



Scott-Moncrieff
business advisers and accountants

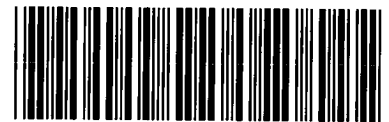
JOHN FERGUS & CO LIMITED

FILING ACCOUNTS

YEAR ENDED 30 APRIL 2017

Registered number: SC394276

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COMPANIES HOUSE

JOHN FERGUS & CO LIMITED

FILING ACCOUNTS

For the year ended 30 April 2017

DIRECTORS

Ian G Palmer

David A Sloan

John A E Fingland

COMPANY SECRETARY

David A Sloan

REGISTERED NUMBER

SC394276

AUDITOR

Scott-Moncrieff

Chartered Accountants

25 Bothwell Street

Glasgow

G2 6NL

BANKERS

Nordea Bank AB

London Branch

6th Floor

5 Aldermanbury Square

London EC2V 7AZ

SOLICITORS

MacRoberts Solicitors

Capella

60 York Street

Glasgow

G2 8JX

REGISTERED OFFICE

Inchdairnie Distillery

Whitecraigs Road

Glenrothes

Fife

KY6 2RX

JOHN FERGUS & CO LIMITED

FILING ACCOUNTS

For the year ended 30 April 2017

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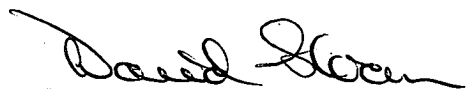
BALANCE SHEET**At 30 April 2017**

	Note	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	7	11,474,854		10,024,976	
Current assets					
Stocks	8	858,710		25,292	
Debtors	9	975,087		1,591,549	
Cash and cash equivalents	10	560,963		542,074	
		<u>2,394,760</u>		<u>2,158,915</u>	
Creditors: amounts falling due within one year	11	(1,510,084)		(985,723)	
Net current assets		<u>884,676</u>		<u>1,173,192</u>	
Total assets less current liabilities		12,359,530		11,198,168	
Creditors: amounts falling due after more than one year	12	(2,540,638)		(1,625,652)	
Net assets		<u><u>9,818,892</u></u>		<u><u>9,572,516</u></u>	
Capital and reserves					
Called up share capital	15	10,395,000		10,395,000	
Profit and loss account	16	(576,108)		(822,484)	
		<u><u>9,818,892</u></u>		<u><u>9,572,516</u></u>	

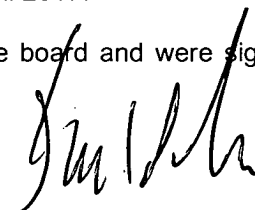
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

As permitted by Section 444 of the Companies Act 2006, the directors have not delivered to the Registrar a copy of the company's profit and loss account for the year ended 30 April 2017.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 August 2017 by:



DAVID A SLOAN
Director



IAN G PALMER
Director

Company Registration No: SC394276

NOTES TO THE FILING ACCOUNTS**For the year ended 30 April 2017****1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company.

The continuing activities of John Fergus & Co Limited are distilling, maturing, warehousing, blending and marketing of alcoholic beverages, predominantly Scotch whisky.

John Fergus & Co Limited is a private company limited by shares, incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC394276.

The address of the company's registered office is:-

Inchdairnie Distillery
Whitcraigs Road
Glenrothes
Fife
KY6 2RX

2. Accounting policies*Basis of preparation of financial statements*

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

Exemption has been taken from preparing a cash flow statement on the grounds that the ultimate parent undertaking will prepare a group cash flow statement.

The following principal accounting policies have been applied:-

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will trade and meet its obligations, as they fall due, for at least 12 months from the date of approval of the financial statements.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised upon despatch of goods.

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017**2. Accounting policies (continued)***Interest*

Interest receivable and interest payable are recognised in the financial statements on an accruals basis.

Other income

Other income is recognised in the financial statements on an accruals basis.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Land	-	nil
Buildings	-	2.5% straight line
Casks and pallets	-	5% to 20% straight line
Plant and machinery	-	5% to 25% straight line
Fixtures, fittings and equipment	-	25% straight line

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials and consumables	-	Purchase cost on a first-in, first-out basis
Work in progress	-	Cost of direct materials, spirit and attributable overheads
Finished goods	-	Cost of direct materials, spirit and attributable overheads

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

2. Accounting policies (continued)

Debtors

Short term debtors are measured at transaction price, less any impairment. Other debtors are measured initially at the transaction price and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cashflows from the asset expire, or when the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

2. Accounting policies (continued)

Creditors

Creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Pensions

The company does not operate a pension scheme. Contributions are made to the directors' and employees' personal pension schemes as part of their remuneration and these are charged to the Statement of Comprehensive Income as they become payable.

Current taxation

The tax for the year comprises current tax. Tax is recognised in the Statement of Comprehensive Income.

The current corporation tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

3. Judgements in applying accounting policies and key sources of estimation uncertainties

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates which have been deemed to be appropriate for the class of asset and the provision for bad debts based on the directors' expectations of likely receipts after the year end.

4. Turnover

100% of the company's turnover is attributable to the principal activity of the company. A geographical analysis of turnover is not presented as the directors consider that this would be prejudicial to the interests of the company.

5. Employees	2017 No.	2016 No.
The average monthly number of employees during the year was:	<u>10</u>	<u>7</u>

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

	2017 £	2016 £
6. Directors' remuneration		
Emoluments	101,905	56,531
Company contributions paid to personal pension schemes	-	4,400

The directors of the company are regarded as the key management personnel.

	Land & Buildings £	Casks and Pallets £	Plant and machinery £	Fixtures, Fittings & Equipment £	Total £
7. Tangible fixed assets					
Cost:					
At 1 May 2016	5,401,609	1,169,335	3,496,085	121,219	10,188,247
Additions	621,925	728,544	605,498	54,262	2,010,229
At 30 April 2017	6,023,534	1,897,879	4,101,583	175,481	12,198,476
Depreciation:					
At 1 May 2016	42,912	38,332	71,372	10,656	163,271
Provided during year	134,842	131,194	250,445	43,870	560,351
At 30 April 2017	177,754	169,526	321,817	54,526	723,622
Net book value:					
At 30 April 2017	5,845,780	1,728,353	3,779,766	120,955	11,474,854
At 30 April 2016	5,358,697	1,131,003	3,424,713	110,563	10,024,976

The company has granted a Standard Security over its site in Glenrothes in favour of Fife Council in respect of the company's commitment for land acquisition (see note 17).

	2017 £	2016 £
8. Stocks		
Raw materials and consumables	9,108	9,732
Work-in-progress and finished goods	849,602	15,560
	858,710	25,292

	2017 £	2016 £
9. Debtors		
Trade debtors	242,661	358,907
Amounts due by immediate parent company	70,000	33,400
Amounts due by related parties	278,436	629,429
Other debtors	79,363	244,094
Prepayments and accrued income	304,627	325,719
	975,087	1,591,549

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

	2017 £	2016 £
10. Cash and cash equivalents		
Current accounts	560,963	542,074
	<u>560,963</u>	<u>542,074</u>
11. Creditors: amounts falling due within one year		
Trade creditors	1,097,956	729,365
Accruals and deferred income	396,256	244,078
Other taxes and social security costs	15,872	12,280
Corporation tax	-	-
	<u>1,510,084</u>	<u>985,723</u>

Included within accruals is £2,759 (2016: £3,020) in respect of pension contributions outstanding at the year end. The company's bank has provided a guarantee of £1,250,000 to HMRC on behalf of the company.

	2017 £	2016 £
12. Creditors: amounts falling due outwith one year		
Deferred income	1,540,638	1,625,652
Loan due to immediate parent company	1,000,000	-
	<u>2,540,638</u>	<u>1,625,662</u>

The loan is unsecured and bears interest at 1.6% above the base rate. This is due to be repaid on 30 April 2021.

	2017 £	2016 £
13. Deferred income		
Within one year	85,014	85,014
Between 1 and 2 years	85,014	85,014
Between 2 and 5 years	340,054	340,054
Greater than 5 years	1,115,570	1,200,584
	<u>1,625,652</u>	<u>1,710,666</u>

	2017 £	2016 £
14. Financial instruments		
Financial assets		
Financial assets measured at amortised cost	800,465	1,077,147
	<u>800,465</u>	<u>1,077,147</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,409,197)	(885,408)
	<u>(2,409,197)</u>	<u>(885,408)</u>

Financial assets measured at amortised cost comprise trade debtors and amounts owed from the immediate parent company, amounts owed by related parties, and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and loan due to the parent company.

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

	2017 £	2016 £
15. Share capital		
Allotted, called up and fully paid		
£7,900,000 (2016: 4,030,000) Ordinary shares of £1 each	7,900,000	4,030,000
£2,495,000 (2016: 6,365,000) Convertible preferred ordinary shares of £1 each	2,495,000	6,365,000
	<u>10,395,000</u>	<u>10,395,000</u>

£3,870,000 convertible preferred ordinary shares of £1 each were converted to ordinary shares of £1 each during the year ended 30 April 2017.

Each ordinary share is entitled to one vote in any circumstances. Any dividends declared shall be distributed among the ordinary shareholders of both class A and B shares in equal proportions.

Each preferred ordinary share shall not carry the right to receive notice or to attend, speak or vote at any general meetings of the company. The holder of each preferred share is entitled to 3% of subscription price actually paid per preferred share. This is a fixed preferred dividend and thereafter any dividends declared shall be distributed to ordinary shareholders only.

16. Reserves

The profit and loss account includes all current and prior year retained profits or losses.

17. Commitment

At the year end the company has a capital commitment of £188,000 in relation to the acquisition of land. The acquisition will be completed no later than 15 November 2018. The company also has a commitment of £1,686,691 in relation to the construction of additional buildings at its registered office address.

18. Related party transactions

During the year, the company had the following transactions with related parties by virtue of common control: sales of £2,779,518 (2016: £799,088) and purchases of £97,132 (2016: £nil).

During the year there was a loan received from the immediate parent company for £1,000,000. This is included within creditors due after more than one year as it is due to be repaid on 30 April 2021. Included within debtors is £70,000 (2016: £33,400) due from the immediate parent company.

As at 30 April 2017 £278,436 (2016: £629,429) was due from MacDuff International (Scotch Whisky) Limited a related party with common ultimate parent undertaking.

19. Immediate and ultimate parent company

The company's immediate parent company is CES Whisky Limited.

The company's ultimate parent company is Copenhagen Fortuna Company A/S, a company registered in Denmark. Copies of the consolidated financial statements of Copenhagen Fortuna Company A/S can be obtained from that company's registered office.

NOTES TO THE ACCOUNTS
For the year ended 30 April 2017

20. Transactions with directors

John Fergus Engineering Co Limited is a related party by virtue of Ian G Palmer being a director of the company. During the year, the company made purchases of £10,490 (2016: £34,560). As at the year end the company owes John Fergus Engineering Co Limited £1,339 (2016: £nil).

21. Auditor information

The audit report for these accounts was unqualified and did not include any matter to which the auditor drew attention by way of emphasis. The senior statutory auditor who signed the audit report was Bernadette Higgins and the auditor was Scott-Moncrieff.