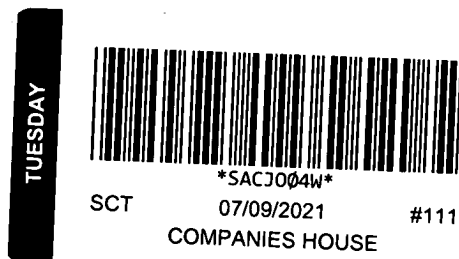


**TAMSIDE LIMITED**  
**COMPANY REGISTRATION NUMBER: SC513984**  
**ANNUAL REPORT AND AUDITED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED TO 31 DECEMBER 2020**



**AUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
COMPANY INFORMATION	2
DIRECTORS' REPORT	3 – 5
AUDITOR'S REPORT	6 – 8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CHANGES IN EQUITY	11
NOTES TO THE FINANCIAL STATEMENTS	12 – 20

## **TAMSIDE LIMITED**

---

### **COMPANY INFORMATION**

#### **DIRECTORS**

P.G. Blackler  
N.R. Smyth

#### **REGISTERED OFFICE**

Grangestone Industrial Estate  
Ladywell Avenue  
Girvan, Ayrshire  
Scotland  
KA26 9PT

#### **SECRETARY**

N.R. Smyth

## **TAMSIDE LIMITED**

---

### **DIRECTORS' REPORT**

**For the year ended 31 December 2020**

**Company registration number: SC513984**

The Directors present their report and audited financial statements of Tamside Limited (the 'Company') for the year ended 31 December 2020.

### **INCORPORATION**

The Company is a private Company limited by shares and was incorporated on 25 August 2015 with the Registrar of Companies for Scotland. On 16 October 2015 the Company changed its name from Grissan Tamside Limited to Tamside Limited.

The Company's immediate parent is Grissan Energy UK Limited. The intermediate parent is Grissan Limited. Grissan Limited is the holding company of the Grissan Group of companies which comprises several companies (together the "Group Undertakings").

The ultimate parent company is William Grant & Sons Holdings Limited, which together with William Grant & Sons Distillers Limited and William Grant & Sons Limited (fellow subsidiaries of the ultimate parent company), form the William Grant & Sons Group ("Parent Undertakings").

### **PRINCIPAL ACTIVITIES**

The statement of comprehensive income for the period is set out on page 9. The principal activity of the Company is the development and operation of renewable energy plants.

### **DIRECTORS**

The Directors who held office throughout the financial year and subsequently were as follows:

P.G. Blackler  
N.R. Smyth

### **SECRETARY**

The secretary who held office throughout the financial year and subsequently was as follows:

N.R. Smyth

### **REGISTERED OFFICE**

During the year the registered office of the Company was changed to Grangestone Industrial Estate, Ladywell Avenue, Girvan, Ayrshire, KA26 9PT. This change was effective from 12 May 2020.

**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2020**  
**Company registration number: SC513984**

**INDEPENDENT AUDITORS**

BDO Limited were appointed as auditors on 10 January 2018 and have expressed their willingness to continue in office.

The directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO Limited as auditors will be proposed at the annual general meeting.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2006. The Directors have chosen to prepare financial statements in accordance with United Kingdom general accepted accounting principles.

Companies Act 2006 requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOING CONCERN**

The Company had net liabilities of £13,177,527 (2019: £12,444,016) and net current liabilities of £9,776,458 (2019: £5,323,637) at 31 December 2020. Included in the Company's liabilities are loans payable to Group Undertakings of £21,496,449 (2019: £18,580,396), which consists of amounts falling due after more than one year of £11,037,658 (2019: £12,402,528), and amounts falling due within one year of £10,458,791 (2019: £6,177,868) (as identified in notes 8 and 7 respectively). The Company made a net loss after tax of £733,511 (2019: £5,406,572 loss) during the year ended 31 December 2020.

**DIRECTORS' REPORT (continued)**

**For the year ended 31 December 2020**

**Company registration number: SC513984**

The Directors have taken into consideration the going concern ability of the Company in light of the effects of the COVID-19 pandemic. The Grissan Group has considered its operational plans and liquidity position and has taken appropriate action to ensure that it maintains appropriate levels of cash and reduces expenditure where necessary. The Grissan Group has reviewed production levels, resource levels and all areas of both capital and revenue expenditure. Based on this review the Directors are satisfied that the Grissan Group is able to maintain sufficient levels of cash and manage expenditure such that it will continue to operate on a going concern basis.

Confirmation has been obtained from Parent Undertakings that they will continue to support the Company by providing adequate financial assistance to enable the Company to continue its business operations as a going concern for the foreseeable future and they will not recall or demand repayment of the loans and advances made to the Company or other Group Undertakings for a period of at least 12 months from the date of signing of the 2020 financial statements. This will be done except to the extent that the financial position of the Company permits such repayment and such repayment will not adversely affect the ability of the Company to carry on its operations as a going concern.

Accordingly, considering the abovementioned circumstances and the position of the loans payable to Group Undertakings, the Directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

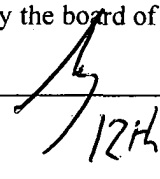
This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. Under these provisions the Company is not required to prepare a strategic report for the financial year.

Approved by the board of Directors

N.R. Smyth

Secretary

Date:

 12th May 2021



Tel: +44 (0)1534 510100  
Fax: +44 (0)1534 759425  
www.bdo.je

Windward House  
La Route de la Liberation  
St Helier  
Jersey  
Channel Islands  
JE1 1BG

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMSIDE LIMITED**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss 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.

We have audited the financial statements of Tamside Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes 1 to 12 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **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.

### **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that the Company made a loss of £733,511 during the year ended 31 December 2020 and, at that date, the Company had net liabilities of £13,177,527. Included in the Company's liabilities are amounts payable to its Group Undertakings of £21,496,449. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.



## **Other Companies Act 2006 reporting**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities, 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 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.

### *Extent to which the audit was 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal framework applicable to the Company and the industry in which it operates and, considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006. We made enquiries of the Directors to obtain further understanding of risks of non-compliance.





We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of Board meetings throughout the period; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities, including a substantive review of material journals.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

#### 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.

*BDO Limited*

Christopher Stuart (Senior Statutory Auditor)  
For and on behalf of BDO Limited, Statutory Auditor  
Jersey, Channel Islands  
12 May 2021

**TAMSIDE LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	Notes	31 December 2020 £	31 December 2019 £
Turnover		1,365,826	4,269,976
Cost of sales		(933,937)	(3,870,997)
<b>Gross profit</b>		<b>431,889</b>	<b>398,979</b>
Other costs		(498,196)	(1,064,342)
<b>Loss before interest, tax and depreciation</b>		<b>(66,307)</b>	<b>(665,363)</b>
Depreciation and impairment		(757,914)	(5,382,632)
<b>Operating loss</b>	<b>2</b>	<b>(824,221)</b>	<b>(6,047,995)</b>
Interest payable and similar charges		(140)	(625,754)
<b>Loss on ordinary activities before tax</b>		<b>(824,361)</b>	<b>(6,673,749)</b>
Taxation credit	<b>3</b>	<b>90,850</b>	1,267,177
<b>Total comprehensive loss for the period</b>		<b>(733,511)</b>	<b>(5,406,572)</b>

All amounts relate to continuing activities.

*See accompanying notes to the financial statements*

**TAMSIDE LIMITED****STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Property, plant and equipment	4	6,816,878	4,940,269
Deferred tax asset		29,647	-
Amounts due after more than one year	5	<u>790,065</u>	<u>1,341,880</u>
		7,636,590	6,282,149
<b>Current assets</b>			
Cash at bank and in hand		58,012	109,979
Inventories		2,971	195,387
Debtors	6	<u>1,215,780</u>	<u>2,759,393</u>
		1,276,763	3,064,759
<b>Creditors: amounts falling due within one year</b>			
Other creditors	7	(11,053,221)	(8,388,396)
<b>Net current liabilities</b>		<u>(9,776,458)</u>	<u>(5,323,637)</u>
<b>Total assets less total current liabilities</b>		(2,139,869)	958,512
<b>Creditors: amounts falling due greater than one year</b>	8	(11,037,658)	(13,402,528)
<b>Net liabilities</b>		<u>(13,177,527)</u>	<u>(12,444,016)</u>
<b>Equity and Reserves</b>			
Ordinary share capital	9	1	1
Profit and loss deficit		(13,177,528)	(12,444,017)
<b>Total shareholders' deficit</b>		<u>(13,177,527)</u>	<u>(12,444,016)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board of Directors on 12th May 2021 and signed on their behalf by:

.....  
N.R. Smyth

Director

.....  
P.G. Blackler

Director

*See accompanying notes to the financial statements*

**TAMSIDE LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2020**

	<b>Share capital £</b>	<b>Profit and loss deficit £</b>	<b>Total capital and reserves £</b>
As at 1 January 2019	1	(7,037,445)	(7,037,444)
Total comprehensive loss for the year	-	(5,406,572)	(5,406,572)
As at 31 December 2019	<u>1</u>	<u>(12,444,017)</u>	<u>(12,444,016)</u>

	<b>Share capital £</b>	<b>Profit and loss deficit £</b>	<b>Total capital and reserves £</b>
As at 1 January 2020	1	(12,444,017)	(12,444,016)
Total comprehensive profit for the year	-	(733,511)	(733,511)
As at 31 December 2020	<u>1</u>	<u>(13,177,528)</u>	<u>(13,177,527)</u>

*See accompanying notes to the financial statements*

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', section 1A small entities. FRS 102 is mandatory for accounting periods on or after 1 January 2015. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the accounting policies.

In accordance with the provisions applicable to companies subject to the small companies' regime, the Company has taken advantage of the disclosure exemptions relating to Section 7 Statement of Cash Flows and related notes and has not prepared a Statement of Cash Flows.

The following principal accounting policies have been applied.

**Going concern**

The Company had net liabilities of £13,177,527 (2019: £12,444,016) and net current liabilities of £9,776,458 (2019: £5,323,637) at 31 December 2020. Included in the Company's liabilities are loans payable to Group Undertakings of £21,496,449 (2019: £18,580,396), which consists of amounts falling due after more than one year of £11,037,658 (2019: £12,402,528), and amounts falling due within one year of £10,458,791 (2019: £6,177,868) (as identified in notes 8 and 7 respectively). The Company made a net loss after tax of £733,511 (2019: £5,406,572 loss) during the year ended 31 December 2020.

The Directors have taken into consideration the going concern ability of the Company in light of the effects of the COVID-19 pandemic. The Grissan Group has considered its operational plans and liquidity position and has taken appropriate action to ensure that it maintains appropriate levels of cash and reduces expenditure where necessary. The Grissan Group has reviewed production levels, resource levels and all areas of both capital and revenue expenditure. Based on this review the Directors are satisfied that the Grissan Group is able to maintain sufficient levels of cash and manage expenditure such that it will continue to operate on a going concern basis.

Confirmation has been obtained from Parent Undertakings that they will continue to support the Company by providing adequate financial assistance to enable the Company to continue its business operations as a going concern for the foreseeable future and they will not recall or demand repayment of the loans and advances made to the Company or other Group Undertakings for a period of at least 12 months from the date of signing of the 2020 financial statements. This will be done except to the extent that the financial position of the Company permits such repayment and such repayment will not adversely affect the ability of the Company to carry on its operations as a going concern.

Accordingly, considering the abovementioned circumstances and the position of the loans payable to Group Undertakings, the Directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Turnover**

Turnover, which excludes discounts allowed, represents the value of goods and services supplied. Turnover is recognised as it arises and beginning from the point each plant becomes operational.

**Expenses**

Expenses are accounted for on an accruals basis.

**Tangible fixed assets**

Tangible fixed assets are stated at their original purchase price, including any incidental expenses of acquisition. Plant and machinery includes costs directly attributable to making the asset capable of operating as intended. No tangible fixed asset additions under a value of £5,000 are capitalised.

Assets are not depreciated until such time as they are brought into use.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the asset concerned. The principal annual rates used for this purpose are:

**Useful Economic Lives ("UELs") of Tangible Fixed Assets**

The following UELs apply unless there is strong evidence to the contrary:-

<b>Asset type</b>	<b>UEL</b>
Freehold Land	No depreciation
Leaseholds	First lease break date
Plant and Machinery	10 years
Assets under Construction	No depreciation
Fixtures and Fittings	10 years
Motor vehicle	3 years
Computer Hardware, Software and Office Equipment	4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective inventories. Cost is calculated using the weighted average cost formula.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred taxation**

Provision is made for deferred taxation on all timing differences arising from the different treatment of items for financial statement and taxation purposes, calculated at rates at which it is estimated that tax will arise. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted and are calculated at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Finance and operating leases**

Leasing agreements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset has been purchased outright. The assets are included in fixed assets at net book value and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Foreign currency translation**

*(a) Functional and presentation currency*

Items included in the financial statements are presented in pound sterling, which is the Company's functional and presentation currency.

*(b) Transactions and balances*

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented within 'other operating expenses'.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments**

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, loans from fellow Group Undertakings, 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 receipts discounted at a market rate of interest. Loans from Group Undertakings and Parent undertakings are measured at cost less impairment and are not discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Directors have had to make the following judgements:

- The determination of whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

*Tangible fixed assets*

Tangible fixed assets are depreciated over their economic lives taking into account residual values, where appropriate. The economic lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Pension scheme arrangements**

The Company operates a defined contribution scheme for the employees. The Company pays 4% of the employee's salary and the employees can opt to contribute further to their pension in the form of a salary sacrifice. Total pension costs for the year amounted to £3,873 (2019: £18,517). £680 (2019: £NIL) was payable to the defined contribution scheme at year end..

## 2. OPERATING LOSS

	2020	2019
	£	£
Operating loss has been stated after charging the following:		
Depreciation	443,144	1,329,884
Impairment of Plant & Equipment	-	4,052,748
Loss on disposal of fixed assets	314,770	-
Pension costs	3,873	18,517
Audit fees	9,119	8,678

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. TAXATION**

Tax credit included in the statement of comprehensive income:

	2020 £	2019 £
<b>Current tax</b>		
UK Corporation tax on losses for the year	(300,006)	(490,059)
<b>Deferred tax</b>		
Origination and reversal of timing difference	209,156	(777,118)
Total tax credit	<u>(90,850)</u>	<u>(1,267,177)</u>

**Tax reconciliation of tax credit:**

	2020 £	2019 £
Loss on ordinary activities before tax	(824,361)	(6,673,749)
Loss on ordinary activities multiplied by the standard rate of tax of 19% (2019: 19%)	(156,629)	(1,268,012)
Re-measurement of deferred tax – change in UK tax rate	(18,567)	835
Disallowed expenditure	1,808	-
Prior year overprovision for tax	82,538	-
Total tax credit for the year	<u>(90,850)</u>	<u>(1,267,177)</u>

The deferred tax included in the statement of financial position is as follows:

	2020 £	2019 £
Opening balance – Asset / (Liability)	238,803	(538,315)
Movement in the period – accelerated capital allowances	(209,156)	777,118
Closing balance – Asset	<u>29,647</u>	<u>238,803</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 4. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Total
	£	£
<b>Cost</b>		
At 1 January 2020	13,298,838	13,298,838
Additions	5,164,107	5,164,107
Disposals	(10,158,631)	(10,158,631)
<b>At 31 December 2020</b>	<b>8,304,315</b>	<b>8,304,315</b>
<b>Depreciation</b>		
At 1 January 2020	(8,358,569)	(8,358,569)
Charge for the period	(443,123)	(443,123)
Disposals	7,314,278	7,314,278
<b>At 31 December 2020</b>	<b>(1,487,414)</b>	<b>(1,487,414)</b>
<b>Net book value</b>		
<b>At 31 December 2020</b>	<b>6,816,900</b>	<b>6,816,900</b>
<b>At 31 December 2019</b>	<b>4,940,269</b>	<b>4,940,269</b>

## 5. DEBTORS: AMOUNTS DUE MORE THAN ONE YEAR

	2020	2019
	£	£
Deferred tax asset	29,647	238,803
Amounts due from Parent Undertakings	790,065	1,103,077
	<b>819,712</b>	<b>1,341,880</b>

The amounts due from Parent Undertakings are in relation to tax losses surrendered by the Company and utilised for loss relief by William Grant & Sons Distillers Limited, a fellow subsidiary of the ultimate parent company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. DEBTORS: AMOUNTS DUE LESS THAN ONE YEAR**

	2020 £	2019 £
VAT recoverable	24,062	98,698
Trade debtors	560,213	1,744,273
Other debtors and prepayments	11,931	59,396
Amounts due from Group Undertakings	6,558	108,867
Amounts due from Parent Undertakings	613,018	748,159
	<u>1,215,780</u>	<u>2,759,393</u>

The amounts due from Parent Undertakings are in relation to tax losses surrendered by the Company and utilised for loss relief by William Grant & Sons Distillers Limited, a fellow subsidiary of the ultimate parent company. Amounts are classified as due in less than one year when amendments to the tax losses surrendered are improbable.

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Sundry creditors	361,396	451,405
Trade creditors	230,571	209,744
Social Security	2,464	4,795
Amounts due to Group Undertakings	10,458,791	6,177,868
Tambowie Biogas Limited	-	1,544,584
	<u>11,053,221</u>	<u>8,388,396</u>

**8. CREDITORS: AMOUNTS FALLING DUE GREATER THAN ONE YEAR**

	2020 £	2019 £
Amounts owed to Group Undertakings	11,037,658	12,402,528
Tambowie Biogas Limited	-	1,000,000
	<u>11,037,658</u>	<u>13,402,528</u>

The amounts owed to Group Undertakings are unsecured, interest free and repayable on demand. The Directors of the Company have obtained confirmation that there is no intention to call for repayment of these balances within 12 months of the date of signing these financial statements. As such, the loans have been classified as non-current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****9. SHARE CAPITAL**

	2020 £	2019 £
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

The Company has an unlimited authorised share capital at £1 per share. The issued share capital is allotted and fully paid.

**10. RELATED PARTY TRANSACTIONS**

Related party transactions with Grissan Limited group companies (the “Group Undertakings”) have not been disclosed in full in accordance with the exemption for subsidiary undertakings contained in FRS 102 Section 33 “Related Party Disclosures”.

**11. ULTIMATE CONTROLLING PARTY**

The Company’s immediate parent is Grissan Energy UK Limited. The intermediate parent is Grissan Limited, a company incorporated in Jersey, Channel Islands. Grissan Limited is the holding company of the Grissan Group (the “Group”). The ultimate parent undertaking is William Grant & Sons Holdings Limited. The largest group of undertakings for which group accounts are drawn up is William Grant & Sons Holdings Limited (the Parent Undertakings) and the smallest such group of undertakings is Grissan Energy UK Limited (the Sub Group). The address from which copies of the largest group financial statements are available to the public is: The Registrar of Companies, Companies House, Fourth Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.

William Grant & Sons Holdings Limited has confirmed that its current intention is for the Parent Undertakings to continue to provide sufficient financial support for the Company to enable it to meet its current and future obligations for at least twelve months from the date of the signing of the financial statements.

**12. CONTINGENCIES AND COMMITMENTS**

At 31 December 2020 the Company had the following contingent liabilities and commitments:

- a) The Company was committed to additional purchase orders of £nil (2019: £nil) raised prior to the year end.
- b) The Company has entered into an operating lease to rent land in Milngavie, Scotland on 30 April 2020 for a peppercorn rent. The lease indicates rental fees of £1.00 are due less than one year from the balance sheet date. The prior year lease was terminated.