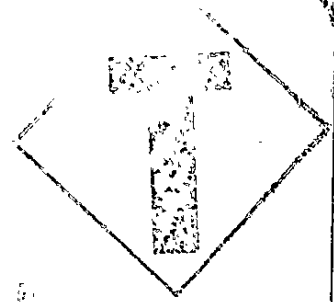


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WHITE HORSE DISTILLERS LIMITED

REPORT OF THE DIRECTORS

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED  
MARCH 31 1982

COMPANIES REGISTRATION  
26 AUG 1982  
OFFICE

WHITE HORSE DISTILLERS LIMITED

REPORT OF THE DIRECTORS

AND

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED  
MARCH 31 1982

WHITE HORSE DISTILLERS LIMITED

DIRECTORS

Edmund Charles Thomas Edwards, Managing Director

John Murray Bremner

Edward Michael Campbell

Andrew Maule Dewar-Durie

James Kennedy Ferguson Fordyce

Derek Charles Hayward

Gordon Leonard Charles Woodland

William Kenneth Young

Simon Thomas Cecil Hanbury (appointed May 1 1982)

Ian Henry Ross (resigned April 30 1982)

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SECRETARY AND REGISTERED OFFICE

John Douglas Turnbull, C.A., A.T.I.I.

99 Borron Street, Glasgow G4 9XF

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AUDITORS

Hardie, Caldwell Ker & Hardie

Chartered Accountants

179 West George Street, Glasgow G2 2LQ

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WHITE HORSE DISTILLERS LIMITED

NOTICE OF MEETING

- Notice is Hereby Given that the Fifty eighth Annual General Meeting of the Shareholders of White Horse Distillers Limited will be held within the Registered Office of the Company, 99 Borron Street, Glasgow, on Tuesday, June 22 1982 at 12.00 noon for the following purposes:-

To receive and consider the Directors' Report, the Annual Statement of Accounts and Balance Sheet for the year ended March 31 1982 and the Auditors Report thereon, to sanction the Declaration of a Dividend, to re-appoint the Auditors, and to transact other Ordinary Business of the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him, and that proxy need not also be a Member of the Company.

By Order of the Board

J D TURNBULL

SECRETARY

Registered Office

99 Borron Street  
Glasgow G4 9XF

May 26 1982



WHITE HORSE DISTILLERS LIMITEDDIRECTORS' REPORT

The Directors submit herewith their Fifty-eighth Annual Report with Balance Sheet and Statement of Accounts, showing the position of the Company as at March 31 1982.

The Profit and Loss Account attached shows the dividends paid and proposed and the amount of net profit retained.

The Company and its subsidiaries during the year continued in their principal activity as Scotch Whisky Distillers and all profit and turnover was in this one class of business.

In the opinion of the Directors, the market value of the Company's Land and Buildings is significantly in excess of the value at which they are included in the Balance Sheet. From a professional valuation made on a Current Cost Accounting basis at September 30 1981 it is estimated that the value on that basis of the Company's Land and Buildings at March 31 1982 would be approximately £2.9M greater than the value included in the Balance Sheet.

The names of the persons who at the end of the financial year were Directors of the Company are as listed below. Since that date Mr I H Ross resigned as a Director of the Company on April 30 1982 and Mr S T C Hanbury was appointed a Director with effect from May 1 1982.

The interests of Directors and their families in the Share and Loan capital of The Distillers Company p.l.c., as defined by Section 16(1)(e) of the Companies Act 1967 were as follows:-

		<u>At March 31 1982</u>		<u>At April 1 1981</u>	
		<u>Ordinary Shares of 50p each</u>	<u>7½% Loan Stock</u>	<u>Ordinary Shares of 50p each</u>	<u>7½% Loan Stock</u>
J M	Bremner	-	-	-	-
E M	Campbell	-	-	-	-
A M	Dewar-Durie	-	-	-	-
E C T	Edwards	-	-	-	-
J K F	Fordyce	-	-	-	-
D C	Hayward	-	-	-	-
I H	Ross	442	£500	442	£500
		17,420*	-	17,420*	£2,500*
G L	Woodland	-	-	-	-
W I	Young	203	-	203	-

\*As Trustee

WHITE HORSE DISTILLERS LIMITEDDIRECTORS' REPORT (continued)

None of the Directors had an interest in any other Loan Capital of The Distillers Company p.l.c. nor in shares or debentures of any of its subsidiaries.

The Auditors, Messrs. Hardie, Caldwell Ker & Hardie, Chartered Accountants, have intimated their willingness to continue in office.

The Company's Managers are instructed to give sympathetic consideration, when recruiting, to applications from disabled persons and to bear in mind the special needs of disabled employees (including those who become disabled while in the Company's employment) in regard to training, structure of Company premises and facilities, etc., and to seek to ensure that the handicaps suffered by disabled employees do not adversely affect their promotional prospects.

By Order of the Board

J D TURNBULL

SECRETARY

May 26 1982

WHITE HORSE DISTILLERS LIMITEDACCOUNTING POLICIESTurnover

Turnover represents the amount receivable for goods sold, including duty but excluding value added tax.

Income from Investments

Income from investments is brought into account in the year in which it is received. Franked income is stated inclusive of the associated tax credit.

Stocks

Stocks are valued at the lower of cost and the estimated amount realisable from disposal in the normal course of business. Cost comprises expenditure directly incurred in purchasing or manufacturing the stock and bringing it to its current state plus an allocation of normal overhead expenditure attributable to the processes or departments through which it has passed.

The cost of casks is amortised by equal instalments over twenty years.

Fixed Assets and Depreciation (see also Note 8)

The cost of fixed assets is stated at the net amount after deducting grants receivable. Depreciation is calculated on the net cost.

The general policy is to provide depreciation on fixed assets, other than freehold land, evenly over the estimated working life of the assets and calculated from the beginning of the quarter year of introduction into service. For assets acquired before April 1 1978, depreciation is calculated from the beginning of the financial year of introduction into service.

Adjustments for depreciation over or under provided are included in the depreciation charge for the year in which the relevant assets are sold or scrapped.

Deferred taxation (see also Note 12)

The policy in relation to taxation which has been deferred because of the different timing attributed to certain items of income or expenditure for taxation/...

WHITE HORSE DISTILLERS LIMITEDACCOUNTING POLICIES

taxation purposes is to make provision at the year end rates of tax for the deferred liability only in instances where (1) the timing differences are short term and will normally reverse in the next accounting period or (2) there are insufficient grounds to assume that continuing or recurring timing differences will prevent liabilities from crystallising.

The estimated total potential liability for deferred taxation is shown by way of a note on the accounts.

Foreign currencies

Assets, liabilities and trading results in foreign currencies are translated into sterling at the rates ruling at the date of balance. Translation differences in respect of fixed assets are transferred directly to reserves. Exchange differences on conversion of foreign currency amounts relating to trading operations are taken into account as part of the trading profit.

WHITE HORSE DISTILLERS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31 1982

		<u>1981/82</u>	<u>1980/81</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
TURNOVER		<u>68,720,308</u>	<u>66,037,059</u>
TRADING PROFIT	2 & 13	12,078,524	12,739,369
INCOME FROM INVESTMENTS	7	<u>11,843</u>	<u>11,843</u>
		12,090,367	12,751,212
INTEREST PAID ON LOAN			
Short Term loan from The Distillers Company p.l.c.		<u>1,620,000</u>	<u>1,620,000</u>
PROFIT BEFORE TAXATION		10,470,367	11,131,212
TAXATION ON PROFIT OF YEAR	3	<u>3,033,552</u>	<u>3,821,604</u>
SURPLUS		7,436,815	7,309,608
DIVIDENDS			
Interim Dividend Paid		8,287	8,287
Proposed Final Dividend		<u>7,423,000</u>	<u>7,294,000</u>
		<u>7,431,287</u>	<u>7,302,287</u>
SURPLUS RETAINED		<u>5,528</u>	<u>7,321</u>

The notes on pages 10 to 15 form part of these accounts.

WHITE HORSE DISTILLERS LIMITEDBALANCE SHEET AT MARCH 31 1982

		<u>March 31 1982</u>		<u>March 31 1981</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>CURRENT ASSETS</b>					
Stocks	4	62,841,694		59,534,680	
Debtors		9,340,312		10,351,248	
Cash		<u>146,046</u>		<u>213,823</u>	
			72,328,052		70,099,751
<b>CURRENT LIABILITIES</b>					
Creditors		4,758,776		4,236,504	
Corporation Tax Payable					
January 1983		3,030,000		3,819,000	
Other Current Taxation		24,000		-	
Proposed Dividend		<u>7,423,000</u>		<u>7,294,000</u>	
			15,235,776		15,349,504
			57,092,276		54,750,247
<b>SUBSIDIARY COMPANIES</b>					
Shares in subsidiaries	5	22		22	
Indebtedness by subsidiaries		<u>18,177</u>		<u>9,816</u>	
			18,199		9,838
<b>HOLDING COMPANY &amp; FELLOW SUBSIDIARY COMPANIES</b>					
Indebtedness by companies		6,037,753		4,818,001	
Indebtedness to companies		<u>52,660,630</u>		<u>48,898,506</u>	
			(46,622,877)		(44,080,505)
<b>INVESTMENTS</b>					
	7		560		560
<b>FIXED ASSETS</b>					
	8				
Land and Buildings		1,058,104		1,038,032	
Plant and Fittings		<u>1,411,638</u>		<u>1,234,200</u>	
			2,469,742		2,272,232
			12,957,900		12,952,372
<b>CAPITAL AND RESERVES</b>					
Share Capital	10	2,100,000		2,100,000	
Reserves	11	<u>10,857,900</u>		<u>10,852,372</u>	
			12,957,900		12,952,372

Approved by the Board

May 26 1982

E C T EDWARDS DIRECTOR

G L WOODLAND DIRECTOR

The notes on pages 10 to 15 form part of these accounts.

Certified to be a true copy of the Balance Sheet and Accounts as submitted at the Annual General Meeting on 22nd June, 1982.

.....Director  
 .....Director

WHITE HORSE DISTILLERS LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSYEAR ENDED MARCH 31 1982

<u>SOURCES OF FUNDS</u>	<u>1981/82</u>	<u>1980/81</u>
£	£	£
Total generated from operations (Note A)	10,723,895	11,345,294
Grants receivable on capital expenditure	68,357	39,964
Proceeds from sale of fixed assets	24,296	18,617
	<u>10,816,548</u>	<u>11,403,875</u>
<u>APPLICATION OF FUNDS</u>		
Taxation payments	3,795,000	3,299,052
Dividend payments	7,302,287	4,036,787
Purchase of fixed assets, before grants	547,243	770,995
Investment in new subsidiary	-	10
	<u>11,644,530</u>	<u>8,106,844</u>
	(827,982)	3,297,031
<u>NET INCREASE IN WORKING CAPITAL</u>		
Increase(decrease)in Stocks	3,307,014	9,105,036
Debtors	(1,010,936)	1,253,281
Indebtedness by subsidiaries and fellow subsidiaries	1,228,113	1,656,997
(Increase)in Creditors	(522,272)	(39,692)
Indebtedness to subsidiaries and fellow subsidiaries	<u>3,617,107</u>	<u>(1,741,506)</u>
	6,619,026	10,234,116
Movement in net liquid funds (Note B)	<u>(7,447,008)</u>	<u>(6,937,085)</u>
	(827,982)	3,297,031
<u>NOTES</u>		
<u>A. Funds generated from operation</u>		
Profit before taxation	10,470,367	11,131,212
Depreciation provided	257,080	217,634
Tax Credits included in income from investments	<u>(3,552)</u>	<u>(3,552)</u>
	<u>10,723,895</u>	<u>11,345,294</u>
<u>B. Movement in net liquid funds</u>		
Increase(decrease)in cash balances	(67,777)	(487,837)
Decrease(increase)in current and loan account balances with The Distillers Company p.l.c.	<u>(7,379,231)</u>	<u>(6,449,248)</u>
	<u>(7,447,008)</u>	<u>(6,937,085)</u>

WHITE HORSE DISTILLERS LIMITEDNOTES ON THE ACCOUNTS1. ULTIMATE HOLDING COMPANY

The Company is a subsidiary of The Distillers Company p.l.c. which is registered in Scotland.

2. TRADING PROFIT

The items noted below have been taken into account in arriving at the amount of the trading profit.

	<u>1981/82</u>	<u>1980/81</u>
	<u>£</u>	<u>£</u>
Depreciation (note 8)	257,080	217,634
Differences on exchange	(31,039)	5,912
Auditors' remuneration	16,000	14,500
Distillers Company administration charge	687,000	561,000
E E C Export refund	(48,979)	-

3. TAXATION ON PROFIT OF YEAR

	<u>1981/82</u>	<u>1980/81</u>
	<u>£</u>	<u>£</u>
Corporation tax chargeable at 52%	3,030,000	3,819,000
Overprovision for previous year	-	(948)
Tax credit on U K dividends received	3,552	3,552
	<u>3,033,552</u>	<u>3,821,604</u>

The corporation tax charge has been reduced by £127,000 (£361,500) in respect of timing differences arising from accelerated capital allowances and other timing differences.

WHITE HORSE DISTILLERS LIMITEDNOTES ON THE ACCOUNTS (continued).4. STOCKS

The main categories of stocks are

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Scotch Whisky & other potable products	56,526,506	53,319,213
Raw materials, casks, bottling and casing materials	6,280,998	6,167,993
Other stocks and stores	34,190	47,474
	<u>62,841,694</u>	<u>59,534,680</u>

5. SUBSIDIARY COMPANIES

The company has the following interests in the issued share capital of subsidiary companies.

	<u>Country of incorporation or registration</u>	<u>Class of shares held</u>	<u>Proportion held of each class</u>
White Horse Distillers (South Africa) (Proprietary) Limited	South Africa	Ordinary	100%
White Horse Distillers (Namibia) (Proprietary) Limited	Namibia	Ordinary	100%
Craighall Bonding Company Limited	Scotland	Ordinary	100%
Drum Horse Distillers Limited	England	Ordinary	100%

WHITE HORSE DISTILLERS LIMITEDNOTES ON THE ACCOUNTS (continued).6. GROUP RESULTS

Group accounts are not submitted as the Company is a wholly owned subsidiary of another body corporate.

In the opinion of the Directors, the aggregate value of the Company's investments in subsidiaries and the aggregate value of the Company's indebtedness by subsidiaries are not less than the aggregate amounts at which these items are included in the Company's balance sheet.

7. INVESTMENTS

	<u>1981/82</u>	<u>1980/81</u>
	<u>£</u>	<u>£</u>
Income from unlisted investments	11,843	11,843
Book value of unlisted investments	560	560
Value of unlisted investments as estimated by the Directors	118,290	118,290

It is estimated that the Company would have incurred a taxation liability of approximately £24,709 (£24,260) had the investments been realised at the balance sheet date at the amounts of the above valuations.

8. FIXED ASSETS AND DEPRECIATION

	<u>Land and Buildings</u>			<u>Plant and Fittings</u>		
	<u>Cost</u>	<u>Depreciation</u>	<u>Book Value</u>	<u>Cost</u>	<u>Depreciation</u>	<u>Book Value</u>
At March 31 1981	1,454,302	416,270	1,038,032	2,648,136	1,413,936	1,234,200
Disposals				(79,755)	(55,459)	(24,296)
	1,454,302	416,270	1,038,032	2,568,381	1,358,477	1,209,904
Acquisitions	44,289	-	44,289	449,244	14,647	434,597
Depreciation for year	-	24,217	(24,217)	-	232,863	(232,863)
At March 31 1982	1,498,591	440,487	1,058,104	3,017,625	1,605,987	1,411,638

Acquisitions/...

WHITE HORSE DISTILLERS LIMITEDNOTES ON THE ACCOUNTS (continued).

Acquisitions are stated at net cost after deducting grants receivable amounting to £68,357 (1980/81 £39,964).

The book value of land and buildings at March 31 1982 is comprised entirely of freehold properties.

The annual rates of depreciation applied range from 2% to 20% according to the nature of the assets. The rates most widely applied are:

Freehold buildings	2%.
Production and service plant	4%, 5%, 6 $\frac{1}{2}$ %, 10% or 16 $\frac{1}{2}$ %
Office machinery and fittings	5% or 10%
Motor vehicles	16 $\frac{1}{2}$ %
Computer and associated equipment	20%

No depreciation has been written off the cost of freehold land amounting to £286,011 (£246,880).

#### 9. CAPITAL COMMITMENTS

Contracted capital expenditure outstanding amounts to approximately £40,489 (£373,885) after taking account of grants receivable amounting to approximately £2,330 (£65,000).

Capital expenditure authorised by the directors but not contracted amounts to NIL (NIL)

#### 10. SHARE CAPITAL

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Authorised Share Capital	<u>20,100,000</u>	<u>20,100,000</u>
Issued		
2,100,000 Ordinary Shares		
of £1 each	2,100,000	2,100,000

The Distillers Company p.l.c. has an option exercisable until September 30 1984 to subscribe at par for new ordinary shares in the Company of aggregate nominal value £18,000,000.

WHITE HORSE DISTILLERS LIMITEDNOTES ON THE ACCOUNTS (continued).11. RESERVES

	<u>Share Premium Account</u>	<u>Other Reserves</u>	<u>Total Reserves</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Reserves at March 31 1981 as previously reported	-	10,852,372	10,852,372
Retained surplus of year	-	5,528	5,528
Reserves at March 31 1982	-	10,857,900	10,857,900

12. DEFERRED TAXATION

No provision for deferred taxation within the accounts is considered necessary. The major elements of the total potential liability are as follows:-

	<u>Potential Liabilities</u>	
	<u>1982</u>	<u>1981</u>
Accelerated Capital allowances	3,183,635	2,741,670
Other timing differences	(15,012)	(21,992)
	<u>3,168,623</u>	<u>2,719,678</u>

WHITE HORSE DISTILLERS LIMITED  
NOTES ON THE ACCOUNTS (continued).

13. DIRECTORS' EMOLUMENTS.

The aggregate amount of the directors' emoluments including contributions to pension schemes for services other than as directors was £225,194 (1980/81 £223,631).

Excluding contributions to pension schemes, the emoluments of the individual directors (other than a director whose duties were discharged mainly outside the United Kingdom) were as follows:-

	<u>1981/82</u>	<u>1980/81</u>
The Chairman	£28,154	£24,708

Emoluments of other directors:-

		<u>Number of Directors</u>	
<u>Exceeding</u>	<u>Not Exceeding</u>	<u>1981/82</u>	<u>1980/81</u>
	£5,000	-	1
£5,000	£10,000	-	-
£10,000	£15,000	-	1
£15,000	£20,000	4	5
£20,000	£25,000	3	2

14. EMOLUMENTS OF SENIOR EMPLOYEES

There were no employees of the company whose emoluments, excluding contributions to pension schemes, exceeded £20,000.

WHITE HORSE DISTILLERS LIMITED

REPORT OF THE AUDITORS

To the Members of White Horse Distillers Limited

We have audited the accounts set on pages 5 to 15 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the Company at March 31 1982 and of the Profit and Source and Application of Funds for the year ended on that date and comply with the Companies Acts 1948 to 1981 in so far as the provisions of those Acts apply to these accounts.

HARDIE, CALDWELL KER & HARDIE

CHARTERED ACCOUNTANTS

AUDITORS

Glasgow

May 26 1982