

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008  
FOR  
LOCHINDAAL DISTILLERY LIMITED  
FORMERLY KNOWN AS PORT CHARLOTTE DISTILLERY LIMITED

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**LOCHINDAAL DISTILLERY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2008**

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**LOCHINDAAL DISTILLERY LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**DIRECTORS:**

M B Reynier  
J P A Adams

**SECRETARY:**

S P Coughlin

**REGISTERED OFFICE:**

The Bruichladdich Distillery  
Islay  
Argyll  
PA49 7UN

**REGISTERED NUMBER:**

SC306875 (Scotland)

**AUDITORS:**

Wilkins Kennedy  
Registered Auditors  
Bridge House  
London Bridge  
London  
SE1 9QR

**LOCHINDAAL DISTILLERY LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report with the financial statements of the company for the year ended 31 December 2008.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the development of a distillery. The company changed its name to Lochindaal Distillery Limited on 26 September 2008.

**COMMENCEMENT OF TRADING**

The company has acquired two plots of land in 2007 and 2008 and has applied for planning permission to build and operate a distillery which has been granted. It has not yet commenced trading.

**DIRECTORS**

The directors who have held office during the year from 1 January 2008 to the date of this report are as follows:

M B Reynier  
J P A Adams (appointed 15 September 2009)

**STATEMENT OF DIRECTORS'S RESPONSIBILITIES**

The directors are responsible for preparing 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 has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

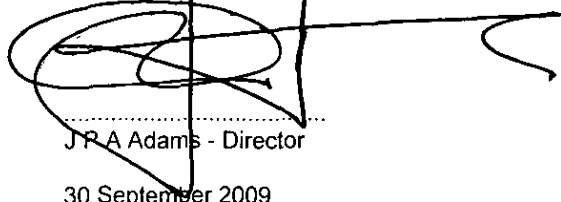
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a directors in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



J P A Adams - Director  
30 September 2009

Comp No. SC 306875

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
LOCHINDAAL DISTILLERY LIMITED**

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We have audited the financial statements of Port Charlotte Distillery Limited for the year ended 31 December 2008 on pages four to seven. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 a Report of the Auditors 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 auditors**

The directors responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors are consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

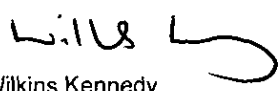
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

  
Wilkins Kennedy  
Registered Auditors  
Bridge House  
London Bridge  
London  
SE1 9QR

Date: 22 October 2009

**LOCHINDAAL DISTILLERY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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		2008	Period to 31 December 2007
	Notes	£	£
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	-	-
Tax on profit on ordinary activities	3	-	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>-</u>	<u>-</u>

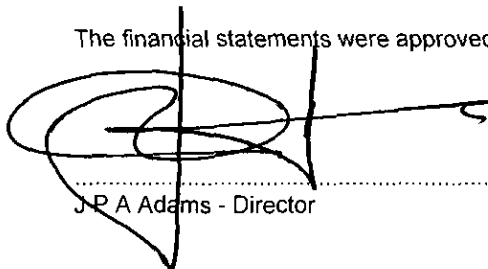
The notes form part of these financial statements

**LOCHINDAAL DISTILLERY LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible assets	4		640,928		319,882
<b>CURRENT ASSETS</b>					
Cash at bank		1,607		1,607	
<b>CREDITORS</b>					
Amounts falling due within one year	5	642,534		321,488	
<b>NET CURRENT LIABILITIES</b>			(640,927)		(319,881)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1		1
<b>CAPITAL AND RESERVES</b>					
Called up share capital	6		1		1
<b>SHAREHOLDERS' FUNDS</b>			1		1

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the directors on 30 September 2009 and were signed by:



.....  
J P A Adams - Director

REGISTERED NUMBER: SC306875 (Scotland)

The notes form part of these financial statements

**LOCHINDAAL DISTILLERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company did not trade throughout the year ended 31 December 2008.

**Tangible fixed assets**

The carrying value of freehold property 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.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	£
Directors' emoluments and other benefits in kind	<u>-</u>

**3. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year.

**4. TANGIBLE FIXED ASSETS**

	Land and Buildings £
<b>COST</b>	
At 1 January 2008	319,882
Additions	321,046
	<u>640,928</u>
At 31 December 2008	640,928
<b>NET BOOK VALUE</b>	
At 31 December 2008	<u>640,928</u>
At 31 December 2007	<u>319,882</u>

Additions to fixed assets in the course of construction include interest capitalised during the year of £24,357 (2007: £11,381).

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

	2008 £	2007 £
Trade creditors	-	2,976
Amounts owed to group undertakings	342,534	18,512
Other loan (secured)	300,000	300,000
	<u>642,534</u>	<u>321,488</u>

The other loan is secured on the freehold land and buildings, interest is charged at 2% over LIBOR.



LOCHINDAAL DISTILLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2008

6. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u>100</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
1	Ordinary	£1	<u>1</u>

7. RESERVES

	Profit and loss account
	£
Result for the year	<u>-</u>
At 31 December 2008	<u>-</u>

8. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company and the parent of the largest and smallest group for which group accounts including the company are drawn up is Bruichladdich Distillery Company Limited, a company registered in Scotland. The group accounts are available from Companies House in Cardiff.

9. RELATED PARTY DISCLOSURES

As a subsidiary, the company is entitled to take advantage of the exemption from disclosing transactions with group entities as the parent company produces consolidated accounts which are publicly available.

Sir J.A.Mactaggart Bt, a director of the company's parent company is also a director and shareholder of Western Heritable Investment Company Limited which has granted the loan of £300,000 to the company referred to in note 5.