references. Credit limits are reviewed on a regular basis in conjunction with debt aging and collection history.

Signed on behalf of the Board



S.P. Coughlin
Director

7 November 2016

Directors' report

Registered number: SC 209196

For the year ended 31 March 2016

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report for the year ended 31 March 2016.

Directors

The directors who held office during the year were as follows:

V.Chapoulaud-Floquet

S.P.Coughlin

F.P.M.Heriard Dubreuil

J.McEwan (resigned 23.10.2015)

Future developments

The continued support of Remy Cointreau gives the company the ongoing ability to continue to expand its investment program into bulk whisky stocks. With the global route to market fully integrated, the company will focus on building breadth and depth of distribution and increased rate of sale, in key markets.

Directors' responsibilities statement

The directors are responsible for preparing the Report of the Directors and 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Directors' report (Continued)

Registered number: SC 209196

For the year ended 31 March 2016

Going concern

The company is dependent on the continuing finance being made available by its parent company to enable it to continue operating and meet its liabilities as they fall due.

The ultimate parent company has agreed to provide sufficient funds to the company for these purposes. The directors believe that it is therefore appropriate to prepare these financial statements on a going concern basis. The agreement covers a minimum period of 12 months from the date of signing these financial statements.

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 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he 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 group's auditors are aware of that information.

Dividends proposed and transfers to reserves

Payment of a dividend is not recommended. The retained loss for the year of £16,682 (2015 - £1,460,244 profit) has been transferred to reserves.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with S485 of the Companies Act 2006.

Bruichladdich Distillery
Isle of Islay
Argyll
PA49 7UN

7 November 2016

By order of the board



S.P. Coughlin
Director

Independent auditor's report to the members of Bruichladdich Distillery Company Limited

We have audited the financial statements of Bruichladdich Distillery Company Limited for the year ended 31 March 2016 which comprise the Group income statement, Group and Company Statement of comprehensive income, Group and Company Statement of financial position, Group and Company Statement of changes in equity, Group cash flow statement and related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland').

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP.

Nicola McIntyre (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

7 November 2016

Group income statement

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	2	15,153,962	14,183,018
Cost of sales		(9,674,440)	(7,729,319)
Gross profit		5,479,522	6,453,699
Selling and marketing expenses		(1,554,150)	(1,738,424)
Administrative expenses		(3,590,690)	(2,673,584)
Exceptional items	5	-	77,262
Operating profit		334,682	2,118,953
Interest payable and similar charges	3	(309,840)	(221,021)
Profit on ordinary activities before taxation	5	24,842	1,897,932
Tax on profit on ordinary activities	6	(41,524)	(437,688)
(Loss)/Profit for the financial year		(16,682)	1,460,244

None of the group's activities were acquired or discontinued during either current or prior year.

Group and Company Statement of Comprehensive income for the year ended 31 March 2016

There is no other comprehensive income other than the loss attributable to the shareholders of the group and company of £16,682 in the year ended 31 March 2016 (2015 – profit of £1,460,244).


The accompanying notes form part of the financial statements

Statement of financial positions

31 March 2016

	Note	31.3.2016		31.3.2015	
		Group £	Company £	Group £	Company £
Fixed assets					
Tangible assets	7	14,778,596	14,226,991	8,500,418	7,948,814
Investments	8	-	1	-	1
		<u>14,778,596</u>	<u>14,226,992</u>	<u>8,500,418</u>	<u>7,948,815</u>
Current assets					
Stocks	9	25,929,151	25,929,151	23,180,232	23,180,232
Debtors	10	2,896,430	3,586,627	2,675,796	3,365,992
Cash at bank and in hand		<u>240,299</u>	<u>234,507</u>	<u>413,710</u>	<u>407,918</u>
		29,065,880	29,750,285	26,269,738	26,954,142
Creditors: amounts falling due within one year	11	<u>(25,348,085)</u>	<u>(25,346,499)</u>	<u>(16,265,515)</u>	<u>(16,263,929)</u>
Net current assets		<u>3,717,795</u>	<u>4,403,786</u>	<u>10,004,223</u>	<u>10,690,213</u>
Total assets less current liabilities		<u>18,496,391</u>	<u>18,630,778</u>	<u>18,504,641</u>	<u>18,639,028</u>
Creditors: amounts falling due after more than one year	12	<u>(136,194)</u>	<u>(136,194)</u>	<u>(127,762)</u>	<u>(127,762)</u>
Net assets		<u>18,360,197</u>	<u>18,494,584</u>	<u>18,376,879</u>	<u>18,511,266</u>
Capital and reserves					
Called-up share capital	13	5,109,893	5,109,893	5,109,893	5,109,893
Share premium account		8,110,576	8,110,576	8,110,576	8,110,576
Share-based payments reserve		348,980	348,980	348,980	348,980
Profit and loss account		<u>4,790,748</u>	<u>4,925,135</u>	<u>4,807,430</u>	<u>4,941,817</u>
Equity Shareholders' funds		<u>18,360,197</u>	<u>18,494,584</u>	<u>18,376,879</u>	<u>18,511,266</u>

Signed on behalf of the Board



S.P.Coughlin
Director

Registered number SC 209196

7 November 2016

The accompanying notes form part of the financial statements

Statement of changes in equity

As at 31 March 2016

Group

	Called-up Share capital £	Share Premium £	Share-based Payment reserve £	Profit and loss account £	Total Equity £
At 1 April 2014	5,109,893	8,110,576	348,980	3,347,186	16,916,635
Profit for year	-	-	-	1,460,244	1,460,244
At 31 March 2015	5,109,893	8,110,576	348,980	4,807,430	18,376,879
Loss for the year	-	-	-	(16,682)	(16,682)
At 31 March 2016	5,109,893	8,110,576	348,980	4,790,748	18,360,197

Company

	Called-up Share capital £	Share Premium £	Share-based Payment reserve £	Profit and loss account £	Total Equity £
At 1 April 2014	5,109,893	8,110,576	348,980	3,481,573	17,051,022
Profit for year	-	-	-	1,460,244	1,460,244
At 31 March 2015	5,109,893	8,110,576	348,980	4,941,817	18,511,266
Loss for the year	-	-	-	(16,682)	(16,682)
At 31 March 2016	5,109,893	8,110,576	348,980	4,925,135	18,494,584

Group cash flow statement

As at 31 March 2016

	Note	2016	2015
		£	£
Cash inflow from operating activities	15a	<u>6,738,096</u>	<u>1,950,514</u>
Investing activities			
Payments to acquire tangible fixed assets		(6,882,231)	(2,115,254)
Receipts from sales of tangible fixed assets		<u>11,133</u>	<u>81,355</u>
Net cash flow from investing activities		<u>(6,871,098)</u>	<u>(2,033,899)</u>
Financing activities			
Interest element of finance lease rental payments		(4,872)	(2,751)
Repayment of capital element of finance leases and hire purchase contracts		<u>(35,537)</u>	<u>(18,767)</u>
Net cash flow from financing activities		<u>(40,409)</u>	<u>(21,518)</u>
(Decrease)/Increase in cash and cash equivalents		(173,411)	136,928
Cash and cash equivalents at 1 April 2015		<u>413,710</u>	<u>276,782</u>
Cash and cash equivalents at 31 March 2016		<u>240,299</u>	<u>413,710</u>

The accompanying notes form part of the financial statements

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies

Statement of Compliance

Bruichladdich Distillery Company Limited is a limited company incorporated in Scotland. The Registered Office is Bruichladdich, Isle of Islay, PA49 7UN.

The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 20.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 March 2016.

The principal accounting policies, have been consistently applied throughout the year:

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial reporting Standard 102, the financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the group.

b) Basis of consolidation

The group accounts consolidate the accounts of Bruichladdich Distillery Company Limited and its subsidiary undertakings for the year ended 31 March 2016. No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006.

c) Tangible fixed assets

Fixed assets are stated at original historical cost less aggregate depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its estimated useful life as follows:

Land	Land is not depreciated
Freehold property	2% per annum
Plant and machinery	5% or 10% per annum
Casks	5% per annum
<i>Other assets comprise:</i>	
Motor vehicles	25% per annum
Equipment and furniture	25% per annum
Computer costs	33.3% per annum

The carrying value of assets in the course of construction is their purchase price together with any incidental cost of acquisition and construction. These assets will be depreciated once the assets are brought into use.

d) Investments

Fixed asset investments are shown at cost less provision for impairment.

Notes to the financial statements

For the year ended 31 March 2016

1 Accounting policies (continued)

e) Stocks

Stocks of whisky are stated at the lower of cost and net realisable value. In the case of the group's own production, cost comprises direct materials, direct labour and attributable overheads, and in the case of other whisky stocks, purchase price. Other stocks (comprising raw materials and dry goods) are valued at the lower of purchase price and net realisable value which is based on estimated selling price.

f) Taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profit and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balanced sheet date.

g) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for delivery of the goods.

h) Leased assets

Fixed assets acquired under finance leases and hire purchase contracts are stated at their fair value at the date of acquisition, with an equivalent liability categorised as appropriate under creditors due within or after one year. Finance charges are allocated to accounting years over the year of the lease to produce a constant rate of return on the outstanding balance.

Rentals applicable to operating leases are recognised in the income statement as incurred.

i) Pensions

The group operates a defined contribution pension scheme. The amount charged to the income statement in respect of pension costs represents the amount payable by the group in the year.

j) Government grants

Government grants received in respect of expenditure on fixed assets are credited to accruals and deferred income. Amounts are then released from this account to income over the assets' estimated useful life.

Notes to the financial statements

For the year ended 31 March 2016

2 Turnover information

Geographical segments:

Revenue comprises the value of sales net of trade discounts (excluding VAT) of goods and services supplied in the normal course of business.

	2016 £	2015 £
Turnover by destination:		
United Kingdom	3,607,244	3,071,093
Europe	7,789,860	6,223,156
Rest of the world	3,756,858	4,888,769
	<u>15,153,962</u>	<u>14,183,018</u>

3 Interest payable and similar charges

	2016 £	2015 £
Bank loans, overdrafts and other loans		
Interest payable on loans from group undertakings	304,968	218,270
Interest element payable under finance leases and hire purchase contracts	4,872	2,751
	<u>309,840</u>	<u>221,021</u>

Notes to the financial statements

For the year ended 31 March 2016

4 Employees

Average monthly number of people (including directors) employed by the group during the year:

	2016	2015
	Number	Number
Production	39	38
Sales and marketing	12	8
Administration	20	21
	<u>71</u>	<u>67</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	3,059,666	2,772,120
Social security costs	374,328	349,473
Pension contributions to money purchase schemes	188,275	179,435
	<u>3,622,269</u>	<u>3,301,028</u>

Directors' emoluments

	2016	2015
	£	£
Directors' remuneration	299,574	370,602
Directors' pension contributions to money purchase schemes	16,211	21,016
	<u>315,785</u>	<u>391,618</u>
The emoluments of the highest paid director	<u>230,076</u>	<u>219,163</u>

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

Money purchase schemes	<u>1</u>	<u>2</u>
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Two other directors do not perform qualifying services to the company, therefore their emoluments are £nil (2015 - £nil).

Notes to the financial statements

For the year ended 31 March 2016

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is arrived at after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible fixed assets (including wood amortisation)	444,278	380,908
Government grants	(18,129)	(20,029)
Auditors' remuneration	24,000	20,000
Exchange losses/(gains)	176,222	(98,240)
Operating lease rentals – land and buildings	41,600	41,600
Operating lease rentals – other	67,481	102,056
	<u> </u>	<u> </u>
<i>Exceptional items:</i>		
(Profit) on sale of tangible fixed assets	-	(77,262)
	<u> </u>	<u> </u>
	-	(77,262)
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 31 March 2016

6 Taxation

Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 £	2015 £
UK corporation tax at 20% (2015 – 21%)		
Total current tax	-	-
Deferred tax:		
Originination and reversal of timing differences	41,524	437,688
Effect of decrease tax rate on opening liability	-	-
Unrelieved tax losses carried forward	41,524	437,688
	<u>41,524</u>	<u>437,688</u>
Group current tax	-	-
Group deferred tax	41,524	437,688
Group tax on ordinary activities	<u>41,524</u>	<u>437,688</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>24,842</u>	<u>1,897,932</u>
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 20% (2015 - 21%)	4,968	398,566
Effects of:		
Expenses not allowed for tax purposes	<u>36,556</u>	<u>39,122</u>
Group tax on ordinary activities	<u>41,524</u>	<u>437,688</u>

Notes to the financial statements

For the year ended 31 March 2016

6 Taxation (continued)

Deferred tax:

The deferred tax included in the balance sheet is as follows:

	2016	2015
	£	£
Included in debtors	<u>205,625</u>	<u>247,149</u>
Accelerated capital allowances	(472,095)	(301,490)
Tax losses carried forward	<u>677,720</u>	<u>548,639</u>
	<u>205,625</u>	<u>247,149</u>
At 1 April 2015		247,149
Charge to income statement		<u>(41,524)</u>
At 31 March 2016		<u>205,625</u>

Notes to the financial statements

For the year ended 31 March 2016

7 Tangible fixed assets

Group

	Land & Freehold property	Assets Under construction	Plant and machinery	Casks and other assets	Total
	£	£	£	£	£
Cost					
Beginning of year	2,981,168	-	5,136,898	4,194,249	12,312,315
Additions	1,468,843	3,652,917	681,237	1,159,369	6,962,366
Disposals	-	-	(19,900)	(35,462)	(55,362)
End of year	<u>4,450,011</u>	<u>3,652,917</u>	<u>5,798,235</u>	<u>5,318,156</u>	<u>19,219,319</u>
Depreciation					
Beginning of year	499,800	-	2,112,594	1,199,503	3,811,897
Charge for the year	46,644	-	277,992	348,419	673,055
Disposals	-	-	(10,705)	(33,524)	(44,229)
End of year	<u>546,444</u>	<u>-</u>	<u>2,379,881</u>	<u>1,514,398</u>	<u>4,440,723</u>
Net book value					
End of year	<u>3,903,567</u>	<u>3,652,917</u>	<u>3,418,354</u>	<u>3,803,758</u>	<u>14,778,596</u>
Beginning of year	<u>2,481,368</u>	<u>-</u>	<u>3,024,304</u>	<u>2,994,746</u>	<u>8,500,418</u>
Leased assets included in the above:					
Net book value					
End of year	<u>-</u>	<u>-</u>	<u>126,524</u>	<u>-</u>	<u>126,524</u>
Beginning of year	<u>-</u>	<u>-</u>	<u>60,079</u>	<u>-</u>	<u>60,079</u>

The net book value of assets held and secured under finance leases and hire purchase agreements at 31 March 2016 was £126,524 (2015 - £60,079). Depreciation charged on these assets amounted to £13,690 (2015 - £6,002).

Value of land included in Land and Freehold property above at 31 March 2016 is £1,775,311 (2015 - £684,404).

Notes to the financial statements

For the year ended 31 March 2016

7 Tangible fixed assets (continued)

Company

	Land & Freehold property	Assets under construction	Plant and machinery	Casks and other assets	Total
	£	£	£	£	£
Cost					
Beginning of year	2,416,765	-	5,136,898	4,194,249	11,747,912
Additions	1,468,841	3,652,917	681,236	1,159,369	6,962,365
Disposals	-	-	(19,900)	(35,462)	(55,362)
End of year	<u>3,885,608</u>	<u>3,652,917</u>	<u>5,798,234</u>	<u>5,318,156</u>	<u>18,654,915</u>
Depreciation					
Beginning of year	487,001	-	2,112,594	1,199,503	3,799,098
Charge for the year	46,644	-	277,992	348,419	673,055
Disposals	-	-	(10,705)	(33,524)	(44,229)
End of year	<u>533,645</u>	<u>-</u>	<u>2,379,881</u>	<u>1,514,398</u>	<u>4,427,924</u>
Net book value					
End of year	<u>3,351,963</u>	<u>3,652,917</u>	<u>3,418,353</u>	<u>3,803,758</u>	<u>14,226,991</u>
Beginning of year	<u>1,929,764</u>	<u>-</u>	<u>3,024,304</u>	<u>2,994,746</u>	<u>7,948,814</u>
Leased assets included in the above:					
Net book value					
End of year	<u>-</u>	<u>-</u>	<u>126,524</u>	<u>-</u>	<u>126,524</u>
Beginning of year	<u>-</u>	<u>-</u>	<u>60,079</u>	<u>-</u>	<u>60,079</u>

The net book value of assets held and secured under finance leases and hire purchase agreements at 31 March 2016 was £126,524 (2015 - £60,079). Depreciation charged on these assets amounted to £13,690 (2015 - £6,002).

Value of land included in Land and Freehold property above at 31 March 2016 is £1,090,907 (2015 - £nil).

Notes to the financial statements

For the year ended 31 March 2016

8 Fixed asset investments

Fixed asset investments comprise the following:

	2016	2015
	£	£
Subsidiary undertakings at cost	<u>1</u>	<u>1</u>
Beginning of year	1	1
Amounts written off during the year	-	-
End of year	<u>1</u>	<u>1</u>

Name	Place of registration	Description	Proportion of nominal value of issued shares held
<i>Subsidiary undertakings:</i>			
Lochindaal Distillery Limited	Scotland	1 £1 ordinary shares	100%
Port Charlotte Limited	Scotland	100 £1 ordinary shares	100%
The Botanist Limited	Scotland	1 £1 ordinary shares	100%

Lochindaal Distillery Limited

Lochindaal Distillery Limited's principal activity is the development of a new distillery at Port Charlotte.

Dormant subsidiaries:

Port Charlotte Limited

The Botanist Limited

9 Stocks

	2016		2015	
	Group £	Company £	Group £	Company £
Whisky	24,603,084	24,603,084	21,620,015	21,620,015
Other stocks	<u>1,326,067</u>	<u>1,326,067</u>	<u>1,560,217</u>	<u>1,560,217</u>
	<u>25,929,151</u>	<u>25,929,151</u>	<u>23,180,232</u>	<u>23,180,232</u>

Stocks recognised in cost of sales during the year as an expense was £9,674,441 (2015 - £7,729,319)

Notes to the financial statements

For the year ended 31 March 2016

10 Debtors

	2016		2015	
	Group £	Company £	Group £	Company £
Amounts falling due within one year:				
Trade debtors	189,112	189,112	328,496	328,496
Amounts owed by group undertakings	1,482,891	2,173,088	1,587,072	2,277,268
Directors' loan accounts	406	406	1,162	1,162
Other debtors	1,018,396	1,018,396	511,917	511,917
	<u>2,690,805</u>	<u>3,381,002</u>	<u>2,428,647</u>	<u>3,118,843</u>
Amounts falling due after more than one year:				
Deferred tax	205,625	205,625	247,149	247,149
	<u>2,896,430</u>	<u>3,586,627</u>	<u>2,675,796</u>	<u>3,365,992</u>

11 Creditors: Amounts falling due within one year

	2016		2015	
	Group £	Company £	Group £	Company £
Obligations under hire purchase and similar contracts	32,038	32,038	14,001	14,001
Trade creditors	1,191,844	1,191,844	2,110,659	2,110,659
Amounts due to group undertakings	22,279,505	22,279,505	12,430,574	12,430,574
Directors' loan accounts	-	-	558	558
Other taxation and social security	94,607	94,607	92,183	92,183
Other creditors	68,152	66,566	133,090	131,504
Accruals and deferred income	1,681,939	1,681,939	1,484,450	1,484,450
	<u>25,348,085</u>	<u>25,346,499</u>	<u>16,265,515</u>	<u>16,263,929</u>

Notes to the financial statements

For the year ended 31 March 2016

12 Creditors: Amounts falling due after more than one year

	2016		2015	
	Group £	Company £	Group £	Company £
Obligations under hire purchase and similar contracts	62,323	62,323	35,762	35,762
Deferred income	73,871	73,871	92,000	92,000
	<u>136,194</u>	<u>136,194</u>	<u>127,762</u>	<u>127,762</u>

Obligations under hire purchase and similar contracts:

The maturity of these amounts is as follows:

Amounts payable:

- within one year	37,790	37,790	16,247	16,247
- between one to five years	73,788	73,788	41,576	41,576
	<u>111,578</u>	<u>111,578</u>	<u>57,823</u>	<u>57,823</u>
Finance charges allocated to future years	(17,217)	(17,217)	(8,060)	(8,060)
	<u>94,361</u>	<u>94,361</u>	<u>49,763</u>	<u>49,763</u>

Analysed as follows:

Current obligations (Note 11)	32,038	32,038	14,001	14,001
Non current obligations	62,323	62,323	35,762	35,762
	<u>94,361</u>	<u>94,361</u>	<u>49,763</u>	<u>49,763</u>

13 Called-up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid:</i>		
5,109,893 ordinary shares of £1 each	5,109,893	5,109,893
	<u>5,109,893</u>	<u>5,109,893</u>

Notes to the financial statements

For the year ended 31 March 2016

14 Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Share-based payment reserve

The group issues share options to certain employees. In accordance with FRS102 the group reflects the economic cost of awarding shares to employees by recording an expense in the profit and loss account equal to the fair value of the benefit awarded, fair value being determined by reference to option pricing models. The expense is recognised in the income statement over the vesting period with a corresponding credit to "share-based payments reserve" in the balance sheet.

The calculation of the fair values of the options issued by the company has been based upon the Black-Scholes pricing model together with a number of subjective assumptions, the most significant of which is that the expected volatility of the company's shares will be 15%.

15 Cash flow statement

(a) Reconciliation of profit to net cash inflow from operating activities

	2016 £	2015 £
Operating profit	334,682	2,118,953
Depreciation of tangible fixed assets	444,278	380,908
(Profit) on sale of fixed assets	-	(77,262)
Taxation	-	241,831
Increase in stocks	(2,520,140)	(3,723,168)
(Increase)/decrease in debtors	(262,160)	808,528
Increase in creditors	8,741,436	2,442,555
Net cash inflow from operating activities	<u>6,738,096</u>	<u>2,192,345</u>

b) Cash and cash equivalents

	At 01/04/2015	Cash flows	At 31/03/2016
Cash at bank	<u>413,710</u>	<u>(173,411)</u>	<u>240,299</u>

Notes to the financial statements

For the year ended 31 March 2016

16 Pension contributions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £188,275 (2015 - £179,435). Contributions totalling £20,279 (2015 - £13,354) were payable by the group to the fund at the year end and are included in creditors.

17 Financial commitments

Group & company	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
<i>a) Operating leases</i>				
Future minimum rentals payable under non cancellable operating leases:				
- within one year	41,600	41,600	71,421	45,760
- between two and five years	20,800	62,400	122,849	56,150
	<u>62,400</u>	<u>104,000</u>	<u>194,270</u>	<u>101,910</u>
<i>b) Capital commitments</i>				
Contracted for but not provided for	<u>1,981,421</u>	<u>77,000</u>	<u>-</u>	<u>40,000</u>

18 Related party transactions

- (a) The company has taken advantage of the exemption available under FRS 102 not to disclosure transactions with other members of the group.
- (b) The following executive directors' loan balances due to the company subsisted during the year. All balances were unsecured, interest free and have no fixed date of repayment:

	End of year	Beginning of Year	Maximum balance during year
Director	£	£	£
S.P.Coughlin	1,052	(558)	3,254
J.McEwan	-	1,162	1,162

19 Ultimate Parent Company

The company's immediate parent company is Remy Cointreau UK Limited, a company registered in England & Wales. Copies of the Remy Cointreau UK Limited financial statements can be obtained from Remy Cointreau UK Limited, The Pinnacle, 160 Midsummer Boulevard, Milton Keynes, Buckinghamshire. MK9 1FF.

The ultimate parent undertaking and controlling party is Remy Cointreau SA, a company incorporated in France. Copies of the Remy Cointreau SA consolidated financial statements to which the results of Bruichladdich Distillery Company Limited are included can be obtained from Remy Cointreau SA, Rue Joseph, Pataa, 16100 Cognac, France.

Notes to the financial statements

For the year ended 31 March 2016

20 Transition to FRS102

This is the first financial year that the company has presented its financial statements in accordance with FRS 102 'The Financial Reporting Framework Applicable in the UK and Republic of Ireland'. For financial years up to and including the year ending 31 March 2015, the company prepared its financial statements in accordance with old UK GAAP.

The company's date of transition to FRS 102 is therefore 1 April 2014. This note sets out the changes to accounting policies and the transitional adjustments that are required to be made for first-time transition to FRS 102. The company's opening equity position as at 1 April 2014 and its previously published financial statements for the year ended 31 March 2015 have been restated from old UK GAAP.

(a) Restated statement of financial position

	Group £	Company £
Equity shareholders funds at 1 April 2014 under previous UK GAAP	16,916,635	17,051,022
Effect of transition	-	-
Equity shareholders funds at 1 April 2014 under FRS 102	<u>16,916,635</u>	<u>17,051,022</u>
	Group £	Company £
Equity shareholders funds at 31 March 2015 under previous UK GAAP	18,376,879	18,511,266
Effect of transition	-	-
Equity shareholders funds at 31 March 2015 under FRS 102	<u>18,376,879</u>	<u>18,511,266</u>

(b) Restated income statement for the year ended 31 March 2015

	£
Profit for the year ended 31 March 2015 under previous UK GAAP	1,460,244
Effect of transition	-
Profit for the year ended 31 March 2015 under FRS102	<u>1,460,244</u>