

Company Registration No. SC465858 (Scotland)

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PAGES FOR FILING WITH REGISTRAR

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SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		1,115,000		2,658,129
Current assets					
Debtors	4	593,250		152,740	
Cash at bank and in hand		11,205		378,126	
		<u>604,455</u>		<u>530,866</u>	
Creditors: amounts falling due within one year	5	<u>(1,044,234)</u>		<u>(1,015,327)</u>	
Net current liabilities			(439,779)		(484,461)
Total assets less current liabilities			<u>675,221</u>		<u>2,173,668</u>
Creditors: amounts falling due after more than one year	6		(677,878)		(972,587)
Net (liabilities)/assets			<u>(2,657)</u>		<u>1,201,081</u>
Capital and reserves					
Called up share capital	7		300		300
Profit and loss reserves			(2,957)		1,200,781
Total equity			<u>(2,657)</u>		<u>1,201,081</u>

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

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:

Mr G J Picard
Director

Company Registration No. SC465858

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Spirits Development & Management Company (SDMC) Limited is a private company limited by shares incorporated in Scotland. The registered office is 65 Haymarket Terrace, Citypoint, Edinburgh, United Kingdom, EH12 5HD.

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.

1.2 Going concern

Due to the devaluation of the freehold property there is a negative balance sheet position at 31 December 2021. Moving forward it is expected that the company will be profitable and the balance sheet will return to a positive position for the year to 31 December 2022. As such it is our opinion that the company is a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable in respect of rental income in the year 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.

1.4 Tangible fixed assets

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

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

Freehold land and buildings

No depreciation

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.

1.5 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.

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

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

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

1.6 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.

1.7 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 balance sheet 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 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.

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.

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Employees

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

	2021 Number	2020 Number
Total	-	-

3 Tangible fixed assets

	Land and buildings £
Cost or valuation	
At 1 January 2021	3,322,659
Revaluation	(2,207,659)
At 31 December 2021	1,115,000
Depreciation and impairment	
At 1 January 2021	664,530
Revaluation	(664,530)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	1,115,000
At 31 December 2020	2,658,129

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.

In the absence of a historical revaluation surplus, the deficit on the revaluation has gone to the profit and loss account

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £2,525,223 (2020 - £2,658,129), being cost £3,322,659 (2020 - £3,322,659) and depreciation £797,436 (2020 - £664,530).

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	-	147,490
Amounts owed by group undertakings	588,000	-
Other debtors	5,250	5,250
	<u>593,250</u>	<u>152,740</u>

5 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	548,327	540,739
Trade creditors	-	5,482
Amounts owed to group undertakings	387,701	-
Corporation tax	79,610	75,768
Other taxation and social security	24,500	23,586
Other creditors	4,096	369,752
	<u>1,044,234</u>	<u>1,015,327</u>

6 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>677,878</u>	<u>972,587</u>

7 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

8 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 auditor's report was unqualified.

The senior statutory auditor was Donald Boyd and the auditor was Azets Audit Services.

9 Operating lease commitments

SPIRITS DEVELOPMENT & MANAGEMENT COMPANY (SDMC) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Operating lease commitments

(Continued)

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2021	2020
£	£
6,370,000	6,860,000

10 Related party transactions

The company leases property to Tullibardine Limited, the parent company. Rent received during the year totalled £490,000 (2020: £490,000). The balance due from Tullibardine Limited at 31 December 2021 was £588,000 (2020: £147,490).

11 Parent company

Tullibardine Limited is the parent company and prepares consolidated accounts. The registered office of Tullibardine Limited is Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD.

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

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-Montractet, France. The smallest group into which these financial statements are consolidated is Tullibardine Limited and copies of its accounts are available from its office at Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD.

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.