

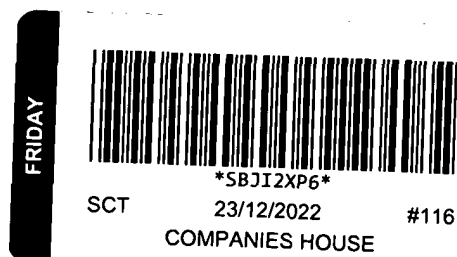
BRUICHLADDICH

PROGRESSIVE HEBRIDEAN DISTILLERS

Bruichladdich Distillery Company Limited

Financial Statements for the year ended 31 March 2022

Registered number: SC 209196



Bruichladdich Distillery Company Limited

Strategic Report

For the year ended 31 March 2022

The Directors present their strategic report for the year ended 31 March 2022.

Principal activity

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

Business review

The audited Financial Statements for the year ended 31 March 2022 are set out on pages 11 to 30. The profit for the year before taxation was £4,274,009 (2021 - £3,408,133) and after taxation it was a profit of £2,791,472 (2021 - £2,744,065). Turnover increased from £25,406,819 to £31,762,990. During the year the investment in distilled bulk whisky stocks increased from £40,519,454 to £44,017,719.

Key performance indicators

	Year ended 31 March 2022	Year ended 31 March 2021
Turnover	£31,762,990	£25,406,819
Turnover increase	25.0%	31.2%
Turnover per employee	£317,630	£256,635
Gross profit margin	49.4%	49.9%
Pre-tax profit margin	13.5%	13.4%
Earnings before interest, tax and depreciation	£6,857,372	£5,701,191

Future developments

Our continued positive performance trend is supported by Remy Cointreau who 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.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and both the compliance team and finance department take on an important oversight role in this regards.

The principal risks in our industry mainly relate to supply of materials, corporate social responsibility, competition and economic conditions.

Bruichladdich Distillery Company Limited

Strategic Report (Continued)

For the year ended 31 March 2022

Financial risk management objectives and policies

The Company uses various financial instruments such as loans, cash, trade debtors and trade creditors to raise finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks, namely 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 Company is exposed to transaction foreign currency risk. Transaction exposures are not currently hedged but will be kept under continuing review.

Liquidity risk

The Company 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 Company 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 Company'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.

Section 172 reporting

The Directors consider, both individually and collectively, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172 (a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2022.

The Directors set the tone for the Company, including culture, values and behaviours that are intended to protect and promote the long-term success of the business.

When making principal decisions, the Directors consider (amongst other matters):

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members/shareholders of the Company.

Bruichladdich Distillery Company Limited

Strategic Report (Continued)

For the year ended 31 March 2022

Section 172 reporting (continued)

Decision making and governance

The Company's business strategy is focused on achieving success for the Company in the long term. In setting this strategy, the Directors take into account the impact of relevant factors and stakeholder interests on the Company's performance. The Directors also identify principal risks facing the business and set risk management objectives.

The Directors promote a culture of openness, honesty and integrity whilst upholding the highest standards of business conduct and regulatory conduct. The Directors ensure that these core values are communicated to the Company's employees and embedded into the Company's policies and procedures.

The Board recognises that building long and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values, and operate a sustainable business. Decisions take appropriate account of the needs of all stakeholders, including existing and potential business relationships with suppliers, customers, consumers and others. Engagement with suppliers, customers and consumers is carried out in a number of ways, including the use of surveys, regular meetings and a staff committee.

Employees

Bruichladdich's employees are fundamental to the success of the business. The Directors strive to ensure that all employees feel engaged with the business and are empowered to carry out their role to achieve the business strategy. We aim to provide a healthy work-life balance, health and mental well-being and the pursuit of diversity among our employees. We have also worked with our employees to put in place safe working practices in line with government guidance to minimise the risk of Covid-19. The Directors are committed to encouraging high levels of employee engagement. Information, both financial and non-financial is communicated to and from employees on a regular basis in various ways, including:

- *Employee Briefings* – Local and team briefing sessions are held on a regular basis.
- *Intranet* – The Company operates an internal intranet site, which shares Company news and announcements.
- *Great Place to Work Survey* – Completed annually.
- *Staff committees* – Meetings are held on a regular basis with feedback to management.

Business relationships

Our mission is to create the most thought-provoking spirits we can. To do this we need to develop and maintain strong customer relationships. We also need to develop and maintain close relationships with local farmers and our suppliers, many of whom we have worked with for many years, to foster innovation.

Community and environment

We have a long term vision to be more sustainable in all we do. We are working to reduce the impact of our operations in all of our actions, all with a heightened sensitivity to growing within our island home. We must ensure our impact is positive, that we continue to improve the quality of life for our planet and our people. On 4 May 2020 Bruichladdich became a B-Corp certified Company.

Bruichladdich Distillery Company Limited

Strategic Report (Continued)

For the year ended 31 March 2022

Section 172 reporting (continued)

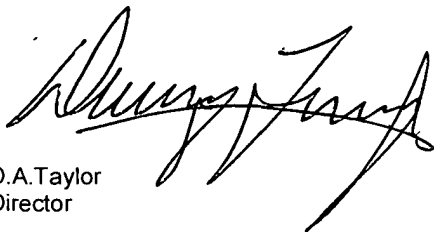
Maintaining reputation

We are committed to conducting business with high ethical standards, including compliance with all applicable laws and regulations.

Acting fairly

Our intention is to behave responsibly toward our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our long-term plans.

Signed on behalf of the Board on 22 November 2022.

A handwritten signature in black ink, appearing to read 'D.A. Taylor', written over a horizontal line.

D.A. Taylor
Director

Bruichladdich Distillery Company Limited

Directors' Report

For the year ended 31 March 2022

The Directors present their annual report on the affairs of the Company, together with the Financial Statements and auditors' report for the year ended 31 March 2022.

Directors

The Directors who held office during the year, and to the date of this report, were as follows:

S.P.Coughlin

D.A. Taylor

L.C.P. Marotta

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.

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.

Bruichladdich Distillery Company Limited

Directors' Report (Continued)

For the year ended 31 March 2022

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 Company'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 Company's auditors are aware of that information.

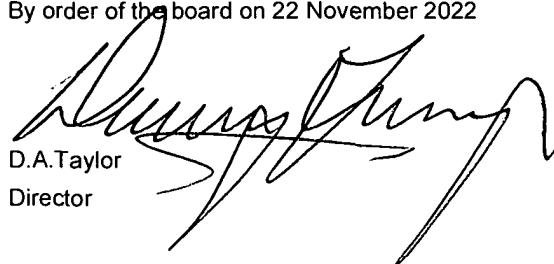
Dividends proposed and transfers to reserves

Payment of a dividend is not recommended. The retained profit for the year of £3,458,200 (2021 - £2,744,065) has been transferred to reserves.

Auditors

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board on 22 November 2022

A handwritten signature in black ink, appearing to read 'D.A. Taylor', is written over the printed name and title.

D.A. Taylor
Director

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

For the year ended 31 March 2022

Opinion

We have audited the Financial Statements of Bruichladdich Distillery Company Limited (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Bruichladdich Distillery Company Limited
For the year ended 31 March 2022

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Directors were not entitled to prepare the Financial Statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

For the year ended 31 March 2022

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the Financial Statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the Financial Statements, such as tax legislation, pension legislation, employment regulation and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the Financial Statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Independent auditor's report to the members of Bruichladdich Distillery Company Limited
For the year ended 31 March 2022

Auditor's responsibilities for the audit of the Financial Statements (continued)

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Robert Neate
(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
100 Queen Street
Glasgow
G1 3DN
Date : 23 November 2022

Bruichladdich Distillery Company Limited

Statement of comprehensive income

For the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	31,762,990	25,406,819
Cost of sales		(16,074,741)	(12,731,831)
Gross profit		15,688,249	12,674,988
Selling and marketing expenses		(3,157,842)	(2,618,540)
Administrative expenses		(7,200,036)	(5,820,859)
Operating profit	5	5,330,371	4,235,589
Interest payable and similar charges	6	(1,056,362)	(827,456)
Profit on ordinary activities before taxation		4,274,009	3,408,133
Tax on profit on ordinary activities	7	(1,482,537)	(664,068)
Profit and total comprehensive income for the year		2,791,472	2,744,065

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

The notes on pages 14 to 30 form part of these Financial Statements.

Bruichladdich Distillery Company Limited

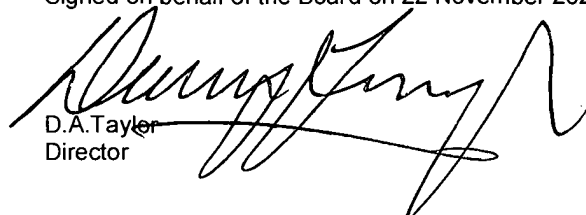
Statement of financial position

Registered number SC 209196

As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	8	37,701,988	36,668,367
Intangible assets	9	16,317	31,051
Investments	10	102	1
		<u>37,718,407</u>	<u>36,699,419</u>
Current assets			
Stocks	11	48,049,583	44,190,164
Debtors: amounts falling due within one year	12	9,536,879	6,112,765
Cash at bank and in hand		543,648	1,033,074
		<u>58,130,110</u>	<u>51,336,003</u>
Creditors: amounts falling due within one year	13	(65,392,352)	(61,635,444)
Net current liabilities		<u>(7,262,242)</u>	<u>(10,299,441)</u>
Total assets less current liabilities		30,456,165	26,399,978
Creditors: amounts falling due after more than one year	14	(107,624)	(18,152)
Provisions for liabilities and charges	15	(2,727,559)	(1,552,316)
		<u>27,620,982</u>	<u>24,829,510</u>
Net assets		<u>27,620,982</u>	<u>24,829,510</u>
Capital and reserves			
Called-up share capital	16	5,109,893	5,109,893
Share premium account	17	8,110,576	8,110,576
Profit and loss account	17	14,400,513	11,609,041
Equity shareholders' funds		<u>27,620,982</u>	<u>24,829,510</u>

Signed on behalf of the Board on 22 November 2022


D.A. Tayler
Director

The notes on pages 14 to 30 form part of these Financial Statements.

Bruichladdich Distillery Company Limited

Statement of changes in equity

For the year ended 31 March 2022

	Called-up Share capital £	Share Premium £	Profit and loss account £	Total Equity £
At 1 April 2020	5,109,893	8,110,576	8,781,410	22,001,879
Profit and total comprehensive income for the year	-	-	2,744,065	2,744,065
Share options movement	-	-	83,566	83,566
At 1 April 2021	5,109,893	8,110,576	11,609,041	24,829,510
Profit and total comprehensive income for the year	-	-	2,791,472	2,791,472
Share options movement (note 22)	-	-	-	-
At 31 March 2022	5,109,893	8,110,576	14,400,513	27,620,982

Buichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1. Accounting policies

Statement of compliance

Buichladdich Distillery Company Limited is a private limited Company limited by shares and incorporated in Scotland. The Registered Office is Buichladdich, Isle of Islay, PA49 7UN.

The Company's Financial Statements have been prepared in compliance with FRS 102 as it applies to the Financial Statements of the Company for the year ended 31 March 2022.

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 Company.

b) Exemptions

In preparing these Financial Statements, the Company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Remy Cointreau SA. The Company's ultimate parent undertaking, Remy Cointreau SA includes the Company and all of its subsidiary undertakings within its consolidated Financial Statements. The consolidated Financial Statements of Remy Cointreau SA are prepared in accordance with IFRS and are available to the public and may be obtained at Remy Cointreau SA, Rue Joseph, Pataa, 16100 Cognac, France. These Financial Statements present information about the Company as an individual undertaking.

In these Financial Statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- from providing the financial instrument disclosures as this information is provided in the Remy Cointreau SA consolidated Financial Statements;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

c) 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.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1. Accounting policies (continued)

d) 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 goods have been dispatched to the customer.

e) 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
Heritable 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	20% or 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and are recognised in the profit or loss.

f) Intangible fixed assets

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

Amortisation 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:

Software	33.3% per annum
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g) Investments

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

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1. Accounting policies (continued)

h) Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is any indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

i) Stocks

Stocks of whisky are stated at the lower of cost and net realisable value. In the case of the Company'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.

j) Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at the initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect the amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct costs.

Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1. Accounting policies (continued)

k) Interest bearing loans and borrowings

Interest bearing loans and borrowing which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the lender (including interest), which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the interest rate method.

l) 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 comprehensive income statement as incurred. Lease incentives are also recognised over the lease term on a straight-line basis.

m) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the profit or loss in the period in which they arise.

n) 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.

o) Employee benefits

The Company provides a range of benefits to employees, including annual bonus and paid holiday arrangements, and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the other comprehensive income statement in the period in which the service is rendered.

Pensions

The Company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations. The amount charged to the comprehensive income statement in respect of pension costs represents the amount payable by the Company in the year. The assets of the plan are held separately from the Company in an independently administered fund.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

o) Employee benefits (continued)

Annual bonus plan

The Company operates a number of annual bonus plans for employees. An amount is charged to the comprehensive income statement in respect when the Company has a legal or constructive obligation to make payments under the plans as a result of past events, and a reliable estimate of the obligation can be made.

Share based payments

Employees of the Company participate in group share based award schemes which are equity settled. The fair value at the date at which the share-based awards are granted is recognised in profit or loss on a straight line basis over the vesting period, with a corresponding increase in the shareholders' equity based on an estimate of the number of shares that will eventually vest. The services received from employees are measured by reference to the fair value of the awards granted. Recharges borne in relation to the share based payment are accounted for as a deduction from equity.

p) Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws enacted or substantively enacted by the reporting date. Current tax assets are recognised when tax paid exceeds the tax payable.

Deferred tax

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 is 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 reporting date.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

2. Judgements and key sources of estimation uncertainty

Estimates and judgements are evaluated at each reporting date and are based on historical experience adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the Financial Statements and the actual results will not always reflect accounting estimates made. The estimates and assumptions that have significant risk of causing material adjustment to the carrying value of assets and liabilities of the Company are outlined below.

i) Fixed assets

The Company reviews the residual values, estimated useful lives and depreciation rates of its fixed assets at each reporting date to identify where any evidence of significant change exists since the last reporting date. For the year ended 31 March 2022 the Company believes that its fixed assets are fairly stated and no material adjustment to the carrying value of its fixed assets is required.

ii) Obsolete stock provision

At each reporting date, the Company's stock holding is analysed to identify items which may be obsolete and a provision is made against these items. The value of the stock holding at 31 March 2022 was £48,049,583 (2021 - £44,190,164).

iii) Bad debt provision

At each reporting date and throughout the year, the Company's debtor balance is reviewed to identify any impairment required, and specific provisions are made against this balance. The value of trade debtors at 31 March 2022 was £633,186 (2021 - £246,158). The value of the bad debt provision at 31 March 2022 was £nil (2021 - £6,983).

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

3. Turnover information

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

An analysis of the Company's turnover is as follows:

	2022 £	2021 £
Turnover by destination:		
United Kingdom	5,288,563	2,723,003
Europe	26,012,558	21,304,195
Rest of the world	461,869	1,379,621
	<u>31,762,990</u>	<u>25,406,819</u>

	2022 £	2021 £
Turnover by class of business:		
Liquid sales	29,958,821	25,073,564
Other non-liquid	1,804,169	333,255
	<u>31,762,990</u>	<u>25,406,819</u>

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

4. Employees

Average monthly number of people (including Directors) employed by the Company during the year:

	2022 Number	2021 Number
Production	54	54
Brand and marketing	28	22
Administration	18	23
	<u>100</u>	<u>99</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,853,223	4,623,258
Social security costs	624,330	544,427
Pension contributions to money purchase schemes	363,317	319,581
	<u>5,840,870</u>	<u>5,487,266</u>

Directors' emoluments

	2022 £	2021 £
Directors' remuneration	612,870	632,818
Directors' pension contributions to money purchase schemes	8,000	13,333
	<u>620,870</u>	<u>646,151</u>

The emoluments of the highest paid Director (including pension contributions of £4,000 (2021 - £5,833))

	<u>351,029</u>	<u>355,508</u>
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The number of Directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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One other Director does not perform qualifying services to the Company, therefore their emoluments are £nil (2021 - £nil).

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

5. Operating profit

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	1,512,063	1,445,127
Amortisation of intangible assets	14,938	20,475
Release of government grants	(839)	(9,569)
Auditors' remuneration	33,000	30,000
Exchange (gains)/ losses	(45,183)	225,163
Operating lease rentals - land and buildings	86,800	86,800
Operating lease rentals - other	49,435	63,894
Stock impairment	-	126,245

6. Interest payable and similar charges

	2022	2021
	£	£
Interest payable on loans from group undertakings	1,053,363	829,956
Interest on taxation	-	(2,550)
Interest element payable under finance leases and hire purchase contracts	2,999	50

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

7. Taxation

The tax charge is made up as follows:

	2022 £	2021 £
Corporation tax		
Current tax on profit for the year	261,323	-
Adjustments in respect of previous periods	45,971	-
Total current tax	307,294	-
Deferred tax		
Origination and reversal of timing differences	502,089	664,068
Adjustments in respect of previous periods	18,540	-
Effects of changes in tax rates	654,614	-
Total deferred tax	1,175,243	664,068
Taxation on profit on ordinary activities	1,482,537	664,068

Factors affecting the tax charge

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	4,274,009	3,408,133
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 19% (2021 - 19%)	812,062	647,545
Effects of:		
Expenses not allowed for tax purposes	66,429	61,068
Effect of claiming super deduction	(115,079)	-
Adjustments from previous periods	64,511	-
Tax rate changes	654,614	-
Permanent timing differences	-	(44,545)
Total tax charge for the year	1,482,537	664,068

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

8. Tangible fixed assets

	Land & Heritable property	Assets under construction	Plant and machinery	Casks and other assets	Total
	£	£	£	£	£
Cost					
Beginning of year	19,581,233	8,201,395	7,957,632	9,899,029	45,639,289
Transfer	8,201,395	(8,201,395)	-	-	-
Additions	208,410	659,461	697,026	983,587	2,548,484
Disposals	-	-	(2,800)	-	(2,800)
End of year	<u>27,991,038</u>	<u>659,461</u>	<u>8,651,858</u>	<u>10,882,616</u>	<u>48,184,973</u>
Depreciation					
Beginning of year	2,378,855	-	3,350,189	3,241,878	8,970,922
Transfer	-	-	-	-	-
Charge for the year	471,643	-	381,538	658,882	1,512,063
Disposals	-	-	-	-	-
End of year	<u>2,850,498</u>	<u>-</u>	<u>3,731,727</u>	<u>3,900,760</u>	<u>10,482,985</u>
Net book value					
End of year	<u>25,140,540</u>	<u>659,461</u>	<u>4,920,131</u>	<u>6,981,856</u>	<u>37,701,988</u>
Beginning of year	<u>17,202,378</u>	<u>8,201,395</u>	<u>4,607,443</u>	<u>6,657,151</u>	<u>36,668,367</u>
Leased assets included in the above:					
Net book value					
End of year	<u>-</u>	<u>-</u>	<u>130,770</u>	<u>-</u>	<u>130,770</u>
Beginning of year	<u>-</u>	<u>-</u>	<u>38,034</u>	<u>-</u>	<u>38,034</u>

The net book value of assets held and secured under finance leases and hire purchase agreements at 31 March 2022 was £130,770 (2021 - £38,034). Depreciation charged on these assets amounted to £23,002 (2021 - £9,225).

Value of land included in land and heritable property above at 31 March 2022 is £1,434,906 (2021 - £1,434,906).

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

9. Intangible assets

	Software	Total
	£	£
Cost		
Beginning of year	274,213	274,213
Additions	204	204
Disposals	-	-
End of year	<u>274,417</u>	<u>274,417</u>
Amortisation		
Beginning of year	243,162	243,162
Charge for the year	14,938	14,938
Disposals	-	-
End of year	<u>258,100</u>	<u>258,100</u>
Net book value		
End of year	<u>16,317</u>	<u>16,317</u>
Beginning of year	<u>31,051</u>	<u>31,051</u>

Buichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

10. Fixed asset investments

Fixed asset investments comprise the following:

	2022	2021
	£	£
<i>Subsidiary undertakings at cost:</i>		
Beginning of year	1	1
Additions	101	-
End of year	<u>102</u>	<u>1</u>

Subsidiary undertakings:

Name	Registered Office	Class of shares	Holding
The Botanist Limited	Buichladdich Distillery, Buichladdich, Isle of Islay, PA49 7UN, Scotland	1 ordinary share of £1	100%
Lochindaal Distillery Limited	Buichladdich Distillery, Buichladdich, Isle of Islay, PA49 7UN, Scotland	1 ordinary share of £1	100%
Port Charlotte Limited	Buichladdich Distillery, Buichladdich, Isle of Islay, PA49 7UN, Scotland	100 ordinary shares of £1	100%

Dormant subsidiaries are exempt from filing individual accounts under S448A of Companies Act 2006.

11. Stocks

	2022	2021
	£	£
Whisky	45,232,514	41,826,734
Other stocks	2,817,069	2,363,430
	<u>48,049,583</u>	<u>44,190,164</u>

12. Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade debtors	633,186	246,158
Amounts owed by group undertakings	6,426,329	4,607,854
Directors' loan accounts (note 20)	492,399	492,399
Other taxation and social security	1,605,098	592,565
Other debtors	379,867	173,789
	<u>9,536,879</u>	<u>6,112,765</u>

Amounts owed by group undertakings are unsecured, interest free and receivable on demand.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	3,380,482	2,503,861
Amounts due to group undertakings	59,510,688	57,109,827
Other taxation and social security	141,275	123,786
Other creditors	33,650	50,053
Accruals and deferred income	1,984,328	1,847,917
Corporation tax	307,760	-
Hire purchase liability	34,169	-
	<u>65,392,352</u>	<u>61,635,444</u>

Amounts owed due to group undertakings are unsecured, are interest bearing, and are repayable on demand.

14. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Deferred income	28,952	18,152
Hire purchase liability	78,672	-
	<u>107,624</u>	<u>18,152</u>

15. Deferred tax

	£
At 1 April 2021	(1,552,316)
Charge to income statement	<u>(1,175,243)</u>
At 31 March 2022	<u>(2,727,559)</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	(2,797,577)	(1,517,758)
Tax losses carried forward	-	(34,558)
Other timing differences	70,018	-
	<u>(2,727,559)</u>	<u>(1,552,316)</u>

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

16. Called-up share capital

	2022 £	2021 £
<i>Allotted, called up and fully paid:</i>		
5,109,893 ordinary shares of £1 each	<u>5,109,893</u>	<u>5,109,893</u>

17. Reserves

Share premium account

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

Profit and loss reserve

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

18. Pension contributions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £363,315 (2021 - £319,581). Contributions totalling £38,349 (2021 - £31,523) were payable by the Company to the fund at the year end and are included in creditors.

19. Financial commitments

	Land and buildings		Other	
	2022 £	2021 £	2022 £	2021 £
<i>a) Operating leases</i>				
Future minimum rentals payable under non-cancellable operating leases:				
- within one year	72,333	86,800	16,655	31,950
- between two and five years	289,332	347,200	14,753	22,032
- in more than five years	289,332	434,000	-	-
	<u>650,997</u>	<u>868,000</u>	<u>31,408</u>	<u>53,982</u>
<i>b) Capital commitments</i>				
Contracted for but not provided for	-	-	111,142	62,623

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

20. Related party transactions

(a) In line with the requirements of FRS102, Section 33, the Company does not need to disclose transactions with other wholly owned members of the Company.

(b) The following key management personnel 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	349,394	349,292	349,644
D.A. Taylor	143,005	143,107	143,134
	<u>492,399</u>	<u>492,399</u>	

(c) Sales to key management personnel

	2022	2021
	£	£
S.P. Coughlin	10,863	8,058
D.A. Taylor	12,183	-
A. Logan	4,234	-
G. Joannes-Hurst	446	375
G. Brown	-	500
	<u>23,492</u>	<u>8,933</u>

(d) Key management personnel costs

	2022	2021
	£	£
Short term employee benefits	1,109,470	1,053,121
Post employment benefits	42,691	43,750
	<u>1,152,161</u>	<u>1,096,871</u>

21. 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.

Bruichladdich Distillery Company Limited

Notes to the Financial Statements

For the year ended 31 March 2022

22. Share options

Certain employees of the Company are members of a long term incentive plan granted in the form of a free share award linked to the share performance of the ultimate parent Company of the Remy Cointreau SA group.

Bonus share plans

Grant date	Plan number	Vesting period	Minimum retention period	Rights initially granted	Rights granted at the end of the vesting period	Rights outstanding at 31 March 2022
22 November 2016	2016	3 years	2 years	3,300	(3,300)	-
21 November 2017	2017	3 years	2 years	2,300	(2,300)	-
17 January 2019	2019	4 years	0 years	3,475	-	3,475
24 November 2020	2020 (Nov)	3 years		2,656	-	2,656
14 January 2021	2021(Jan)	4 years		2,656	-	2,656
31 March 2021	2021-2025 (Mar)	4.25 years		4,750	-	4,750
31 March 2021	2021-2030 (Mar)	9.25 years		4,750	-	4,750
Total				23,887	(5,600)	18,287

The above plans are based on the achievement of certain performance criteria (share price or total shareholder return for the group). In the prior year, on 22 November 2020, the 2017 plan expired and all outstanding rights were granted in full.

The long term incentive plan is managed at the parent Company level. At vesting date of each free share plan, the purchase cost of shares eventually remitted to the beneficiaries (depending on the level of achievement of the performance criteria) are re-invoiced to the companies employing the beneficiaries.

The share based payment charge in the year totalled £nil (2021 - £234k) and the recharge from other group companies totalled £nil (2021 - £150k), giving rise to a net movement of £nil (2021 - £84k) in the statement of changes in equity.