

BB&R Spirits Limited

*Annual report and financial statements for the
year ended 31 March 2019*



Company Registration No. 00379553

Directors and advisers

BB&R Spirits Limited

Directors

M.A. Cooke

Company Secretary

G.M. Robson

Registered office

One Fleet Place
London
EC4M 7WS

Independent auditor

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Solicitor

Dentons LLP
1 George Square
Glasgow
G2 1AL

Annual report and financial statements

BB&R Spirits Limited

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Report of the directors

BB&R Spirits Limited

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

Principal activities and review of the business

On 28 April 2017, the company including 'The Glenrothes' brand and associated business was sold to Highland Distillers Ltd. All assets and liabilities associated with non-Glenrothes business were transferred to companies in the BB&R group. Following the sale, the trade and assets of the company were transferred to Highland Distillers Limited at carrying value and therefore no gain or loss on disposal was generated.

The company has been dormant from 29 April 2017 and is expected to remain dormant in future years.

Going concern

On 28 April 2017, the trade and assets were transferred to Highland Distillers Ltd. As a result of the transaction the company has ceased to trade and has been dormant in the current year. The company has the resources to manage its business risks and therefore the directors believe the company can adopt the going concern basis in preparing the annual report and financial statements.

Directors

The directors who served during the year and to the date of this report were:

M.A. Cooke

A.W. Frizzell (resigned 28 June 2019)

Directors' responsibilities statement

The directors are responsible for preparing the annual report 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 FRS 102. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Company Information

BB&R Spirits Ltd (the company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales; its registered number is 00379553. The address of the company's registered office is shown on 'Directors and advisers'.

Report of the directors(continued)

BB&R Spirits Limited

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

As the auditor is now deemed, under section 487(2) of the Companies Act 2006, to be reappointed automatically, Deloitte LLP, having expressed its willingness, will continue as statutory auditor.

Small company provisions

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved and signed by order of the Board:



G. M. Robson
Company Secretary
4 October 2019

Independent auditor's report

For the year ended 31 March 2019

BB&R Spirits Limited

Independent auditor's report to the members of BB&R Spirits Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BB&R Spirits Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Independent auditor's report (continued)

For the year ended 31 March 2019

BB&R Spirits Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the directors has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the report of the directors.

Matters on which we are required to report by exception

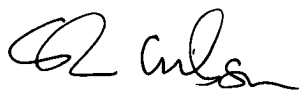
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our 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.



Colin Gibson, CA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

7 October 2019

Income Statement

for the year ended 31 March 2019

BB&R Spirits Limited

	Note	2019 £000's	2018 £000's
Revenue	1	-	949
Cost of sales		-	(495)
Gross result/profit		-	454
Administrative Expenses		-	(367)
Distribution Costs		-	(5)
Other Income	2	-	1
Operating result/profit		-	83
Result/Profit before taxation	3	-	83
Taxation	4	-	(1,474)
Result/ (Loss) for the financial year		-	(1,391)

The accounting policies and notes on pages 9 to 12 form an integral part of these financial statements.

The company is now dormant, the activities in the prior year were transferred to Highland Distillers Limited as detailed in the report of the directors.

The Company had no recognised gains or losses other those reported above; accordingly no statement of other comprehensive income has been presented.

Statement of Financial Position

as at 31 March 2019

BB&R Spirits Limited

	Note	2019 £000s	2018 £000s
Current Assets			
Trade and other receivables	6	28,968	28,968
Current assets		<u>28,968</u>	<u>28,968</u>
Total Assets		<u>28,968</u>	<u>28,968</u>
Equity and Liabilities			
Called up share capital	9	250	250
Revaluation Reserve		-	-
Retained earnings		<u>27,244</u>	<u>27,244</u>
Total Equity		<u>27,494</u>	<u>27,494</u>
Current Liabilities			
Current tax liability	7	<u>1,474</u>	<u>1,474</u>
Total Current Liabilities		<u>1,474</u>	<u>1,474</u>
Total Liabilities		<u>1,474</u>	<u>1,474</u>
Total Equity and Liabilities		<u>28,968</u>	<u>28,968</u>

The accounting policies and notes on pages 9 to 12 form an integral part of these financial statements.

The financial statements of BB&R Spirits Limited (registered number 00379553) were approved by the Board of Directors and signed on behalf of the board



M.A. Cooke
Director
4 October 2019

Statement of changes in equity

For the year ended 31 March 2019

BB&R Spirits Limited

	Share capital	Revaluation Reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s
Balance at 1 April 2018	250	-	27,244	27,494
Result for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31 March 2019	250	-	27,244	27,494

	Share capital	Revaluation Reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s
Balance at 1 April 2017	250	68	29,729	30,067
Loss for the year	-	-	(1,391)	(1,391)
Other comprehensive income	-	(68)	68	-
Total comprehensive income for the year	-	(68)	(1,323)	(1,391)
Dividend paid	-	-	(1,182)	(1,182)
Balance at 31 March 2018	250	-	27,244	27,494

The accounting policies and notes on pages 9 to 12 form an integral part of these financial statements.

Accounting policies

BB&R Spirits Limited

Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

BB&R Spirits Ltd is a private company limited by shares which is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The financial statements are presented in sterling and all values are to the nearest £'000 except where otherwise indicated.

BB&R Spirits Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. BB&R Spirits Limited is consolidated in the financial statements of its parent, as disclosed in note 10. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

On 28 April 2017, the trade and assets were transferred to Highland Distillers Ltd. As a result of the transaction the company has ceased to trade and has been dormant in the current year. The company has the resources to manage its business risks and therefore the directors believe the company can adopt the going concern basis in preparing the annual report and financial statements.

Revenue Recognition

Sales comprise revenue from the sale of goods, royalties, interest and rents receivable. Revenue is measured at the fair value of consideration received or receivable, excluding sales tax, and reduced by any rebates and trade discounts allowed. Sale of goods are recognised depending upon individual customer terms at the time of despatch, delivery or when the risk of loss transfers. Royalties, interest and rents receivable are recognised on an accruals basis. Dividend income is recognised at the point the right to receive payment is established.

Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable income differs from the profit before tax reported in the income statement because of items of income/expense which are taxable/deductible in other years ("temporary differences") and items that are never taxable/deductible ("permanent differences"). Current tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Accounting policies (continued)

BB&R Spirits Limited

Taxation (continued)

Deferred Tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Foreign currencies

The Company presents its financial statements in sterling and conducts business in many currencies. As a result it is subject to foreign currency risk due to exchange rate movements which will affect the Company's transactions and translation of the results and underlying net assets of its operations.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

When the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and contributions relating to equity instruments are debited directly to equity.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Allowances are made where there is evidence of a risk of non-payment taking into account ageing, previous experience and general economic conditions. Interest is recognised by applying the effective interest method except for short-term receivables when recognition of interest would be immaterial.

Financial liabilities at amortised cost

Financial liabilities are initially recognised at fair value net of transaction costs and are subsequently reported at amortised cost. The difference between the initial carrying amount of the financial liabilities and their redemption value is recognised in the income statement over the contractual terms using the effective interest method.

Notes to the financial statements

Year to 31 March 2019

BB&R Spirits Limited

1. Revenue

Revenue is stated after deducting discounts and allowances and excluding VAT. Turnover by geographical market area is not disclosed as, in the opinion of the Directors, such disclosure would be detrimental to the interests of the Company. The company's turnover is solely derived from the sale of goods.

2. Other Income

	2019 £000s	2018 £000s
Management fees	-	1
	<u>-</u>	<u>1</u>

3. Result/Profit before taxation

	2019 £000s	2018 £000s
Result/Profit before taxation is stated after charging		
Foreign exchange loss	-	129
Depreciation of fixed assets	-	1
Amortisation of intangible assets	-	21
Cost of stock recognised as an expense	-	436
	<u>-</u>	<u>436</u>

The Company did not employ any staff nor did any of the directors hold a service contract with the Company in the current or preceding financial years. The Directors are all employed by associated companies within the group and no portion of their remuneration can be specifically attributed to their services to the Company.

The Auditor's remuneration was £4,533 (2018: £4,427) for audit services was paid and borne by another group company and not recharged. There was no non audit services received in the year.

4. Taxation

	2019 £000s	2018 £000s
Current tax charge		
In respect of current year	-	1,474
	<u>-</u>	<u>1,474</u>
Income tax expense recognised in the current year	-	1,474
	<u>-</u>	<u>1,474</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2019 £000s	2018 £000s
Profit before tax from continuing operations	-	83
Income tax expense calculated at 19% (2018: 19%)	-	16
Effect of expenses that are not deductible in determining taxable profit	-	4
Movement in unrecognised deferred tax	-	(646)
Transfer pricing adjustment	-	2,100
	<u>-</u>	<u>2,100</u>
Income tax expense recognised in profit or loss (relating to continuing operations)	-	1,474
	<u>-</u>	<u>1,474</u>

Notes to the financial statements (continued)

Year to 31 March 2019

BB&R Spirits Limited

5. Dividends	2019	2018
	£'000	£'000

Final dividend per ordinary share of £nil (2018: £4.73)	-	1,182
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6. Trade and other receivables	2019	2018
	£000s	£000s

Amounts owed by group undertakings	28,968	28,968
	<u>28,968</u>	<u>28,968</u>

Amounts from group undertakings are unsecured, non-interest bearing and repayable on demand.

7. Trade and other payables	2019	2018
	£000s	£000s

Current

Corporation tax payable	1,474	1,474
	<u>1,474</u>	<u>1,474</u>

8. Transactions with related parties

The Company is exempt under FRS 102 paragraph 33.1A from disclosing related party transactions with entities which are part of the 1887 group.

9. Share Capital	Authorised	Called up, Issued and fully paid
	£000s	£000s
At 31 March 2019 and 2018		
Ordinary shares of £ 1 each	300	250

10. Ultimate Controlling Party

The Company's immediate parent company is Highland Distillers Limited, whose ultimate parent company is The Edrington Group Limited which is registered in Scotland and which is ultimately controlled by The Robertson Trust, a registered charity. Copies of The Edrington Group Limited financial statements, which is the largest group into which these financial statements are consolidated, are available from its registered office, 100 Queen Street, Glasgow, G1 3DN. The smallest group into which these financial statements are consolidated is The 1887 Company Limited and its financial statements are available from its registered office, 100 Queen Street, Glasgow, G1 3DN.