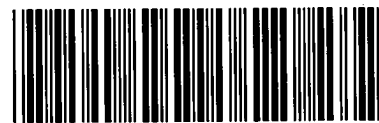




Scott-Moncrieff
business advisers and accountants

THE CAIRNGORM BREWERY CO. LTD
Company registration number SC199932
FILING FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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THE CAIRNGORM BREWERY CO. LTD

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THE CAIRNGORM BREWERY CO. LTD

COMPANY INFORMATION

Directors	Miss S J Faircliff M J Riley C D R Whittle M Sandbach (appointed 28 February 2017)
Registered number	SC199932
Registered office	12 Dalfaber Industrial Estate Dalfaber Drive Aviemore Inverness-Shire PH22 1ST
Accountants	Scott-Moncrieff 10 Ardross Street Inverness IV3 5NS

THE CAIRNGORM BREWERY CO. LTD
REGISTERED NUMBER: SC199932

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	6	58,763	64,623
Tangible assets	7	1,896,303	1,967,372
Investments	8	499	-
		<u>1,955,565</u>	<u>2,031,995</u>
Current assets			
Stocks		173,636	161,513
Debtors: amounts falling due within one year	9	336,565	330,159
Cash at bank and in hand		43,316	53,164
		<u>553,517</u>	<u>544,836</u>
Creditors: amounts falling due within one year	10	(683,178)	(542,952)
Net current (liabilities)/assets		<u>(129,661)</u>	<u>1,884</u>
Total assets less current liabilities		<u>1,825,904</u>	<u>2,033,879</u>
Creditors: amounts falling due after more than one year	11	(1,591,424)	(1,805,839)
Net assets		<u><u>234,480</u></u>	<u><u>228,040</u></u>

THE CAIRNGORM BREWERY CO. LTD
REGISTERED NUMBER: SC199932

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital		850,000	742,350
Profit and loss account		(615,520)	(514,310)
		<u>234,480</u>	<u>228,040</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities of Financial Reporting Standard 102.

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

The Company has opted not to file the directors' report or the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Miss S J Faircliff
Director

Date: 27/9/17

The notes on pages 5 to 16 form part of these financial statements.

THE CAIRNGORM BREWERY CO. LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2015	742,350	(441,980)	300,370
Comprehensive income for the year			
Loss for the year	-	(72,330)	(72,330)
At 1 January 2016	742,350	(514,310)	228,040
Comprehensive income for the year			
Loss for the year	-	(101,210)	(101,210)
Shares issued during the year	107,650	-	107,650
At 31 December 2016	850,000	(615,520)	234,480

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which (the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2016.

The continuing activities of The Cairngorm Brewery Co. Ltd ('the company') is the manufacture of beer and operator of public houses and bars.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC199932.

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 applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 January 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 16. The date of transition is 1 January 2015.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis. The directors are aware of the net current liability position of the company, and is reliant on the continued support of the bank and directors of the company to provide credit. On this basis, it is considered appropriate to prepare the financial statements on a going concern basis.

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	20	years
Lease premium	-	25	years
Trademarks	-	10	years

Where the useful life exceeds 10 years this has been based upon the period the company expects to generate future economic benefits from the intangible asset.

2.5 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 CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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.

Depreciation is provided on the following basis:

Freehold property	- at varying rates on cost
Leasehold property	- Over the term of the lease
improvements	
Plant and machinery	- at varying rates on cost
Motor vehicles	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost

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.

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

2.6 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Statement of Financial Position 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.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. 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 profit or loss.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 best estimate of the recoverable amount, 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.14 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 corporation 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:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference 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.

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

The preparation of financial statements in compliance with Section 1A of FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation and amortisation rates which are deemed to be appropriate for the class of asset.

4. Employees

The average monthly number of employees, including directors, during the year was 43 (2015 - 43).

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	63,550	63,520
	<u>63,550</u>	<u>63,520</u>

6. Intangible assets

	Patents £	Lease Premium £	Trademarks £	Total £
Cost				
At 1 January 2016	110,000	25,000	3,440	138,440
Additions	-	-	1,000	1,000
At 31 December 2016	<u>110,000</u>	<u>25,000</u>	<u>4,440</u>	<u>139,440</u>
Amortisation				
At 1 January 2016	71,500	1,333	984	73,817
Charge for the year	5,500	1,000	360	6,860
At 31 December 2016	<u>77,000</u>	<u>2,333</u>	<u>1,344</u>	<u>80,677</u>
Net book value				
At 31 December 2016	<u>33,000</u>	<u>22,667</u>	<u>3,096</u>	<u>58,763</u>
At 31 December 2015	<u>38,500</u>	<u>23,667</u>	<u>2,456</u>	<u>64,623</u>

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. Tangible fixed assets

	Freehold property £	Leasehold property improve- ments £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1 January 2016	1,232,209	80,212	1,090,568	18,100	88,957	2,510,046
Additions	24,925	3,314	27,276	1,000	1,216	57,731
Disposals	(7,980)	-	(14,381)	(18,100)	-	(40,461)
At 31 December 2016	<u>1,249,154</u>	<u>83,526</u>	<u>1,103,463</u>	<u>1,000</u>	<u>90,173</u>	<u>2,527,316</u>
Depreciation						
At 1 January 2016	108,764	4,062	372,144	16,669	41,035	542,674
Charge for the year on owned assets	25,068	3,283	65,323	1,681	16,968	112,323
Disposals	(3,624)	-	(2,260)	(18,100)	-	(23,984)
At 31 December 2016	<u>130,208</u>	<u>7,345</u>	<u>435,207</u>	<u>250</u>	<u>58,003</u>	<u>631,013</u>
Net book value						
At 31 December 2016	<u>1,118,946</u>	<u>76,181</u>	<u>668,256</u>	<u>750</u>	<u>32,170</u>	<u>1,896,303</u>
At 31 December 2015	<u>1,123,445</u>	<u>76,150</u>	<u>718,424</u>	<u>1,431</u>	<u>47,922</u>	<u>1,967,372</u>

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. Fixed asset investments

	Unlisted company investments £
Additions	499
At 31 December 2016	<u>499</u>
At 31 December 2015	<u>-</u>

9. Debtors

	2016 £	2015 £
Trade debtors	171,144	186,118
Amounts owed by group undertakings	56,501	52,423
Other debtors	17,812	-
Prepayments and accrued income	55,395	53,561
Deferred taxation (note 15)	35,713	38,057
	<u>336,565</u>	<u>330,159</u>

THE CAIRNGORM BREWERY CO. LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	40,115	-
Bank loans	76,598	72,952
Trade creditors	187,769	239,803
Amounts owed to group undertakings	1,696	-
Other taxation and social security	71,235	72,109
Obligations under finance lease and hire purchase contracts	-	811
Proceeds of factored debts	145,723	96,702
Other creditors	129,403	31,023
Accruals and deferred income	30,639	29,552
	<u>683,178</u>	<u>542,952</u>

	2016 £	2015 £
Other taxation and social security		
PAYE/NI control	14,988	15,000
VAT control	56,247	57,109
	<u>71,235</u>	<u>72,109</u>

11. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	384,433	461,170
Other loans	1,004,955	1,133,665
Government grants received	202,036	211,004
	<u>1,591,424</u>	<u>1,805,839</u>

Secured loans

The bank overdraft, loan and factored debt noted above are provided by the Bank of Scotland.

The Bank of Scotland holds a bond and floating charge over all assets of the company.

The Bank of Scotland holds standard security over Unit 12 Dalfaber Industrial Estate and the land to the South and East of Unit 2 Dalfaber Industrial Estate.

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	76,598	72,952
	<u>76,598</u>	<u>72,952</u>
Amounts falling due 1-2 years		
Bank loans	77,019	76,479
Other loans	1,004,955	1,133,665
	<u>1,081,974</u>	<u>1,210,144</u>
Amounts falling due 2-5 years		
Bank loans	252,893	252,101
	<u>252,893</u>	<u>252,101</u>
Amounts falling due after more than 5 years		
Bank loans	54,521	132,590
	<u>54,521</u>	<u>132,590</u>
	<u>1,465,986</u>	<u>1,667,787</u>

13. Deferred taxation

	2016 £
At beginning of year	38,057
Charged to profit or loss	(2,344)
At end of year	<u>35,713</u>

THE CAIRNGORM BREWERY CO. LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2016 £
Accelerated capital allowances	(109,877)
Tax losses carried forward	145,590
	<u>35,713</u>

14. Related party transactions

C D R Whittle
Company Director

Mr Whittle is a partner in R&R Urquhart LLP who conduct business with the company on a commercial basis. Fees rendered to the company in the year total £13,046 (2015 - £13,335).

The amount due to R&R Urquhart LLP at the year end was £nil (2015 - £6,456).

Amounts due are repayable in accordance with normal business terms and are unsecured.

M J Riley
Company Director

During the year the director M J Riley introduced funds to the company of £102,000 (2015 - £nil) and the company repaid £4,500 (2015 - £nil).

The amount due to the related party at the year end was £97,500 (2015 - £nil).

Loans from directors have no fixed repayment terms and are not charged interest.

Laidlaw International Limited
Parent Company

During the year the company made payments of £21,060 (2015 - £6,274) to Laidlaw International Limited. The company also issued 107,650 ordinary shares of £1 each to Laidlaw International Limited.

The amount due to the related party at the year end was £1,004,955 (2015 - £1,133,665).

The loan due to Laidlaw International Limited is unsecured and due for payment on a rolling 1 year and 1 day from the reporting date.

THE CAIRNGORM BREWERY CO. LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Related party transactions (continued)

Cairngorm Wild Limited

A company under common control

During the year the company recharged expenses to Cairngorm Wild Limited totalling £44,646 (2015 - £49,313).

During the year the company purchased assets from Cairngorm Wild Limited totalling £442 (2015 - £873).

During the year the company wrote off £48,049 (2015 - £nil) due from Cairngorm Wild Limited.

The amount due to / (from) the related party at the year end was £89 (2015 - £52,359).

Cairngorm Taverns Limited

A company under common control

During the year the company advanced funds to Cairngorm Taverns Limited totalling £240 (2015 - £8,419).

During the year Cairngorm Taverns Limited advanced funds to the company totalling £2,000 (2015 - £11,000)

The amount due to / (from) the related party at the year end was £1,696 (2015 - (£64)).

Loch Ness Brewery Limited

A company under common control

During the year the company made payments on behalf of Loch Ness Brewery Limited totalling £57,000 (2015 - £nil).

During the year Loch Ness Brewery Limited made payments on behalf of the company totalling £499 (2015 - £nil).

The amount due to / (from) the related party at the year end was (£56,501) (2015 - £nil).

15. Controlling party

During the current and prior year the company was under the control of its parent company Laidlaw International Limited, a company incorporated in the British Virgin Islands. The registered office of Laidlaw International Limited is Sea Meadow House, PO Box 116, Road Town, Tortola, British Virgin Islands.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.