

REGISTERED NUMBER: SC426476 (Scotland)

Unaudited Financial Statements for the Year Ended 30 June 2018

for

MORRISON GLASGOW DISTILLERS LIMITED

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for the Year Ended 30 June 2018**

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MORRISON GLASGOW DISTILLERS LIMITED

Company Information for the Year Ended 30 June 2018

DIRECTORS:

Mr S W Morrison
Mr S A Morrison
Mr K A McAllister
Mr D Fiddes
Mr S Grier
Mr D Ross
Mr M Acks

REGISTERED OFFICE:

Paxton House
11 Woodside Crescent
Glasgow
G3 7UL

REGISTERED NUMBER:

SC426476 (Scotland)

ACCOUNTANTS:

McAllisters
Paxton House
11 Woodside Crescent
Charing Cross
Glasgow
G3 7UL

MORRISON GLASGOW DISTILLERS LIMITED (REGISTERED NUMBER: SC426476)

Balance Sheet
30 June 2018

	Notes	30.6.18 £	£	30.6.17 £	£
FIXED ASSETS					
Intangible assets	4		42,074		38,540
Tangible assets	5		<u>9,360,013</u>		<u>8,048,572</u>
			9,402,087		8,087,112
CURRENT ASSETS					
Stocks		460,583		-	
Debtors	6	61,665		584,845	
Cash at bank and in hand		<u>48,598</u>		<u>1,104,300</u>	
		570,846		1,689,145	
CREDITORS					
Amounts falling due within one year	7	<u>1,191,125</u>		<u>1,337,635</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(620,279)</u>		<u>351,510</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,781,808		8,438,622
CREDITORS					
Amounts falling due after more than one year	8		<u>1,300,000</u>		<u>-</u>
NET ASSETS			<u><u>7,481,808</u></u>		<u><u>8,438,622</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		7,398,028		7,398,028
Share premium	12		2,604,863		2,604,863
Retained earnings	12		<u>(2,521,083)</u>		<u>(1,564,269)</u>
SHAREHOLDERS' FUNDS			<u><u>7,481,808</u></u>		<u><u>8,438,622</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395
- (b) and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
30 June 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 27 November 2018 and were signed on its behalf by:

Mr S W Morrison - Director

**Notes to the Financial Statements
for the Year Ended 30 June 2018**

1. STATUTORY INFORMATION

Morrison Glasgow Distillers Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The directors are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgements used in the preparation of these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discount and value added taxes. Turnover includes revenue earned from the sale of goods and rendering of services in connection with a distillery and visitor centre.

Sale of goods

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

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of that service. The stage of completion of services is measured by comparing the costs incurred to date with the overall costs to complete the service. In circumstances where there is uncertainty as to the outcome turnover is only recognised to the extent of recoverable expenses.

Intangible fixed assets

The intangible fixed assets held in the balance sheet relate to patents purchased by the company. These have been capitalised as it is expected future benefits will flow to the entity over the assets useful economic life. The intangible assets are being amortised at the following rates.

Patents & licenses - 5% on reducing balance

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2018**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any 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.

Depreciation is charged to profit or loss over the estimated useful economic lives, as follows:

Fixtures & Fittings - 5% reducing balance
Computer equipment - 25% reducing balance
Website development - 25% reducing balance
Plant and machinery - casks and barrels - 5% straight line basis
Plant and machinery - remainder - 5% reducing balance basis.

The company purchased land during the year ended 30 June 2015 for £1,081,705 and this is included within freehold property in fixed assets. Land is considered to have an indefinite life and accordingly is not depreciated. The remaining freehold property costs of £5,861,281 represents development of buildings on the site and these costs are depreciated at an annual rate of 2% on a reducing balance basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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.

Any impairment loss is recognised immediately as an expense within profit or loss

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2018**

2. ACCOUNTING POLICIES - continued

Financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits

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 within profit or loss.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate of 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 the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Provisions

A provision is recognised when company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2017 - 1) .

4. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 July 2017	44,184
Additions	5,750
At 30 June 2018	<u>49,934</u>
AMORTISATION	
At 1 July 2017	5,644
Amortisation for year	2,216
At 30 June 2018	<u>7,860</u>
NET BOOK VALUE	
At 30 June 2018	<u>42,074</u>
At 30 June 2017	<u>38,540</u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 July 2017	6,617,260	1,241,071	601,334
Additions	325,726	969,688	242,791
At 30 June 2018	<u>6,942,986</u>	<u>2,210,759</u>	<u>844,125</u>
DEPRECIATION			
At 1 July 2017	254,480	131,983	33,073
Charge for year	112,131	103,939	40,552
At 30 June 2018	<u>366,611</u>	<u>235,922</u>	<u>73,625</u>
NET BOOK VALUE			
At 30 June 2018	<u>6,576,375</u>	<u>1,974,837</u>	<u>770,500</u>
At 30 June 2017	<u>6,362,780</u>	<u>1,109,088</u>	<u>568,261</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

5. TANGIBLE FIXED ASSETS - continued

	Website development £	Computer equipment £	Totals £
COST			
At 1 July 2017	7,118	2,250	8,469,033
Additions	25,034	17,592	1,580,831
At 30 June 2018	32,152	19,842	10,049,864
DEPRECIATION			
At 1 July 2017	688	237	420,461
Charge for year	7,867	4,901	269,390
At 30 June 2018	8,555	5,138	689,851
NET BOOK VALUE			
At 30 June 2018	23,597	14,704	9,360,013
At 30 June 2017	6,430	2,013	8,048,572

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18 £	30.6.17 £
Trade debtors	6,312	-
Other debtors	4,892	2,762
VAT	32,777	581,062
Prepayments	17,684	1,021
	<u>61,665</u>	<u>584,845</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18 £	30.6.17 £
Bank loans and overdrafts	110,000	110,000
Trade creditors	248,049	559,460
Tax	4,057	4,157
Social security and other taxes	11,027	2,372
Other creditors	315,394	298,575
Directors' current accounts	350,209	351,261
Deferred income	10,137	-
Accrued expenses	76,170	11,810
Deferred government grants	66,082	-
	<u>1,191,125</u>	<u>1,337,635</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.18 £	30.6.17 £
Bank loans - 2-5 years	<u>1,300,000</u>	<u>-</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2018**

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.18	30.6.17
	£	£
Within one year	17,533	-
Between one and five years	<u>55,522</u>	<u>-</u>
	<u>73,055</u>	<u>-</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.18	30.6.17
	£	£
Bank loans	<u>1,410,000</u>	<u>110,000</u>

The Adam & Co bank loan was secured by a personal guarantee from Mr S W Morrison, a director of the company.

The Clydesdale Bank credit facility is secured by a floating charge over the assets of the company.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.18	30.6.17
			£	£
6,699,852	Ordinary A	£0.50	3,349,926	3,349,926
8,096,203	Ordinary B	£0.50	<u>4,048,102</u>	<u>4,048,102</u>
			<u>7,398,028</u>	<u>7,398,028</u>

12. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 July 2017	(1,564,269)	2,604,863	1,040,594
Deficit for the year	<u>(956,814)</u>		<u>(956,814)</u>
At 30 June 2018	<u>(2,521,083)</u>	<u>2,604,863</u>	<u>83,780</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

13. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 June 2018 and 30 June 2017:

	30.6.18 £	30.6.17 £
Mr S W Morrison		
Balance outstanding at start of year	(351,261)	(352,237)
Amounts advanced	5,266	4,877
Amounts repaid	(4,213)	(3,901)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(350,208)</u>	<u>(351,261)</u>

Interest of £5,266 was charged on this balance and there is no fixed repayment date.

14. **RELATED PARTY DISCLOSURES**

Directors remuneration in the year totalled £16,498.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.