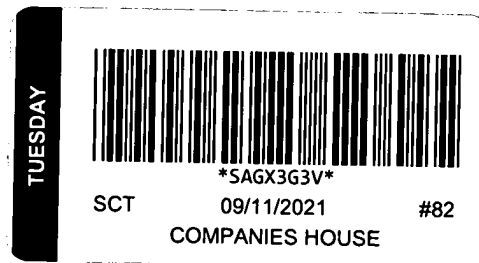


Registered number: SC037522

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28 FEBRUARY 2021**



**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**COMPANY INFORMATION**

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<b>Directors</b>	J A Bishop I M Chapman D T King E C Mackintosh S A M Rankin N Ross N E Urquhart (Chair) R G Urquhart S D Urquhart
<b>Company secretary</b>	N Ross
<b>Registered number</b>	SC037522
<b>Registered office</b>	George House Boroughbriggs Road Elgin IV30 1JY
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Glasgow G1 3BX
<b>Bankers</b>	Barclays Bank plc 120 Bothwell Street Glasgow G2 7JT
<b>Solicitors</b>	Wright Johnston & Mackenzie LLP The Green House Beechwood Park North Inverness IV2 3BL

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
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**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**Principal activity**

Speymalt Whisky Distributors Limited (trading as Gordon & MacPhail) ('the company'), is a family owned premium spirits company based in Elgin, Scotland. Owner of Scotch whisky distillery, Benromach, Gordon & MacPhail is also a Scotch whisky maturation expert, the owner of Scottish Gin brand, Red Door and the operator of a wholesale business in the United Kingdom selling premium Scotch whiskies and spirits, along with a high-quality retail outlet.

**Overall strategy**

Long-term thinking, investment and growth are the foundations of the Gordon & MacPhail business.

The company owns Benromach Distillery located in Forres in Moray. Benromach Single Malt Scotch Whisky is handcrafted using traditional methods by a small team of distillers using the finest Scottish barley and the purest spring water from the nearby Romach Hills. The multi award-winning portfolio of single malts is enjoyed by whisky drinkers worldwide.

The company continues to support and invest in the development of Red Door, an award winning, small batch Scottish gin which forms a strategic part of the company's product portfolio.

Work commenced in July 2020 on the company's second distillery on the banks of the River Spey, overlooking the Cairngorm mountains, near Grantown-on Spey. The new site will add further distillation capacity and brand ownership to the company's asset base and is a key part of the plans to continue building a long-term sustainable business. A high-quality visitor experience offering tours and tastings will also attract visitors from around the world.

Since the founding of the business in 1895, Gordon & MacPhail has sent casks to Scotch whisky distilleries throughout Scotland to be filled with new-make spirit, before being left to mature for many years either at the distillery or in their bonded warehouses in Elgin. The Gordon & MacPhail portfolio offers some of the world's rarest and most sought-after Single Malt Scotch Whiskies to discerning whisky drinkers globally.

The company's wholesale business serves customers throughout the United Kingdom selling Benromach Single Malt, Red Door gin and Gordon & MacPhail whiskies into the on and off trade. The business also exclusively represents a number of 'distributor' brands and stocks premium whiskies and spirits.

The retail shop in Elgin remains the 'spiritual home' of the business, 125 years after it was first established in 1895. The shop is home to a large selection of Single Malt Scotch Whiskies and is a destination for many whisky aficionados from around the world.

**Business review, future developments and the impact of Covid-19**

The directors continue to chart the strategic direction of the business. The year saw the company navigate unprecedented trading conditions, whilst continuing to invest for long term prosperity.

The financial year was heavily impacted by the uncertainties and resultant disruption caused by the Covid-19 pandemic. In March 2020, in line with UK Government advice, the company temporarily closed its business premises as part of the nationwide lockdown. The company operated at limited capacity for several months with a consequential impact on commercial activity.

The directors reviewed the appropriate response to the uncertainty and reforecast the company's plans for the year, retaining focus on its capital investment plan. Working practices were scrutinised and the health and safety of our employees was prioritised. In accordance with the Government's Coronavirus Job Retention Scheme, the only government assistance utilised, the company furloughed a number of employees as an assessment of the emerging impact of the virus was carried out. Employees were furloughed on 100% of their salaries, with government support totalling £720,000. The majority of the workforce worked from home and continue to do so. Plans to return to work are being developed in readiness for when it is safe to do so.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**Business review, future developments and the impact of Covid-19 (continued)**

The company implemented physical and other procedural measures to ensure that employees could undertake their duties safely, in line with government guidance, to allow the business to resume operations to the extent possible. During this period of uncertainty, the company sought to communicate regularly with employees and other stakeholders to support them through the difficult circumstances caused by the crisis. A variety of communication methods were utilised and those working from home were supported through investments in equipment and video conferencing technologies.

As the crisis continued, the business focussed on its finances and specifically the management of cash. Debt collection and cost management activities were prioritised whilst commercial activity was focused on markets that were experiencing minor disruptions. The business adopted a low volume, high value sales model to maintain profitability and liquidity.

The Board considers that the company is in a strong position to continue trading through the pandemic.

As in previous years, the business engaged in the bulk sale of mature whisky to build up reserves to finance the building of the company's second distillery.

Sales increased in the year by 1% to £34,064,000. The profit on ordinary activities before tax amounted to £13,856,000 (2020: £9,808,000) with profit and total comprehensive income for the financial year of £11,062,000 (2020: £7,906,000) being transferred to reserves. The net assets of the company as at 28 February 2021 were £65,690,000 (2020: £55,445,000).

The company continued to focus on Benromach with sales value and volumes growing by 17% and 16% respectively, assisted by the launch of the new bold logo type (influenced by the history of the distillery) and redesigned packaging for the multi award-winning single malt. The new direction was unveiled exclusively in the UK in June 2020 with International markets following soon after. The company continued to invest and fill Benromach spirit into first fill casks and, following the relaxation of the lockdown restrictions, concluded a project to build two new warehouses at the distillery.

The year saw the company sell further parcels of mature single malt whisky stock as part of its plan to finance investment in a second distilling site near Grantown-on-Spey. The transactions, totalling £11m, boosted the company's profitability. The company has been pleased with the project's progress and, following an enforced delay due to the lockdown restrictions, the construction phase commenced in July 2020 and the structure is now coming to life. During the year, the name of the second distillery was announced as the Cairn Distillery. Spirit is planned to flow from the new stills in late 2021 and focus has also turned to branding and the consumer facing elements of the new distillery and plans are being formed for the opening in 2022.

The company continued to focus on the future with several significant infrastructure investments at its main site in Elgin. The bottling plant has been refurbished with investment in new vats and the company's IT systems will benefit from the implementation of a new ERP system in late 2021. Both projects will support the company's future growth aspirations.

Whilst trading has been restricted during the pandemic impacted year, the focus on investing for the future of the business has had a wider positive impact on the local supply chain.

Following the conclusion of the first lockdown, the business engaged in a review of its trading model. A small restructure ensued which resulted in several alterations within the retail and warehousing operations. A small number of colleagues were impacted across the restructure, resulting in some redundancies.

**Principal risks and uncertainties**

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company has a risk management programme that seeks to limit the adverse effects of the financial performance of the company by

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**Principal risks and uncertainties (continued)**

monitoring the level of debt finances and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies are set by the board of directors and implemented by the executive directors and monitored by the finance department.

***Covid-19 risk***

The Board continues to monitor the impact of the global pandemic. Routine updates are received and incorporate the latest guidance and financial impacts. Longer term plans include sensitivity to ascertain potential impacts on future growth.

***'Brexit' risk***

During the year the company reviewed the implications of the United Kingdom leaving the European Union. The company considered the risks presented by Brexit and at this stage does not perceive any material risk to the company's viability. The company will keep this under review as the new trading relationship settles.

***US Tariffs risk***

In October 2019, as a result of the long running Boeing/Airbus litigation, the US imposed a 25% tariff on Single Malt Scotch Whiskies and Scotch Whisky Liqueurs. The position continues to evolve, with the introduction of a temporary suspension for four months whilst trade talks continue. This was welcome news and the company continues to monitor the situation. Should tariffs be permanently introduced we will work with our distribution partner in the US to minimise the impact.

***Credit risk***

Trade debt is proactively monitored across the company. The UK market credit risk is managed using a due diligence model, which includes but is not limited to, third party credit references, payment history and knowledge of the customer's business and plans. The credit risk on export debtors is managed on a similar basis with several export balances being insured via a reputable credit insurer.

**Key performance indicators**

The directors have monitored the progress of the company's strategy and the individual strategic elements by reference to certain key performance indicators. Specifically, the company measures performance based on sales growth, gross profit % and net assets:

	2021	2020
Sales growth	1.1%	(17.8)%
Gross profit %	64.0%	54.1%
Net assets	£65,690,000	£55,445,000

This report was approved by the board on 21 May 2021 and signed on its behalf.



**N Ross**  
Secretary

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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The directors present their report and the financial statements for the year ended 28 February 2021.

**Results and dividends**

The profit for the year, after taxation amounted to £11,062,000 (2020: £7,906,000).

The company paid dividends during the year of £4.30 (2020: £9.42) per ordinary share being £817,000 (2020: £1,790,000) and the directors recommend a dividend of £2.56 (2020: £4.30) per ordinary share being £486,000 (2020: £817,000), not recognised as a liability in the financial statements. Full details of dividends paid and proposed are included in note 11 to the financial statements.

**Directors**

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

J A Bishop  
I M Chapman  
D T King  
E C Mackintosh  
S A M Rankin  
N Ross  
N E Urquhart (Chair)  
R G Urquhart  
S D Urquhart

**Directors' Responsibilities Statement**

The directors are responsible for preparing the Strategic Report, the Directors' 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland').

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 and 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**Going concern**

The company prepares financial projections which fully incorporate expected developments in trading, costs, stock levels, working capital requirements, dividends and expected capital expenditure. These projections are tested against existing credit facilities to ensure the company can operate within agreed limits.

In 2020, the impact of Covid-19 pandemic led to a reduction in the expected level of trading activity and thus cash generation from operations. The company has prudently reflected these challenges in a revised forecast for the short to medium term and taken measures to ensure that sufficient funds are in place to continue trading activities.

The directors report that the company has adequate bank facilities to trade for the foreseeable future, and a strong balance sheet with significant equity in maturing stock, thus confirm that it is appropriate to prepare the financial statements on a going concern basis.

**Matters covered in the strategic report**

Information relating to future developments, assessment of financial risks and risk management are considered to be of strategic importance and have therefore been addressed within the Strategic Report.

**Disclosure of information to auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 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.

**Post balance sheet events**


In May 2021, the company extended its Inventory Finance facility with its bankers, Barclays. The facility is secured against eligible bulk Scotch whisky stocks and can be drawn down by the business to meet trading and capital cash requirements.

There have been no events which have significantly affected the company's reported financial position since the year end.

**Auditors**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 May 2021 and signed on its behalf.



**N Ross**  
Secretary



**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**Opinion**

We have audited the financial statements of Speymalt Whisky Distributors Limited (the 'company') for the year ended 28 February 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 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 responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**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 this regard.

**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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

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 material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

**Responsibilities of directors for the financial statements**

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.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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**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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management. We determined the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland' and the Companies Act 2006. The industry is also heavily regulated by HM Revenue and Customs.
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We have assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by making enquiries of management. Audit procedures performed by the engagement team included:
  - identifying and evaluating the design effectiveness of controls that management has in place to prevent and detect fraud;
  - challenging assumptions and judgements made by management in their judgement of significant accounting estimates;
  - identifying and testing journal entries, with a focus on material and unusual manual journals, considered by the engagement team to carry a higher risk of fraud;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
  - performed audit procedures to conclude on the compliance of disclosures in the annual report with the applicable financial reporting requirements.
- These audit procedures have been designed to provide reasonable assurance that the financial statements are free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those resulting from error, as those resulting from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentation.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge and experience of the industry in which the client operates;

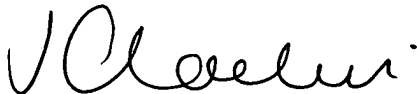
**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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- understanding of the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 and the application of the legal and regulatory requirements to the Company.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the company's operations, including the nature of its revenue sources and revenue recognition policy, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatements; and
  - the company's control environment, including the policies and procedures implemented to comply with the requirements of accounting standards in conformity with the requirements of the Companies Act 2006, the adequacy of procedures for authorisation of transactions, and procedures to ensure that possible breaches of laws and regulations are appropriately investigated and reported.
- From the procedures performed we did not identify any matters relating to non-compliance with laws and regulations or matters in relation to fraud.

**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.



James Chadwick  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
**Glasgow**

**Date** 21 May 2021

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Turnover	4	34,064	33,677
Cost of sales		(12,279)	(15,450)
<b>Gross profit</b>		<b>21,785</b>	<b>18,227</b>
Distribution costs		(3,475)	(3,490)
Administrative expenses		(5,157)	(4,990)
Other operating income	5	720	-
<b>Operating profit</b>	5	<b>13,873</b>	<b>9,747</b>
Net interest (payable)/receivable	9	(17)	61
Profit on ordinary activities before taxation		13,856	9,808
Taxation	10	(2,794)	(1,902)
<b>Profit and total comprehensive income for the financial year</b>		<b>11,062</b>	<b>7,906</b>

The notes on pages 14 to 28 form part of these financial statements

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income, and there was no other comprehensive income in either year.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 28 FEBRUARY 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Tangible assets	12	30,358	17,546
Investments	13	34	35
		<u>30,392</u>	<u>17,581</u>
<b>Current assets</b>			
Stock	14	27,324	26,329
Debtors	15	3,577	4,076
Cash at bank and in hand		13,061	12,646
		<u>43,962</u>	<u>43,051</u>
<b>Creditors: amounts falling due within one year</b>	16	(7,476)	(4,307)
Net current assets		<u>36,486</u>	<u>38,744</u>
Total assets less current liabilities		66,878	56,325
<b>Creditors: amounts falling due after more than one year</b>	17	(17)	(55)
<b>Provisions for liabilities</b>	21	(1,171)	(825)
<b>Net assets</b>		<u><u>65,690</u></u>	<u><u>55,445</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	190	190
Share premium accounts	23	7	7
Profit and loss account	23	65,493	55,248
		<u>65,690</u>	<u>55,445</u>

The notes on pages 14 to 28 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 21 May 2021 and were signed on its behalf.



EC Mackintosh



N Ross

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

	<b>Called up share capital account</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£,000</b>
At 1 March 2019	190	7	49,132	49,329
<i><b>Comprehensive income for the year</b></i>				
Profit for the year	-	-	7,906	7,906
Dividends: equity capital	-	-	(1,790)	(1,790)
<b>At 29 February 2020</b>	<b>190</b>	<b>7</b>	<b>55,248</b>	<b>55,445</b>
<i><b>Comprehensive income for the year</b></i>				
Profit for the year	-	-	11,062	11,062
Dividends: equity capital	-	-	(817)	(817)
<b>At 28 February 2021</b>	<b>190</b>	<b>7</b>	<b>65,493</b>	<b>65,690</b>

The notes on pages 14 to 28 form part of these financial statements .

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Cash flows from operating activities</b>		
Operating profit	13,873	9,747
<b>Adjustments for:</b>		
Depreciation of tangible assets	984	967
Gain on disposal of tangible assets	(55)	(5)
Loss on revaluation of investment	1	3
(Increase) in stocks	(995)	(2,531)
Decrease in debtors	499	243
Increase in creditors	1,792	223
Corporation tax paid	(1,694)	(2,506)
<b>Net cash generated from operating activities</b>	<u>14,405</u>	<u>6,141</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(12,609)	(5,672)
Sale of tangible fixed assets	63	32
Interest received	9	109
<b>Net cash flow from investing activities</b>	<u>(12,537)</u>	<u>(5,531)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(527)	(98)
Repayment of finance leases	(83)	(119)
Dividends paid	(817)	(1,790)
Interest paid	(26)	(48)
<b>Net cash used in financing activities</b>	<u>(1,453)</u>	<u>(2,055)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	415	(1,445)
Cash and cash equivalents at beginning of the year	12,646	14,091
<b>Cash and cash equivalents at the end of the year</b>	<u>13,061</u>	<u>12,646</u>



**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
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**1. General information**

Speymalt Whisky Distributors Limited is a private company, limited by shares and incorporated in Scotland, registration number SC037522. The registered office is George House, Boroughbriggs Road, Elgin, IV30 1JY.

**2. Accounting policies**

**2.1 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of 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 (see note 3).

Consolidated accounts have not been prepared on the basis that the company's subsidiaries are non-trading and thus the company's results are reflective of the group as a whole.

The following principal accounting policies have been applied:

**2.2 Going concern**

The company prepares financial projections which fully incorporate expected developments in trading, costs, stock levels, working capital requirements, dividends and expected capital expenditure. These projections are tested against existing credit facilities to ensure the company can operate within agreed limits.

The impact of the Covid-19 pandemic has led to a reduction in the expected level of trading activity and thus cash generation from operations. The company has prudently reflected these challenges in a revised forecast for the short to medium term and taken measures to ensure that sufficient funds are in place to continue trading activities.

The directors report that the company has adequate bank facilities to trade for the foreseeable future, and a strong balance sheet with significant equity in maturing stock, thus confirm that it is appropriate to prepare the financial statements on a going concern basis.

**2.3 Foreign currency translation**

The company's functional currency is pounds Sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. At each period end foreign currency monetary items are retranslated using the closing rate. Foreign exchange gains and losses are credited or charged to the Statement of Comprehensive Income account as they arise.

**2.4 Revenue**

Turnover is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have been transferred to the buyer. This may be upon shipment, depending on shipping terms used, or the product being ready for delivery or use based on specific contract terms. Where applicable, revenue associated with goods and services is unbundled and recognised when the

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## **2.4 Revenue (continued)**

significant risks and benefits of ownership have been transferred to the buyer. Duty payable on the sale of alcohol is included within revenue and deducted as a cost of sale.

## **2.5 Government grants**

Government grants of a revenue nature are credited to income in the period to which they relate. Government grants relating to capital expenditure are credited to the Statement of Financial Position and are released to revenue once recognition criteria are satisfied. They are released by equal amounts over the expected useful life of the asset to which they relate.

## **2.6 Hire Purchase and Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

## **2.7 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **2.8 Pensions**

### ***Defined contribution pension plan***

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

## **2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
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**2.9 Current and deferred taxation (continued)**

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.10 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.

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 for heritable property and plant and machinery and on a reducing balance basis for motor vehicles.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery (including casks)	-	5% to 33 <sup>1</sup> / <sub>3</sub> %
Motor Vehicles	-	25%

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.

Depreciation is charged on assets in the course of construction only when construction is completed and the asset commissioned.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
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**2.11 Valuation of investments (continued)**

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 Stocks**

Stocks are stated at the lower of acquisition cost plus warehousing and production costs, where applicable, and net realisable value. Net realisable value is the estimated selling price (less trade discount) less all further costs to completion and all costs to be incurred in marketing, selling and distribution. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 the Statement of Comprehensive Income.

The cost of stock is uplifted for the amount of duty payable upon its transfer from the company's bonded facilities.

**2.13 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.14 Creditors**

Short term creditors are measured at the transaction price.

**2.15 Provisions**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation and are measured at the best estimate of the amount required to settle the obligation at the reporting date. The relevant risks and uncertainties are considered in calculating the obligation.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.16 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable or loans from banks and other third parties. 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 outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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## **2.16 Financial instruments (continued)**

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 the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

## **2.17 Dividends**

Equity dividends are recognised in the Statement of Changes in Equity when they become legally payable. Interim equity dividends are recognised when paid and final equity dividends when approved by the shareholders at an annual general meeting.

## **2.18 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

## **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

### ***Judgements***

When management enter into any sales contract, they consider all the terms and conditions of the sale and apply judgement in determining at which point to recognise the revenue. This takes into consideration items such as ownership, insurance, dispatch of the goods and all of the various risks and rewards relating to the assets being sold and the services provided.

### ***Estimates***

Management consider whether there are indicators of impairment of the company's stock. The company performs an annual stockholding review to determine any slow-moving or obsolete stock lines and accordingly makes a provision in its financial statements in order to reflect the true value of the stock.

The annual depreciation charge for property, plant and equipment varies in line with the estimates of useful economic lives of the assets. An assessment is made at each Statement of Financial Position date of the economic lives of the assets. They are amended when necessary, to reflect current estimates, based on future investment plans, economic utilisation, technological advancement and the physical condition of the asset.

The adequacy of the allowances for doubtful accounts receivable is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions. Management reviews the age of debtors, the payment history and correspondence with customers alongside performing credit checks.

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**4. Turnover**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Analysis of turnover by destination:		
United Kingdom	20,250	20,570
International	13,814	13,107
	<u>34,064</u>	<u>33,677</u>

**5. Operating profit**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging/(crediting):		
Government grants – Coronavirus Job Retention Scheme	(720)	-
Depreciation of tangible fixed assets	984	967
(Gain) on disposal of fixed assets	(55)	(5)
Loss on revaluation of listed investments to fair value	1	3
	<u>        </u>	<u>        </u>

Depreciation charged to the profit and loss account is net of amounts capitalised into the cost of maturing whisky stocks and is thus lower than the gross depreciation charge shown in note 12.

**6. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the company's auditor and its associates for:		
The audit of the company's annual accounts	43	45
Taxation compliance, advisory and payroll services	22	13
Wealth advisory services	-	2
	<u>65</u>	<u>60</u>

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**7. Employees**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	5,040	4,825
Social security costs	546	493
Cost of defined contribution scheme	472	452
	<u>6,058</u>	<u>5,770</u>

The average monthly number of employees, including directors, during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production	34	39
Selling and distribution	60	76
Administration	50	50
	<u>144</u>	<u>165</u>

**8. Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Directors' emoluments	1,072	1,003
Company contributions to defined contribution pension scheme	118	116
	<u>1,190</u>	<u>1,119</u>

During the year retirement benefits were accruing to 5 directors (2020 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £189,000 (2020 - £161,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £29,000 (2020 - £29,000).

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**9. Net interest payable/(receivable) and similar charges**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest payable	3	22
Finance leases and hire purchase contracts	23	26
Bank interest receivable	(9)	(109)
	<u>17</u>	<u>(61)</u>

**10. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Corporation tax</b>		
Current taxation charge on profits for the year	2,447	1,730
Adjustments in respect of previous periods	1	(33)
	<u>2,448</u>	<u>1,697</u>
<b>Corporation tax charge</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	275	205
Adjustments in respect of previous periods	(23)	-
Effect of tax rate change on opening balance	94	-
	<u>346</u>	<u>205</u>
<b>Deferred tax charge</b>		
<b>Total tax charge</b>	<u>2,794</u>	<u>1,902</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

Profit on ordinary activities before tax	13,856	9,808
	<u>13,856</u>	<u>9,808</u>
Tax on ordinary profits at standard rate of 19% (2020 - 19%)	2,633	1,863
Effects of:		
Expenses not deductible for tax purposes	12	60
Fixed asset timing differences	76	35
R&D expenditure credits	1	1
Adjustment in respect of prior periods - current tax	-	(33)
Changes in rate	72	(24)
	<u>2,794</u>	<u>1,902</u>
<b>Total tax charge</b>		
	<u>2,794</u>	<u>1,902</u>



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**10. Taxation (continued)**

**Factors that may affect future tax charges**

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020, and therefore, deferred tax has been recognised at 19%. In the Spring Budget 2021, the Government announced that from 1 April 2023, the tax rate will increase 25% for large companies. The rate has not been enacted yet; therefore deferred tax continues to be recognised at 19% in the year ended 28 February 2021.

**11. Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Equity dividends paid during the year £4.30 per ordinary share (2020: £9.42)	817	1,790

On 21 May 2021 the directors proposed a dividend of £486,000 (2020: £817,000). No liability is recognised in the financial statements for that dividend.

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**12. Tangible fixed assets**

	<b>Freehold property</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>				
At 1 March 2020	11,060	14,092	566	25,718
Additions	10,087	3,799	-	13,886
Disposals	-	(10)	(140)	(150)
At 28 February 2021	21,147	17,881	426	39,454
<b>Depreciation</b>				
At 1 March 2020	1,874	5,947	351	8,172
Charge for the year	211	772	83	1,066
On disposals	-	(4)	(138)	(142)
At 28 February 2021	2,085	6,715	296	9,096
<b>Net book value</b>				
At 28 February 2021	19,062	11,166	130	30,358
At 29 February 2020	9,186	8,145	215	17,546

At 28 February 2021 the net book value of the assets held under finance leases was £134,000 (2020: £212,000). The depreciation charge on assets held under finance leases in the year was £73,000 (2020: £102,000).

Included within Freehold property are assets in the course of construction of £8,654,000 at 28 February 2021 (2020: £3,944,000), and included within Plant and Machinery are software assets in the course of construction of £1,150,000 at 28 February 2021 (2020: £323,000), which are not subject to depreciation until completion.

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**13. Fixed asset investments**

	Investments in subsidiary companies	Unlisted investments	Listed investments	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 March 2020	11	17	7	35
Revaluation	-	-	(1)	(1)
At 28 February 2021	11	17	6	34

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Avonside Whisky Ltd	Ordinary shares	100%
Glen Gordon Whisky Ltd	Ordinary shares	100%
James Gordon Whisky Ltd	Ordinary shares	100%
Gordon Bonding Co Ltd	Ordinary shares	100%
Strathnairn Whisky Ltd	Ordinary shares	100%
Elgin Bonding Co Ltd	Ordinary shares	100%
The Benromach Distillery Co Ltd	Ordinary shares	100%
Gordon & MacPhail Ltd	Ordinary shares	100%
Red Door Gin Company Ltd	Ordinary shares	100%
The Cairn Distillery Co Ltd	Ordinary shares	100%

All companies are registered in Scotland and did not trade during the year; accordingly, no group accounts have been included within these financial statements. The registered office address for Strathnairn Whisky Ltd is WJM LLP, The Green House, Beechwood Park North, Inverness, Scotland, IV2 3BL. The registered office address for all of the other subsidiary undertakings is the same as the registered office address of the company.

**Unlisted investments**

These are carried at fair value of £2,000 (2020: £2,000).

**Unlisted investment – Loan notes**

Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method, less any impairment. These are convertible loan notes that mature in 2025 and are interest bearing at a variable rate. They have a fair value of £15,000 (2020: £15,000)

**Listed investments**

Listed investments consist of non-convertible ordinary shares, quoted on the London Stock Exchange and measured at market value through the Statement of Comprehensive Income. They have a market value of £6,000 (2020: £7,000).

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**14. Stock**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Raw materials and consumables	1,756	1,996
Maturing whisky stocks	21,495	19,939
Finished goods	4,073	4,394
	<u>27,324</u>	<u>26,329</u>

Stock recognised in cost of sales during the year as an expense was £11,283,000 (2020: £12,799,000).

**15. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	2,291	3,253
Other debtors	679	521
Prepayments and accrued income	607	302
	<u>3,577</u>	<u>4,076</u>

An impairment loss of £30,000 (2020: £34,000) is reflected within the above totals for trade debtors.

**16. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans (note 18)	-	527
Trade creditors	2,197	1,780
Amounts owed to group undertakings	11	11
Corporation tax	1,433	679
Other taxation and social security	117	18
Obligations under hire purchase and finance leases (note 19)	37	82
Accruals and deferred income	3,681	1,210
	<u>7,476</u>	<u>4,307</u>

**17. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under hire purchase and finance leases (note 19)	<u>17</u>	<u>55</u>

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**18. Bank loans**

Analysis of the maturity of loans is shown below:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Within one year	-	527

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Within one year	37	82
Between 1-2 years	17	38
Between 2-5 years	-	17
	<u>54</u>	<u>137</u>

**20. Financial instruments**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Financial assets measured at fair value through the Statement of Comprehensive Income	23	24
Financial assets measured at amortised cost	2,981	3,785
	<u>3,004</u>	<u>3,809</u>

**Financial liabilities**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Financial liabilities measured at amortised cost	3,812	4,362

Financial assets measured at fair value through the Statement of Comprehensive Income comprise Loans, Listed Investments at market value and Unlisted Investments at fair value.

Financial assets measured at amortised cost comprise Shares in group undertakings, being subsidiary companies and Debtors (Note 15) less prepayments and accrued income.

Financial liabilities measured at amortised cost comprise Creditors (Notes 16 and 17) less deferred income.

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**21. Provision for liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred taxation</b>		
At the beginning of the year	825	620
Provided in the year	346	205
	<u>1,171</u>	<u>825</u>
At the end of the year	<u>1,171</u>	<u>825</u>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fixed asset timing differences	1,097	758
Capital gains	74	67
	<u>1,171</u>	<u>825</u>

**22. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
190,000 (2020: 190,000) ordinary shares of £1.00 each	190	190
	<u>190</u>	<u>190</u>

Each share is entitled to one vote in any circumstances and each share is also entitled, *pari passu*, to dividend payments or any other distribution.

**23. Reserves**

**Share capital**

Called-up share capital represents the nominal value of shares that have been issued.

**Share premium accounts**

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premiums.

**Profit and loss account**

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

**24. Related party transactions**

Key management personnel compensation in the period amounted to £1,329,000 (2020: £1,247,000).

Dividends paid to directors in the period amounted to £376,000 (2020: £1,013,000).

**SPEYMALT WHISKY DISTRIBUTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Net funds reconciliation**

	At 1 March 2020	Cashflow	At 28 February 2021
Cash on hand	12,646	415	13,061
Bank loans	(527)	527	-
	<hr/>	<hr/>	<hr/>
Total net funds	<u>12,119</u>	<u>942</u>	<u>13,061</u>

**26. Capital commitments**

The company had the following capital commitments at 28 February 2021; Land & Buildings £11,100,000 (2020: £Nil) and Plant & Machinery £3,300,000 (2020: £Nil).