

BRUICHLADDICH

PROGRESSIVE HEBRIDEAN DISTILLERS

Bruichladdich Distillery Company Limited

Financial statements for the year ended 31 March 2014

Registered number: SC 209196

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COMPANIES HOUSE

Strategic Report

For the year ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

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 2014 are set out on pages 6 to 24. The group profit/(loss) for the year before taxation was £162,052 (2013 - £(471,762)) and after taxation it was £100,283 (2013 - £597,537) after deducting exceptional items of £80,188 (2013 - £1,000,118). Turnover decreased from £12,997,493 to £11,125,880 however the prior period represented a 15 months trading period. During the year the investment in distilled bulk whisky stocks increased from £15,797,491 to £18,086,063.

Key Performance Indicators

	Year ended 31 March 2014	15 months Period ended 31 March 2013
Turnover	£11,125,880	£12,997,493
Turnover (decrease)/increase	(14.4%)	48.9%
Turnover per employee	£185,431	£232,098
Gross profit margin	42.9%	45.9%
Pre-tax profit/(loss) margin	1.5%	(3.6)%
Earnings before interest, tax and depreciation	£715,125	£565,353
Earnings before interest, tax and depreciation before exceptional items	£795,313	£1,565,471

Future developments

The continued support of Remy Cointreau gives the company the ability to continue to expand its investment program into bulk whisky stocks. During the current year the company will fully integrate its new product range and sales activities into the Remy Cointreau group distribution channels.

Strategic Report

For the year ended 31 March 2014

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

A handwritten signature in black ink, appearing to be 'S.P. Coughlin', with a long horizontal flourish extending to the right.

S.P. Coughlin
Director

7 July 2014

Directors' report

For the year ended 31 March 2014

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 2014.

Directors

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

S.P.Coughlin

F.Heriard Dubreuil (appointed 24.1.2014)

J.M.Laborde

C.Liabastre

J.McEwan

F.J.E. Pflanz (resigned 24.1.2014)

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). 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.

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.

Directors' report

For the year ended 31 March 2014

Dividends proposed and transfers to reserves

Payment of a dividend is not recommended. The retained profit for the year of £100,283 (2013 - £597,537) 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.

Buichladdich Distillery
Isle of Islay
Argyll
PA49 7UN

7 July 2014

By order of the board

A handwritten signature in black ink, appearing to be 'S.P. Coughlin', written over a horizontal line.

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 2014 which comprise the consolidated profit and loss account, group and company balance sheets, consolidated cash flow statement and related notes 1 to 22. 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).

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 4, 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. 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 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

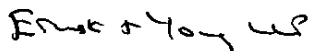
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.



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

7 July 2014

Consolidated profit and loss account

For the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Turnover	2	11,125,880	12,997,493
Cost of sales		(6,350,580)	(7,038,362)
Gross profit		4,775,300	5,959,131
Selling and marketing expenses		(1,270,472)	(2,042,578)
Administrative expenses		(3,032,190)	(2,945,597)
Exceptional items	5	(80,188)	(1,000,118)
Operating profit/(loss)		392,450	(29,162)
Interest payable and similar charges	3	(230,398)	(442,599)
Profit/(loss) on ordinary activities before taxation	5	162,052	(471,761)
Tax on profit/(loss) on ordinary activities	6	(61,769)	1,069,298
Profit for the financial year	16	100,283	597,537

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

The group has no recognised gains or losses other than the profit for either current year or prior period. Accordingly, a statement of total recognised gains and losses has not been presented.

The accompanying notes form part of the financial statements

7 BRUICHLADDICH DISTILLERY COMPANY LIMITED

Balance sheets

31 March 2014

	Note	31.3.2014		31.3.2013	
		Group £	Company £	Group £	Company £
Fixed assets					
Tangible assets	7	6,945,132	6,393,528	5,530,006	4,978,402
Investments	8	-	1	-	2
		<u>6,945,132</u>	<u>6,393,529</u>	<u>5,530,006</u>	<u>4,978,404</u>
Current assets					
Stocks	9	19,269,982	19,269,982	16,741,037	16,741,037
Debtors	10	4,163,843	4,854,039	3,186,399	3,876,595
Cash at bank and in hand		<u>276,782</u>	<u>270,990</u>	<u>167,352</u>	<u>161,561</u>
		23,710,607	24,395,011	20,094,788	20,779,193
Creditors: amounts falling due within one year	11	<u>(13,590,923)</u>	<u>(13,589,337)</u>	<u>(8,671,498)</u>	<u>(8,669,914)</u>
Net current assets		<u>10,119,684</u>	<u>10,805,674</u>	<u>11,423,290</u>	<u>12,109,279</u>
Total assets less current liabilities		<u>17,064,816</u>	<u>17,199,203</u>	<u>16,953,296</u>	<u>17,087,683</u>
Creditors: amounts falling due after more than one year	12	<u>(148,181)</u>	<u>(148,181)</u>	<u>(136,944)</u>	<u>(136,944)</u>
Net assets		<u>16,916,635</u>	<u>17,051,022</u>	<u>16,816,352</u>	<u>16,950,739</u>
Capital and reserves					
Called-up share capital	13	5,109,893	5,109,893	5,109,893	5,109,893
Share premium account	14	8,110,576	8,110,576	8,110,576	8,110,576
Share-based payments reserve	15	348,980	348,980	348,980	348,980
Profit and loss account	16	<u>3,347,186</u>	<u>3,481,573</u>	<u>3,246,903</u>	<u>3,381,290</u>
Equity Shareholders' funds	17	<u>16,916,635</u>	<u>17,051,022</u>	<u>16,816,352</u>	<u>16,950,739</u>

Signed on behalf of the Board



S.P. Coughlin
Director

Registered number SC 209196

7 July 2014

The accompanying notes form part of the financial statements

8 BRUICHLADDICH DISTILLERY COMPANY LIMITED

Consolidated cash flow statement

For the year ended 31 March 2014

	Note	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Cash inflow from operating activities	18a	1,949,668	4,656,361
Returns on investments and servicing of finance	18b	(2,127)	(317,470)
Taxation	18b	-	(245,896)
Capital expenditure and financial investment	18b	(1,822,335)	(1,554,948)
Cash inflow before financing		125,206	2,538,047
Financing	18b	(15,776)	(1,234,932)
Increase in cash in the year		<u>109,430</u>	<u>1,303,115</u>
 Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		109,430	1,303,115
Cash outflow from decrease in debt		<u>15,776</u>	<u>8,128,053</u>
Movement in net debt from cash flows		125,206	9,431,168
New hire purchase and similar contracts		(58,002)	-
Net cash/(debt) at beginning of year		<u>153,163</u>	<u>(9,278,005)</u>
Net cash at end of year	18c	<u>220,367</u>	<u>153,163</u>

The accompanying notes form part of the financial statements

Notes to the financial statements

For the year ended 31 March 2014

1 Accounting policies

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

Going concern

The company is dependent on continuing finance being made available by its parent company to enable it to continue operating and meets 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 financial statements on a going concern basis. This agreement covers a minimum year of 12 months from the date of signing these financial statements.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

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 2014. The results of the subsidiaries acquired are consolidated for the year from the date on which control passed. 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:

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 2014

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

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision is made at current rates for tax deferred in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable. The company has not adopted a policy of discounting deferred tax assets and liabilities.

g) Turnover

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

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 profit and loss account as incurred.

i) Pensions

The group operates a defined contribution pension scheme. The amount charged to the profit and loss account 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.

k) Share-based payments

The group issued share options to certain employees which were all exercised or lapsed at the time of the acquisition of the company's share capital, as highlighted in the 31 March 2013 financial statements.

Notes to the financial statements

For the year ended 31 March 2014

2 Segment information

Geographical segments:

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Turnover by destination:		
United Kingdom	2,606,590	3,487,688
Europe	4,027,949	5,004,742
Rest of the world	4,491,341	4,505,063
	<u>11,125,880</u>	<u>12,997,493</u>

3 Interest payable and similar charges

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Bank loans, overdrafts and other loans		
- repayable within five years, by instalment	-	64,141
- repayable within five years, not by instalment	228,271	249,945
- repayable after five years	-	127,669
Interest element payable under finance leases and hire purchase contracts	2,127	844
	<u>230,398</u>	<u>442,599</u>

Notes to the financial statements

For the year ended 31 March 2014

4 Employees

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

	Year ended 31 March 2014	15 month period ended 31 March 2013
	Number	Number
Production	37	34
Sales and marketing	7	7
Administration	16	15
	<u>60</u>	<u>56</u>

Their aggregate remuneration comprised:

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Wages and salaries	2,437,286	2,714,126
Social security costs	303,540	455,026
Pension contributions to money purchase schemes	108,025	65,261
Compensation for loss of office	69,188	152,250
EMI and Unapproved share option gains	-	4,635,653
FRS 20 Cost of employee share schemes	-	38,720
	<u>2,918,039</u>	<u>8,061,036</u>

Directors' emoluments

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Directors' remuneration	349,645	842,331
Directors' pension contributions to money purchase schemes	20,728	18,477
Compensation for loss of office	-	156,250
EMI and Unapproved share option gains	-	3,311,764
	<u>370,373</u>	<u>4,328,822</u>
The emoluments of the highest paid director	<u>199,952</u>	<u>977,459</u>
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	<u>2</u>	<u>4</u>

Notes to the financial statements

For the year ended 31 March 2014

5 Profit/(loss) on ordinary activities before taxation

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

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Depreciation of tangible fixed assets	322,675	594,514
Government grants	(22,488)	(43,419)
Auditors' remuneration	20,000	20,000
Operating lease rentals – land and buildings	41,600	43,333
Operating lease rentals – other	161,762	182,711
	<u>80,188</u>	<u>1,000,118</u>
<i>Exceptional items:</i>		
<i>Costs of a fundamental reorganisation or restructuring having a material effect on the company's operations:</i>		
Director and employee company sale bonuses	-	468,078
Legal and professional fees	-	159,809
Bank loan early redemption fees	-	104,900
Compensation for loss of office	80,188	211,992
Release of deferred revenues in respect to revenue grants received in prior years	-	(84,128)
<i>Profits or losses on the sale or termination of an operation:</i>		
Provision for onerous contract in respect to anaerobic digestion plant and machinery	-	288,967
Profit on sale of trade and assets of Murray McDavid Limited	-	(149,500)
	<u>80,188</u>	<u>1,000,118</u>

Notes to the financial statements

For the year ended 31 March 2014

6 Taxation

Year ended 31 March 2014	15 month period ended 31 March 2013
£	£

Analysis of the tax charge/(credit)

The tax charge on the profit/(loss) on ordinary activities for the year was as follows:

Current tax:

UK corporation tax

Deferred tax

-	(241,831)
61,769	(827,467)
<u>61,769</u>	<u>(1,069,298)</u>

Factors affecting the tax charge

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

Year ended 31 March 2014	15 month period ended 31 March 2013
£	£

Profit/(loss) on ordinary activities before tax

162,052	(471,760)
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Profit/(loss) on ordinary activities multiplied by the standard rate of tax in the UK of 21%(2013 - 24.4%)

34,031	(115,109)
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Effects of:

Depreciation in excess of capital allowances

(89,208)	63,168
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EMI and Unapproved share option gains

-	(1,125,193)
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Expenses not allowed for tax purposes

22,750	29,286
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Unrelieved tax losses carried forward

32,427	916,708
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Effect of rate change on loss carried forward

-	(10,691)
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Current tax charge

-	(241,831)
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Deferred tax

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

Accelerated capital allowances

(226,344)	(58,566)
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Unrelieved tax losses carried forward

911,181	805,172
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<u>684,837</u>	<u>746,606</u>
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The Government has announced that it intends to reduce the main UK corporation tax rate to 20% from 1 April 2015. The rate of corporation tax reduced to 21% from 1 April 2014 and will reduce to 20% from 1 April 2015. The estimated impact on the deferred tax asset will be a reduction of £32,309.

Notes to the financial statements

For the year ended 31 March 2014

7 Tangible fixed assets

Group

	Freehold property	Plant and machinery	Casks and other assets	Total
	£	£	£	£
Cost				
Beginning of year	2,760,844	3,052,215	2,565,790	8,378,849
Additions	-	1,121,188	761,967	1,883,155
Disposals	-	-	(37,859)	(37,859)
End of year	<u>2,760,844</u>	<u>4,173,403</u>	<u>3,289,898</u>	<u>10,224,145</u>
Depreciation				
Beginning of year	410,070	1,762,227	676,546	2,848,843
Charge for the year	43,930	145,719	270,148	459,797
Disposals	-	-	(29,627)	(29,627)
End of year	<u>454,000</u>	<u>1,907,946</u>	<u>917,067</u>	<u>3,279,013</u>
Net book value				
End of year	<u>2,306,844</u>	<u>2,265,457</u>	<u>2,372,831</u>	<u>6,945,132</u>
Beginning of year	<u>2,350,774</u>	<u>1,289,988</u>	<u>1,889,244</u>	<u>5,530,006</u>
Leased assets included in the above:				
Net book value				
End of year	<u>-</u>	<u>53,966</u>	<u>-</u>	<u>53,966</u>
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net book value of assets held and secured under finance leases and hire purchase agreements at 31 March 2014 was £53,966 (2013 - £ nil). Depreciation charged on these assets amounted to £4,036 (2013 - £8,996).

Notes to the financial statements

For the year ended 31 March 2014

7 Tangible fixed assets (continued)

Company

	Freehold property	Plant and machinery	Casks and other assets	Total
	£	£	£	£
Cost				
Beginning of year	2,196,441	3,052,215	2,565,790	7,814,446
Additions	-	1,121,188	761,967	1,883,155
Disposals	-	-	(37,859)	(37,859)
End of year	<u>2,196,441</u>	<u>4,173,403</u>	<u>3,289,898</u>	<u>9,659,742</u>
Depreciation				
Beginning of year	397,271	1,762,227	676,546	2,836,044
Charge for the year	43,930	145,719	270,148	459,797
Disposals	-	-	(29,627)	(29,627)
End of year	<u>441,201</u>	<u>1,907,946</u>	<u>917,067</u>	<u>3,266,214</u>
Net book value				
End of year	<u>1,755,240</u>	<u>2,265,457</u>	<u>2,372,831</u>	<u>6,393,528</u>
Beginning of year	<u>1,799,170</u>	<u>1,289,988</u>	<u>1,889,244</u>	<u>4,978,402</u>
Leased assets included in the above:				
Net book value				
End of year	<u>-</u>	<u>53,966</u>	<u>-</u>	<u>53,966</u>
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net book value of assets held and secured under finance leases and hire purchase agreements at 31 March 2014 was £53,966 (2013 - £ nil). Depreciation charged on these assets amounted to £4,036 (2013 - £8,996).

Notes to the financial statements

For the year ended 31 March 2014

8 Fixed asset investments

Fixed asset investments comprise the following:

	31 March 2014	31 March 2013
	£	£
Subsidiary undertakings at cost	<u>1</u>	<u>2</u>
Beginning of year	2	175,003
Amounts written off during the year	<u>(1)</u>	<u>(175,001)</u>
End of year	<u>1</u>	<u>2</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

	31 March 2014		31 March 2013	
	Group	Company	Group	Company
	£	£	£	£
Whisky	18,086,063	18,086,063	15,797,491	15,797,491
Other stocks	<u>1,183,919</u>	<u>1,183,919</u>	<u>943,546</u>	<u>943,546</u>
	<u>19,269,982</u>	<u>19,269,982</u>	<u>16,741,037</u>	<u>16,741,037</u>

Notes to the financial statements

For the year ended 31 March 2014

10 Debtors

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Amounts falling due within one year:				
Trade debtors	2,821,490	2,821,490	1,395,515	1,395,515
Amounts owed by group undertakings	-	690,196	-	690,196
Directors' loan accounts	334	334	320	320
Corporation tax	241,831	241,831	241,831	241,831
Other debtors	415,351	415,351	802,127	802,127
	<u>3,479,006</u>	<u>4,169,202</u>	<u>2,439,793</u>	<u>3,129,989</u>
Amounts falling due after more than one year:				
Deferred tax	684,837	684,837	746,606	746,606
	<u>4,163,843</u>	<u>4,854,039</u>	<u>3,186,399</u>	<u>3,876,595</u>

11 Creditors: Amounts falling due within one year

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Obligations under hire purchase and similar contracts	18,364	18,364	7,403	7,403
Trade creditors	859,322	859,322	1,128,039	1,128,039
Amounts due to group undertakings	11,236,134	11,236,134	6,339,075	6,339,075
Other taxation and social security	67,817	67,817	56,833	56,833
Other creditors	247,723	246,137	247,386	247,387
Accruals and deferred income	1,161,563	1,161,563	892,762	891,177
	<u>13,590,923</u>	<u>13,589,337</u>	<u>8,671,498</u>	<u>8,669,914</u>

Notes to the financial statements

For the year ended 31 March 2014

12 Creditors: Amounts falling due after more than one year

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Obligations under hire purchase and similar contracts	38,051	38,051	6,786	6,786
Deferred income	110,130	110,130	130,158	130,158
	<u>148,181</u>	<u>148,181</u>	<u>136,944</u>	<u>136,944</u>

Obligations under hire purchase and similar contracts:

The maturity of these amounts is as follows:

Amounts payable:

- within one year	21,042	21,042	8,354	8,354
- between one to five years	43,990	43,990	7,658	7,658
	<u>65,032</u>	<u>65,032</u>	<u>16,012</u>	<u>16,012</u>
Finance charges allocated to future years	(8,616)	(8,616)	(1,823)	(1,823)
	<u>56,416</u>	<u>56,416</u>	<u>14,189</u>	<u>14,189</u>

Analysed as follows:

Current obligations (Note 11)	18,364	18,364	7,403	7,403
Non current obligations	38,051	38,051	6,786	6,786
	<u>56,416</u>	<u>56,416</u>	<u>14,189</u>	<u>14,189</u>

13 Called-up share capital

	31 March 2014 £	31 March 2013 £
<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>

14 Share premium

	31 March 2014 £	31 March 2013 £
Beginning of year	8,110,576	6,234,330
Arising on issue of shares	-	1,876,246
End of year	<u>8,110,576</u>	<u>8,110,576</u>

Notes to the financial statements

For the year ended 31 March 2014

15 Share-based payments reserve

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Beginning of year	348,980	348,980	310,260	310,260
FRS 20 Cost of employee share scheme	-	-	38,720	38,720
End of year	<u>348,980</u>	<u>348,980</u>	<u>348,980</u>	<u>348,980</u>

16 Profit and loss account

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Beginning of year	3,246,903	3,381,290	2,649,366	2,783,753
Retained profit for the year	100,283	100,283	597,537	597,537
End of year	<u>3,347,186</u>	<u>3,481,573</u>	<u>3,246,903</u>	<u>3,381,290</u>

The profit for the financial year dealt with in the company was £100,283 (2013 - £597,537). As provided by Section 408 of the Companies Act 2006, a separate profit and loss account has not been presented for the company.

17 Reconciliation of movements on shareholders' funds

	31 March 2014		31 March 2013	
	Group £	Company £	Group £	Company £
Beginning of year	16,816,352	16,950,739	9,286,974	9,421,361
Issue of shares	-	-	6,893,121	6,893,121
Retained profit for the year	100,283	100,283	597,537	597,537
FRS 20 Cost of employee share scheme	-	-	38,720	38,720
End of year	<u>16,916,635</u>	<u>17,051,022</u>	<u>16,816,352</u>	<u>16,950,739</u>

Notes to the financial statements

For the year ended 31 March 2014

18 Cash flow statement

(a) Reconciliation of operating profit/(loss) to operating cash flows

	Year ended 31 March 2014	15 month period ended 31 March 2013
	£	£
Operating profit/(loss)	392,450	(29,162)
Depreciation of tangible fixed assets	322,675	594,514
Loss/(profit) on sale of fixed assets	5,414	(1,258)
FRS 20 Cost of employee share scheme	-	38,720
(Increase) in stocks	(2,391,823)	(2,623,998)
(Increase)/decrease in debtors	(914,595)	83,125
Increase in creditors	4,535,547	6,594,420
Net cash inflow from operating activities	<u>1,949,668</u>	<u>4,656,361</u>

Notes to the financial statements

For the year ended 31 March 2014

18 Cash flow statement (continued)

(b) Analysis of cash flows for headings netted in the cash flow statement

	Year ended 31 March 2014 £	15 month period ended 31 March 2013 £
Returns on investments and servicing of finance		
Interest paid	-	(316,626)
Interest element of hire purchase and similar contracts	(2,127)	(844)
	<u>(2,127)</u>	<u>(317,470)</u>
Taxation		
Corporation tax paid	-	(245,896)
	<u>-</u>	<u>(245,896)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,825,153)	(1,556,206)
Sale of tangible fixed assets	2,818	1,258
	<u>(1,822,335)</u>	<u>(1,554,948)</u>
Financing		
Issue of new shares and share premium	-	6,893,121
Bank loan repayments	-	(7,500,000)
Redeemable loan stock repayments	-	(620,651)
Capital element of hire purchase and similar contracts	(15,776)	(7,402)
	<u>(15,776)</u>	<u>(1,234,932)</u>

(c) Analysis of net debt

	Beginning of Year	Non cash movement	Cash flows	End of year
Cash at bank	167,352	-	109,430	276,782
Capital element of finance lease rental payments	(14,189)	(58,002)	15,776	(56,415)
End of year	<u>153,163</u>	<u>(58,002)</u>	<u>125,206</u>	<u>220,367</u>

Notes to the financial statements

For the year ended 31 March 2014

19 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 £108,025 (2013 - £65,261). Contributions totalling £14,092 (2013 - £10,943) were payable by the group to the fund at the year end and are included in creditors.

20 Financial commitments

	Land and buildings		Other	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£	£	£	£
<i>a) Operating leases</i>				
Annual commitments in respect of operating leases expiring:				
- within one year	-	14,444	13,895	26,689
- between two and five years	76,000	-	32,824	21,637
	<u>76,000</u>	<u>14,444</u>	<u>46,119</u>	<u>48,326</u>
<i>b) Capital commitments</i>				
Contracted for but not provided for	<u>111,000</u>	<u>397,500</u>	<u>-</u>	<u>-</u>

21 Related party transactions

- (a) The company has taken advantage of the exemption available under FRS 8 not to disclose 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	104	-	8,711
J.McEwan	230	320	320

22 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 can be obtained from Remy Cointreau SA, Rue Joseph, Pataa, 16100 Cognac, France.