

Company Registration No. SC198237 (Scotland)

**KIC (HOLDINGS) LTD**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# KIC (HOLDINGS) LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mrs K Morrison Mr W B Morrison Mr J W S P Morrison
<b>Secretary</b>	Savills (UK) Limited
<b>Company number</b>	SC198237
<b>Registered office</b>	Kincardine House Aberargie Perth United Kingdom PH2 9LX
<b>Accountants</b>	Azets 5 Whitefriars Crescent Perth United Kingdom PH2 0PA

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# KIC (HOLDINGS) LTD

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# KIC (HOLDINGS) LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4	10,916,207		8,282,423	
Investment properties	5	1,714,000		-	
Investments	6	1,709,503		1,709,503	
		<u>14,339,710</u>		<u>9,991,926</u>	
<b>Current assets</b>					
Stocks		18,151		1,220,014	
Debtors	8	4,065,620		5,288,352	
Cash at bank and in hand		83,285		856,059	
		<u>4,167,056</u>		<u>7,364,425</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(292,080)</u>		<u>(272,470)</u>	
<b>Net current assets</b>		<u>3,874,976</u>		<u>7,091,955</u>	
<b>Total assets less current liabilities</b>		<u>18,214,686</u>		<u>17,083,881</u>	
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(2,162,772)</u>		<u>(2,242,628)</u>	
<b>Provisions for liabilities</b>		<u>(349,152)</u>		<u>(231,068)</u>	
<b>Net assets</b>		<u><u>15,702,762</u></u>		<u><u>14,610,185</u></u>	
<b>Capital and reserves</b>					
Called up share capital	11	1,003		1,003	
Share premium account		4,945,766		4,945,766	
Capital redemption reserve		810		810	
Profit and loss reserves		10,755,183		9,662,606	
<b>Total equity</b>		<u><u>15,702,762</u></u>		<u><u>14,610,185</u></u>	

## **KIC (HOLDINGS) LTD**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2021 and are signed on its behalf by:

Mr J W S P Morrison  
**Director**

**Company Registration No. SC198237**

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

KIC (Holdings) Ltd is a private company limited by shares incorporated in Scotland. The registered office is Kincardine House, Aberargie, Perth, United Kingdom, PH2 9LX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover represents income received from farming, the letting of property and land, whisky sales, together with wayleaves and feu duties.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on straight line
Plant and equipment	25% on reducing balance and 5% on reducing balance
Fixtures and fittings	25% on reducing balance
Motor vehicles	25% on reducing balance

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.



# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Employees

The average monthly number of persons employed by the company during the year was:

	2020 Number	2019 Number
Total	-	-

### 3 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	390
Adjustments in respect of prior periods	(50)	-
Total current tax	(50)	390
<b>Deferred tax</b>		
Origination and reversal of timing differences	118,084	77,371
Total tax charge	118,034	77,761

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	7,963,310	517,875	120,879	4,276	8,606,340
Additions	2,297,767	1,256,234	10,497	-	3,564,498
Disposals	(107,000)	-	-	-	(107,000)
Transfer to investment property	(614,025)	-	-	-	(614,025)
At 31 December 2020	9,540,052	1,774,109	131,376	4,276	11,449,813
<b>Depreciation and impairment</b>					
At 1 January 2020	186,354	96,821	38,871	1,871	323,917
Depreciation charged in the year	91,703	94,259	23,126	601	209,689
At 31 December 2020	278,057	191,080	61,997	2,472	533,606
<b>Carrying amount</b>					
At 31 December 2020	9,261,995	1,583,029	69,379	1,804	10,916,207
At 31 December 2019	7,776,956	421,054	82,008	2,405	8,282,423

Assets under construction at a cost of £2,297,767 (2019 - £nil) are included in land and property. These assets are not depreciated.

Assets under construction at a cost of £149,404 (2019 - £nil) are included in plant and equipment. These assets are not depreciated.

### 5 Investment property

	2020 £
<b>Fair value</b>	
At 1 January 2020	-
Transfers	1,714,000
At 31 December 2020	1,714,000

During the year, investment property was transferred from freehold land and buildings.

Investment property is valued on an open market value basis by reference to market evidence of transaction prices for similar properties. Sales of similar properties were made during the accounting period and so the amounts obtained for these were deemed suitable as valuations for the remaining properties.

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	1,709,501	1,709,501
Other investments other than loans	2	2
	<u>1,709,503</u>	<u>1,709,503</u>

#### Movements in fixed asset investments

	Shares in group undertakings £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 January 2020 & 31 December 2020	<u>1,709,501</u>	<u>2</u>	<u>1,709,503</u>
<b>Carrying amount</b>			
At 31 December 2020	<u>1,709,501</u>	<u>2</u>	<u>1,709,503</u>
At 31 December 2019	<u>1,709,501</u>	<u>2</u>	<u>1,709,503</u>

### 7 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
KIC Inventories Limited	Kincardine House, Aberargie, Perth, Scotland, PH2 9LX	Ordinary	100.00
Morrison Scotch Whisky Distillers Limited	Kincardine House, Aberargie, Perth, Scotland, PH2 9LX	Ordinary	96.00
The Perth Distilling Company Limited	Kincardine House, Aberargie, Perth, Scotland, PH2 9LX	Ordinary	100.00
Grange Mains Farm Limited	Kincardine House, Aberargie, Perth, Scotland, PH2 9LX	Ordinary	100.00

### 8 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	158,514	364,624
Corporation tax recoverable	-	6,718
Other debtors	3,891,106	4,900,343
	<u>4,049,620</u>	<u>5,271,685</u>

# KIC (HOLDINGS) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Debtors (Continued)

	2020 £	2019 £
<b>Amounts falling due after more than one year:</b>		
Other debtors	16,000	16,667
<b>Total debtors</b>	<b>4,065,620</b>	<b>5,288,352</b>

### 9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	180,612	164,978
Taxation and social security	-	7,184
Other creditors	111,468	100,308
	292,080	272,470

### 10 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	2,020,000	2,020,000
Other creditors	142,772	222,628
	2,162,772	2,242,628

A standard security over the farm land at Laurencekirk has been granted to AMC plc as security for the bank loan.

Creditors which fall due after five years are as follows:

	2020 £	2019 £
Payable other than by instalments	2,020,000	2,020,000

### 11 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary A of £1 each	823	823	823	823
Ordinary B of £1 each	180	180	180	180
	1,003	1,003	1,003	1,003

## KIC (HOLDINGS) LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 12 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the group.

#### 13 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Director's loan account	2.25	-	744	17	-	761
Director's loan account	2.25	9,240	7,656	256	(251)	16,901
		<u>9,240</u>	<u>8,400</u>	<u>273</u>	<u>(251)</u>	<u>17,662</u>

#### 14 Ultimate controlling party

The ultimate controlling party is Mrs K B M C Morrison.

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