

Company Registration No. SC210027 (Scotland)

TULLIBARDINE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TULLIBARDINE LIMITED

COMPANY INFORMATION

Directors	G J Picard M B Picard
Company number	SC210027
Registered office	Citypoint 65 Haymarket Terrace Edinburgh United Kingdom EH12 5HD
Auditor	Azets Audit Services 5 Whitefriars Crescent Perth United Kingdom PH2 0PA
Business address	Tullibardine Limited Blackford Auchterarder Perthshire United Kingdom PH4 1QG

TULLIBARDINE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10 - 11
Company balance sheet	12
Group statement of changes in equity	13
Company statement of changes in equity	14
Group statement of cash flows	15
Company statement of cash flows	16
Notes to the financial statements	17 - 35

TULLIBARDINE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The directors are pleased by the operating profit achieved of £8,099,878 (2020 - £3,911,758). All areas of the business have performed as hoped and the shareholders funds have increased to £27,462,333 (2020 - £22,541,875).

The group continues to seek new opportunities and markets to develop further the success of the group's brand around the world. Everyone within the business works to this same shared goal.

The directors consider it would potentially be detrimental to the business to provide a more detailed review.

Principal risks and uncertainties

The directors have procedures in place to ensure that the major risks faced by the group are identified, assessed and managed in an appropriate manner.

Credit risk exposes the company to the risk of non-payment for goods supplied. The directors strive to minimise this risk by evaluating the credit risk of potential new customers and ensuring credit control procedures are diligently observed, thereby ensuring that the risk is significantly reduced.

Financial risk management

The group finances its business through retained profits and an inter-company loan account. Other financial instruments, for example trade debtors and trade creditors, arise in the course of the group's operations.

The group is exposed to credit risk from credit sales. It is a group policy to assess the credit risk of new customers and to take account of this information in any dealings with new customers. At 31 December 2021, there were no significant concentrations of credit risk. The maximum exposure to risk is represented by the carrying amount of each asset in the balance sheet.

The directors constantly monitor the liquidity and cash flow of the business.

Key performance indicators

	2021	2020
Turnover	£34,487,845	£32,533,667
Gross Profit %	26%	28%
Net Assets	£27,462,333	£22,541,875

The company considers gross profit margin to be the most important key performance indicator. Turnover has increased by 6% on 2020 and, despite the gross profit margin decreasing by 2%, it has been another profitable year and increase in net assets held.

On behalf of the board

G J Picard
Director

29 June 2022

TULLIBARDINE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group continued to be that of distillation, maturation and sale of malt whisky together with the operation of a retail outlet.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G J Picard

M B Picard

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). 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 of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

TULLIBARDINE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board

G J Picard
Director

29 June 2022

TULLIBARDINE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TULLIBARDINE LIMITED

Opinion

We have audited the financial statements of Tullibardine Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 31 December 2021 and of the group's 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

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.

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 group's and parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

TULLIBARDINE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TULLIBARDINE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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

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 parent 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.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TULLIBARDINE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TULLIBARDINE LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud. We determined that the most significant legal and regulatory frameworks that are applicable to the entity include The Scotch Whisky Regulations 2009, Health and Safety Regulations, EC Regulation 110/2008, SEPA Regulations, Data Protection Act 2018 and HMRC regulations. In order to comply with the noted legal and regulatory frameworks the entity submit forms to HMRC each month and keep a substantial amount of records to show the movement of alcohol at each stage of production onto the sale to the end user. Quarterly distillery returns are checked against accounting records to ensure the information is reflected in the management accounts. To meet SEPA regulations regular testing of the burn is done to ensure the discharge levels are within the parameters. An on-site Health & Safety Office ensures that all staff training is up to date.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries throughout the accounting period and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias;
- Performed analytical procedures to identify any unusual or unexpected relationships within the profit and loss account as well as the material balance sheet items;
- The engagement team was selected ensuring that collectively they had appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;
- Enhanced testing over the valuation of stock to ensure that there were no instances of fraud or error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Following our enquiries with management and those charged with governance, as well as our review of the manual journals that had been posted through the systems, we did not identify any instances of fraud or any material misstatements.

TULLIBARDINE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TULLIBARDINE LIMITED

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.

Donald Boyd (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

29 June 2022

Chartered Accountants
Statutory Auditor

5 Whitefriars Crescent
Perth
United Kingdom
PH2 0PA

TULLIBARDINE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	34,487,845	32,533,667
Cost of sales		(25,588,174)	(23,305,610)
Gross profit		8,899,671	9,228,057
Administrative expenses		(2,126,216)	(4,199,766)
Other operating income		23,961	21,147
HMRC refund of APN	4	-	184,216
Gain/(loss) on foreign exchange	4	1,302,462	(1,321,896)
Operating profit	5	8,099,878	3,911,758
Interest payable and similar expenses	8	(160,849)	(299,738)
Amounts written off investments	9	(1,543,129)	-
Profit before taxation		6,395,900	3,612,020
Tax on profit	10	(1,429,662)	(568,603)
Profit for the financial year		4,966,238	3,043,417
Profit for the financial year is attributable to:			
- Owners of the parent company		5,206,986	3,043,417
- Non-controlling interests		(240,748)	-
		4,966,238	3,043,417

TULLIBARDINE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Profit for the year	4,966,238	3,043,417
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,966,238</u>	<u>3,043,417</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	5,206,986	3,043,417
- Non-controlling interests	(240,748)	-
	<u>4,966,238</u>	<u>3,043,417</u>

TULLIBARDINE LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	11	165,025		-	
Tangible assets	12	9,059,485		7,104,890	
		<u>9,224,510</u>		<u>7,104,890</u>	
Current assets					
Stocks	15	39,543,975		32,144,498	
Debtors	16	4,895,308		9,147,142	
Cash at bank and in hand		1,793,806		2,605,043	
		<u>46,233,089</u>		<u>43,896,683</u>	
Creditors: amounts falling due within one year	17	(26,482,371)		(28,053,443)	
Net current assets		<u>19,750,718</u>		<u>15,843,240</u>	
Total assets less current liabilities		<u>28,975,228</u>		<u>22,948,130</u>	
Creditors: amounts falling due after more than one year	18	(677,878)		-	
Provisions for liabilities					
Provisions	20	20,000		20,000	
Deferred tax liability	21	815,017		386,255	
		<u>(835,017)</u>		<u>(406,255)</u>	
Net assets		<u>27,462,333</u>		<u>22,541,875</u>	
Capital and reserves					
Called up share capital	23	186		186	
Share premium account		1,567,812		1,567,812	
Revaluation reserve		62,961		62,961	
Profit and loss reserves		26,117,902		20,910,916	
		<u>27,748,861</u>		<u>22,541,875</u>	
Equity attributable to owners of the parent company		<u>27,748,861</u>		<u>22,541,875</u>	
Non-controlling interests		(286,528)		-	
		<u>27,462,333</u>		<u>22,541,875</u>	

TULLIBARDINE LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 29 June 2022 and are signed on its behalf by:

G J Picard
Director

TULLIBARDINE LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	7,944,485		7,104,890	
Investments	13	240		-	
		<u>7,944,725</u>		<u>7,104,890</u>	
Current assets					
Stocks	15	39,543,975		32,144,498	
Debtors	16	4,890,058		9,147,142	
Cash at bank and in hand		1,782,601		2,605,043	
		<u>46,216,634</u>		<u>43,896,683</u>	
Creditors: amounts falling due within one year	17	(26,026,137)		(28,053,443)	
Net current assets		<u>20,190,497</u>		<u>15,843,240</u>	
Total assets less current liabilities		<u>28,135,222</u>		<u>22,948,130</u>	
Provisions for liabilities					
Provisions	20	20,000		20,000	
Deferred tax liability	21	815,017		386,255	
		<u>(835,017)</u>		<u>(406,255)</u>	
Net assets		<u>27,300,205</u>		<u>22,541,875</u>	
Capital and reserves					
Called up share capital	23	186		186	
Share premium account		1,567,812		1,567,812	
Revaluation reserve		62,961		62,961	
Profit and loss reserves		25,669,246		20,910,916	
Total equity		<u>27,300,205</u>		<u>22,541,875</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £4,758,331 (2020 - £3,043,417 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 June 2022 and are signed on its behalf by:

G J Picard
Director

Company Registration No. SC210027

TULLIBARDINE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£	£
Balance at 1 January 2020	186	1,567,812	62,961	17,867,499	19,498,458	-	19,498,458
Year ended 31 December 2020:							
Profit and total comprehensive income for the year	-	-	-	3,043,417	3,043,417	-	3,043,417
Balance at 31 December 2020	186	1,567,812	62,961	20,910,916	22,541,875	-	22,541,875
Year ended 31 December 2021:							
Profit and total comprehensive income for the year	-	-	-	5,206,986	5,206,986	(240,748)	4,966,238
Other movements	-	-	-	-	-	(45,780)	(45,780)
Balance at 31 December 2021	186	1,567,812	62,961	26,117,902	27,748,861	(286,528)	27,462,333

TULLIBARDINE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	186	1,567,812	62,961	17,867,499	19,498,458
Year ended 31 December 2020:					
Profit and total comprehensive income for the year	-	-	-	3,043,417	3,043,417
Balance at 31 December 2020	186	1,567,812	62,961	20,910,916	22,541,875
Year ended 31 December 2021:					
Profit and total comprehensive income for the year	-	-	-	4,758,330	4,758,330
Balance at 31 December 2021	186	1,567,812	62,961	25,669,246	27,300,205

TULLIBARDINE LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	27	2,967,066		4,759,334	
Interest paid		(160,849)		(299,738)	
Income taxes paid		(496,735)		-	
Net cash inflow from operating activities		2,309,482		4,459,596	
Investing activities					
Purchase of intangible assets		(183,361)		-	
Purchase of tangible fixed assets		(2,836,779)		(892,908)	
Proceeds on disposal of tangible fixed assets		207,661		696,711	
Cash flows attributable to non-controlling interest		(45,780)		-	
Net cash used in investing activities		(2,858,259)		(196,197)	
Financing activities					
Proceeds from borrowings		21,709,048		20,219,551	
Repayment of borrowings		(23,197,713)		(25,221,317)	
Proceeds of new bank loans		1,513,326		-	
Repayment of bank loans		(287,121)		-	
Net cash used in financing activities		(262,460)		(5,001,766)	
Net decrease in cash and cash equivalents		(811,237)		(738,367)	
Cash and cash equivalents at beginning of year		2,605,043		3,343,410	
Cash and cash equivalents at end of year		1,793,806		2,605,043	

TULLIBARDINE LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	28	3,186,147	4,759,334
Interest paid		(121,130)	(299,738)
Income taxes paid		(496,735)	-
Net cash inflow from operating activities		2,568,282	4,459,596
Investing activities			
Purchase of tangible fixed assets		(1,721,779)	(892,908)
Proceeds on disposal of tangible fixed assets		207,661	696,711
Purchase of subsidiaries		(240)	-
Net cash used in investing activities		(1,514,358)	(196,197)
Financing activities			
Proceeds from borrowings		21,709,048	20,219,551
Repayment of borrowings		(23,585,414)	(25,221,317)
Net cash used in financing activities		(1,876,366)	(5,001,766)
Net decrease in cash and cash equivalents		(822,442)	(738,367)
Cash and cash equivalents at beginning of year		2,605,043	3,343,410
Cash and cash equivalents at end of year		1,782,601	2,605,043

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Tullibardine Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Citypoint, 65 Haymarket Terrace, Edinburgh, United Kingdom, EH12 5HD.

The group consists of Tullibardine Limited and all of its subsidiaries.

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.

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.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Tullibardine Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, given the ongoing COVID-19 pandemic, it is difficult to evaluate all the potential implications on the company's trade, customers, suppliers and the wider economy.

1.5 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 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 property	No depreciation
Leasehold property	No depreciation
Plant and equipment	5% to 33% on cost
Fixtures and fittings	10% to 25% on cost
Casks	8.33% on cost

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.10 Stocks

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

Other stocks are valued at the lower of cost and estimated selling price after making due allowance for obsolete and slow moving items.

1.11 Cash and cash equivalents

Cash and cash equivalents 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 and cash and bank balances, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 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 group'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 if, and only if, there is 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.

1.15 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 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.

1.17 Retirement benefits

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

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.19 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.

1.20 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 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other significant revenue		
Grants received	23,906	17,389

The analysis of turnover by geographical market has not been disclosed as the directors consider that this could be seriously prejudicial to the group's interests.

4 Exceptional item

	2021	2020
	£	£
Expenditure		
HMRC Refund of APN	-	(184,216)
Gain/(loss) on foreign exchange	(1,302,462)	1,321,896
	(1,302,462)	1,137,680

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(23,906)	(17,389)
Depreciation of owned tangible fixed assets	674,523	677,022
Amortisation of intangible assets	18,336	-
Operating lease charges	122,500	490,000

6 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	18,450	14,950

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Distillery	14	14	14	14
Bottling	9	8	9	8
Administrative	7	7	7	7
Shop	9	12	9	12
Total	39	41	39	41

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,480,154	1,565,724	1,480,154	1,565,724
Social security costs	146,306	149,147	146,306	149,147
Pension costs	36,831	39,868	36,831	39,868
	1,663,291	1,754,739	1,663,291	1,754,739

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	39,719	-
Interest payable to group undertakings	120,750	299,738
Other interest on financial liabilities	380	-
	160,849	299,738

9 Amounts written off investments

	2021 £	2020 £
Changes in the fair value of investment properties	(1,543,129)	-

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	965,900	563,316
Adjustments in respect of prior periods	35,000	-
Total current tax	1,000,900	563,316
Deferred tax		
Origination and reversal of timing differences	306,787	(39,533)
Changes in tax rates	121,975	44,820
Total deferred tax	428,762	5,287
Total tax charge	1,429,662	568,603

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	6,395,900	3,612,020
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,215,221	686,284
Tax effect of expenses that are not deductible in determining taxable profit	7,556	(32,499)
Adjustments in respect of prior years	35,000	-
Permanent capital allowances in excess of depreciation	(281,859)	(90,469)
Depreciation on assets not qualifying for tax allowances	24,982	-
Deferred tax adjustments in respect of prior years	428,762	5,287
Taxation charge	1,429,662	568,603

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2021	-
Additions	183,361
At 31 December 2021	183,361
Amortisation and impairment	
At 1 January 2021	-
Amortisation charged for the year	18,336
At 31 December 2021	18,336
Carrying amount	
At 31 December 2021	165,025
At 31 December 2020	-

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

12 Tangible fixed assets

Group	Freehold property £	Leasehold property £	Plant and equipment £	Fixtures and fittings £	Casks £	Total £
Cost or valuation						
At 1 January 2021	758,978	2,943,909	2,715,440	37,500	5,009,034	11,464,861
Additions	-	-	1,161,939	6,457	553,383	1,721,779
Business combinations	1,115,000	-	-	-	-	1,115,000
Disposals	-	-	-	-	(207,661)	(207,661)
At 31 December 2021	1,873,978	2,943,909	3,877,379	43,957	5,354,756	14,093,979
Depreciation and impairment						
At 1 January 2021	-	201,232	1,629,891	37,500	2,491,348	4,359,971
Depreciation charged in the year	-	-	253,186	1,421	419,916	674,523
At 31 December 2021	-	201,232	1,883,077	38,921	2,911,264	5,034,494
Carrying amount						
At 31 December 2021	1,873,978	2,742,677	1,994,302	5,036	2,443,492	9,059,485
At 31 December 2020	758,978	2,742,677	1,085,549	-	2,517,686	7,104,890

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

(Continued)

Company	Freehold property £	Leasehold property £	Plant and equipment £	Fixtures and fittings £	Casks £	Total £
Cost or valuation						
At 1 January 2021	758,978	2,943,909	2,715,440	37,500	5,009,034	11,464,861
Additions	-	-	1,161,939	6,457	553,383	1,721,779
Disposals	-	-	-	-	(207,661)	(207,661)
At 31 December 2021	758,978	2,943,909	3,877,379	43,957	5,354,756	12,978,979
Depreciation and impairment						
At 1 January 2021	-	201,232	1,629,891	37,500	2,491,348	4,359,971
Depreciation charged in the year	-	-	253,186	1,421	419,916	674,523
At 31 December 2021	-	201,232	1,883,077	38,921	2,911,264	5,034,494
Carrying amount						
At 31 December 2021	758,978	2,742,677	1,994,302	5,036	2,443,492	7,944,485
At 31 December 2020	758,978	2,742,677	1,085,549	-	2,517,686	7,104,890

The carrying value of land and buildings comprises:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Freehold	180,000	180,000	180,000	180,000

Freehold property with a cost of £117,039 is stated in the balance sheet at its estimated open market value of £180,000 based on information received from professional valuers in 2004 and as determined by the directors.

Land and buildings with a carrying amount of £1,115,000 were revalued at 18 December 2020 by Avison Young, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on vacant possession.

The directors have considered the value of all fixed assets without actually revaluing those assets. The directors are satisfied that the aggregate value of the fixed assets at 31 December 2021 is not less than the aggregate amount at which they are stated.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets (Continued)

	2021 £	2020 £
Group		
Cost	3,439,698	117,039
Accumulated depreciation	(797,436)	-
Carrying value	2,642,262	117,039
Company		
Cost	117,039	117,039
Carrying value	117,039	117,039

13 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	14	-	-	240	-

Movements in fixed asset investments

	Shares in subsidiaries £
Company	
Cost or valuation	
At 1 January 2021	-
Additions	240
At 31 December 2021	240
Carrying amount	
At 31 December 2021	240
At 31 December 2020	-

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Spirits Development & Management Company (SDMC) Limited	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD	Ordinary	80.00

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Whisky stocks	38,913,207	31,591,459	38,913,207	31,591,459
Other stocks	630,768	553,039	630,768	553,039
	<u>39,543,975</u>	<u>32,144,498</u>	<u>39,543,975</u>	<u>32,144,498</u>

16 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	3,382,469	7,257,648	3,382,469	7,257,648
Amounts owed by group undertakings	1,041,107	1,590,612	1,041,107	1,590,612
Other debtors	192,020	94,855	192,020	94,855
Prepayments and accrued income	279,712	204,027	274,462	204,027
	<u>4,895,308</u>	<u>9,147,142</u>	<u>4,890,058</u>	<u>9,147,142</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	19	548,327	-	-	-
Trade creditors		5,992,004	6,349,756	5,992,004	6,349,756
Amounts owed to group undertakings		18,104,803	19,593,468	18,305,102	19,593,468
Corporation tax payable		965,900	461,735	886,290	461,735
Other taxation and social security		68,983	51,296	44,483	51,296
Accruals and deferred income		802,354	1,597,188	798,258	1,597,188
		<u>26,482,371</u>	<u>28,053,443</u>	<u>26,026,137</u>	<u>28,053,443</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	19	677,878	-	-	-
		<u>677,878</u>	<u>-</u>	<u>-</u>	<u>-</u>

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	1,226,205	-	-	-
Payable within one year	548,327	-	-	-
Payable after one year	677,878	-	-	-

20 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
	20,000	20,000	20,000	20,000

Movements on provisions:

Group	£
At 1 January 2021 and 31 December 2021	20,000
Company	Packaging waste regulation costs £
At 1 January 2021 and 31 December 2021	20,000

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Accelerated capital allowances	815,017	386,255

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21	Deferred taxation	(Continued)	
		Liabilities	Liabilities
		2021	2020
	Company	£	£
	Accelerated capital allowances	815,017	386,255
		<u> </u>	<u> </u>
		Group	Company
		2021	2021
		£	£
	Movements in the year:		
	Liability at 1 January 2021	386,255	386,255
	Charge to profit or loss	306,787	306,787
	Effect of change in tax rate - profit or loss	121,975	121,975
		<u> </u>	<u> </u>
	Liability at 31 December 2021	815,017	815,017
		<u> </u>	<u> </u>

22	Retirement benefit schemes	2021	2020
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	36,831	39,868
		<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23	Share capital	2021	2020	2021	2020
		Number	Number	£	£
	Ordinary share capital				
	Issued and fully paid				
	Ordinary shares of £1 each	185	185	185	185
	Preferred convertible redeemable share of £1 each	1	1	1	1
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		186	186	186	186
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

The Preferred Convertible Redeemable Ordinary Share shall become redeemable only on the occurrence of an exit event.

The redemption price of the Preferred Convertible Redeemable Ordinary Share is determined as being a sum equal to the capital gains tax liability suffered by the holder in respect of the shares held. If there is no capital gains liability, the redemption price shall be £1.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Acquisition of a business

On 9 April 2021 the group acquired 80% of the issued capital of Spirits Development & Management Company (SDMC) Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	1,115,000	-	1,115,000
Trade and other receivables	147,000	-	147,000
Cash and cash equivalents	405,416	-	405,416
Borrowings	(1,797,309)	-	(1,797,309)
Tax liabilities	(99,008)	-	(99,008)
	<u>(228,901)</u>	<u>-</u>	<u>(228,901)</u>
Total identifiable net assets			45,780
Non-controlling interests			183,361
Goodwill			<u>240</u>
Total consideration			<u>240</u>
The consideration was satisfied by:			£
Cash			<u>240</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Acquisition of tangible fixed assets	<u>132,000</u>	<u>328,000</u>	<u>132,000</u>	<u>328,000</u>

26 Controlling party

Picard Vins & Spiritueux SA (incorporated in France) is regarded by the directors as being the company's ultimate parent company.

The immediate parent company of Tullibardine Limited is Terroirs Distillers SAS (incorporated in France).

Copies of the accounts of Picard Vins & Spiritueux SA, which is the largest group into which these financial statements are consolidated, are available from its office at 5 Chemin du Chateau, 21190 Chassagne-Montrachet, France. The smallest group into which these financial statements are consolidated is Terroirs Distillers SAS and copies of its accounts are available from its office at 5 Chemin du Chateau, 21190 Chassagne-Montrachet, France.

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	4,966,238	3,043,417
Adjustments for:		
Taxation charged	1,429,662	568,603
Finance costs	160,849	299,738
Amortisation and impairment of intangible assets	18,336	-
Depreciation and impairment of tangible fixed assets	674,523	677,022
Movements in working capital:		
Increase in stocks	(7,399,477)	(1,594,855)
Decrease/(increase) in debtors	4,251,834	(167,873)
(Decrease)/increase in creditors	(1,134,899)	1,933,282
Cash generated from operations	2,967,066	4,759,334

28 Cash generated from operations - company

	2021 £	2020 £
Profit for the year after tax	4,758,330	3,043,417
Adjustments for:		
Taxation charged	1,350,052	568,603
Finance costs	121,130	299,738
Depreciation and impairment of tangible fixed assets	674,523	677,022
Movements in working capital:		
Increase in stocks	(7,399,477)	(1,594,855)
Decrease/(increase) in debtors	4,257,084	(167,873)
(Decrease)/increase in creditors	(575,495)	1,933,282
Cash generated from operations	3,186,147	4,759,334

29 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	2,605,043	(811,237)	1,793,806
Borrowings excluding overdrafts	-	(1,226,205)	(1,226,205)
	2,605,043	(2,037,442)	567,601

TULLIBARDINE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

30 Analysis of changes in net funds - company

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	2,605,043	(822,442)	1,782,601
	<u> </u>	<u> </u>	<u> </u>

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.