

Company Registration No. SC205193 (England and Wales)



Compass Box Delicious Whisky Limited

**Financial statements
for the year ended 31 March 2017**

Pages for filing with the Registrar

Compass Box Delicious Whisky Limited

Company information

Directors	Jonathan Driver John Glaser Jean Lambert Hector Ortiz Alan Rutherford
Secretary	Inga Hutchison
Company number	SC205193
Registered office	4th Floor 115 George Street Edinburgh EH2 4JN
Independent auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Compass Box Delicious Whisky Limited

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Compass Box Delicious Whisky Limited

Statement of financial position

As at 31 March 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	3		92,002		143,276
Investments	4		2		2
			<u>92,004</u>		<u>143,278</u>
Current assets					
Stocks		1,390,810		1,420,653	
Debtors	5	764,097		768,059	
Cash at bank and in hand		201,424		58,093	
		<u>2,356,331</u>		<u>2,246,805</u>	
Creditors: amounts falling due within one year	6	<u>(1,440,619)</u>		<u>(850,316)</u>	
Net current assets			<u>915,712</u>		<u>1,396,489</u>
Total assets less current liabilities			<u>1,007,716</u>		<u>1,539,767</u>
Creditors: amounts falling due after more than one year	7		<u>(806,468)</u>		<u>(698,396)</u>
Net assets			<u><u>201,248</u></u>		<u><u>841,371</u></u>
Capital and reserves					
Called up share capital	8		2,180		2,172
Share premium account			2,187,279		2,182,487
Profit and loss reserves			<u>(1,988,211)</u>		<u>(1,343,288)</u>
Total equity			<u><u>201,248</u></u>		<u><u>841,371</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

Compass Box Delicious Whisky Limited

Statement of financial position (continued)

As at 31 March 2017

The financial statements were approved by the board of directors and authorised for issue on 20/12/2017 and are signed on its behalf by:



John Glaser

Director

Company Registration No. SC205193

1 Accounting policies

Company information

Compass Box Delicious Whisky Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor, 115 George Street, Edinburgh, EH2 4JN.

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. 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1 Accounting policies (continued)

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:

Design costs	A straight line provision based on the directors' assessment of the specific products' life
Fixtures, fittings & equipment	4 years straight line
Software & website costs	3 years straight line

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.

1.4 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.

1.5 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.

1 Accounting policies (continued)

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.

1.6 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.

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.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 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 income statement 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.

1 Accounting policies (continued)

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 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 are included in the income statement for the period.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2017

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2016 - 9).

3 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2016	567,484
Additions	23,579
	<hr/>
At 31 March 2017	591,063
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Depreciation and impairment	
At 1 April 2016	424,208
Depreciation charged in the year	74,853
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At 31 March 2017	499,061
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Carrying amount	
At 31 March 2017	92,002
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At 31 March 2016	143,276
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4 Fixed asset investments

	2017 £	2016 £
Investments in subsidiaries	2	2
	<hr/>	<hr/>

Fixed asset investments relate to 100% shareholdings in Compass Box Whisky Supply Limited, a company incorporated in England and Wales, and Compass Box USA LLC, a company incorporated in the USA.

Notes to the financial statements (continued)

For the year ended 31 March 2017

5 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	652,122	608,185
Amounts owed by group undertakings	-	54,951
Other debtors	111,975	104,923
	<u>764,097</u>	<u>768,059</u>

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	453,528	255,106
Trade creditors	445,132	440,221
Amounts due to group undertakings	90,850	-
Other taxation and social security	17,053	30,643
Other creditors	434,056	124,346
	<u>1,440,619</u>	<u>850,316</u>

Bank loans and overdrafts are secured by a floating charge over the assets and undertakings of the company and a charge over the debtor book.

7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	<u>806,468</u>	<u>698,396</u>

Creditors due after more than one year relate to an unsecured loan that is due to be repaid by 31 August 2019. The directors consider that the carrying amount of this loan approximates to the amortised cost value. The movement on the loan from the prior year is a result of foreign exchange. The loan bears interest at a rate of 7% per annum.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2017

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,065 "A" Ordinary shares of £1 each	1,065	1,065
1,061 "B" Ordinary shares of £1 each	1,061	1,061
1 "C" Ordinary shares of £1 each	1	1
53 "AA" Ordinary shares of £1 each	53	45
	<u>2,180</u>	<u>2,172</u>

During the year 8 "AA" Ordinary shares of £1 each were issued for a total consideration of £4,800.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditors' report was unqualified.

The senior statutory auditor was Jamie Cassell.

The auditor was Saffery Champness LLP.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
10,812	53,547

11 Events after the reporting date

On 12 April 2017 174 "A" Ordinary shares and 138 "B" Ordinary shares were issued for a total consideration of £1,357,356. This share issue included the consolidation of £522,060 of an unsecured loan into capital.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2017

12 Related party transactions

During the year the company received goods and services to a value of £1,167,624 (2016: £649,932) from Compass Box USA LLC. The company also advanced Compass Box USA LLC £nil (£54,951). At the end of the year the company owed £90,850 to Compass Box USA LLC (2016: £54,951 owed from Compass Box USA LLC). Compass Box USA LLC is a wholly owned subsidiary of the company.

13 Directors' transactions

Remuneration paid to directors during the year was £71,576 (2016: £69,674).

14 Ultimate controlling party

The directors consider there to be no ultimate controlling party.