



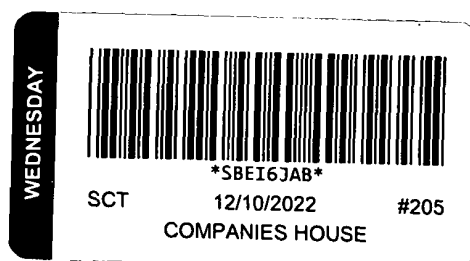
**Ardgowan Distillery Company
Limited**

Unaudited Financial Statements

Year Ended

30 June 2022

Company Number SC537030



Ardgowan Distillery Company Limited

Company Information

Directors Alan George Baker
Paul Cyril Dowling
Roland Andreas Grain
Michael Colvin Keiller
Martin Patrick McAdam

Registered number SC537030

Registered office C/O Brodies LLP
Capital Square
58 Morrison Street
Edinburgh
EH3 8BP

Accountants BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Ardgowan Distillery Company Limited

Contents

	Page
Accountants' report	1
Balance sheet	2 - 3
Notes to the financial statements	4 - 11

Ardgowan Distillery Company Limited

Chartered accountants' report to the board of directors on the Unaudited Financial Statements of Ardgowan Distillery Company Limited for Year Ended 30 June 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Ardgowan Distillery Company Limited for the year ended 30 June 2022 which comprise the balance sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that Ardgowan Distillery Company Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Ardgowan Distillery Company Limited. You consider that Ardgowan Distillery Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Ardgowan Distillery Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of directors of Ardgowan Distillery Company Limited, as a body, in accordance with the terms of our engagement letter dated 8 September 2021. Our work has been undertaken solely to prepare for your approval the accounts of Ardgowan Distillery Company Limited and state those matters that we have agreed to state to the board of directors of Ardgowan Distillery Company Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ardgowan Distillery Company Limited and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
Glasgow
UK

10 October 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ardgowan Distillery Company Limited

Registered number: SC537030

Balance sheet As at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	479,144	1,357
		<u>479,144</u>	<u>1,357</u>
Current assets			
Stocks	6	489,975	168,197
Debtors: amounts falling due within one year	7	5,782,702	5,235,725
Cash at bank and in hand	8	4,735,576	3,225,689
		<u>11,008,253</u>	<u>8,629,611</u>
Creditors: amounts falling due within one year	9	(145,234)	(257,066)
Net current assets		<u>10,863,019</u>	<u>8,372,545</u>
Total assets less current liabilities		<u>11,342,163</u>	<u>8,373,902</u>
Creditors: amounts falling due after more than one year	10	(3,009,508)	(9,508)
Net assets		<u><u>8,332,655</u></u>	<u><u>8,364,394</u></u>
Capital and reserves			
Called up share capital	12	10,474	9,637
Share premium account	13	10,997,508	10,408,022
Profit and loss account	13	(2,675,327)	(2,053,265)
		<u><u>8,332,655</u></u>	<u><u>8,364,394</u></u>

Ardgowan Distillery Company Limited
Registered number: SC537030

Balance sheet (continued)
As at 30 June 2022

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

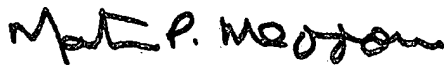
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

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

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



Martin Patrick McAdam
Director

9 Sept 2022

The notes on pages 4 to 11 form part of these financial statements.

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

1. General information

Ardgowan Distillery Company Limited is a private company, limited by shares, incorporated in the United Kingdom and registered in Scotland under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's principal activities is set out in the directors' report.

The financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	10% straight line
Plant and machinery	-	20% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

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

2.12 Creditors

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

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

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

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts 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.

In preparing these financial statements, the Directors have made the following assumptions:

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual 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 programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock has been valued at the lower of cost and net realisable value from Directors' estimations..

Bad debt provision assessed via review of trade and other debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed payment terms, and a financial assessment of the debtor's ability to pay its debts.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Directors	5	4
Employees	3	2
	<u>8</u>	<u>6</u>

Ardgowan Distillery Company Limited

Notes to the financial statements
For the year ended 30 June 2022

5. Tangible fixed assets

	Leasehold imp. £	Plant and machinery £	Office equipment £	Computer equipment £	Construct. costs £	Total £
Cost or valuation						
At 1 July 2021	-	-	-	1,416	-	1,416
Additions	1,850	3,076	553	4,831	468,489	478,799
At 30 June 2022	1,850	3,076	553	6,247	468,489	480,215
Depreciation						
At 1 July 2021	-	-	-	59	-	59
Charge for the year on owned assets	31	103	42	836	-	1,012
At 30 June 2022	31	103	42	895	-	1,071
Net book value						
At 30 June 2022	1,819	2,973	511	5,352	468,489	479,144
At 30 June 2021	-	-	-	1,357	-	1,357

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

6. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>489,975</u>	<u>168,197</u>

7. Debtors

	2022 £	2021 £
Trade debtors	73,207	3,907
Other debtors	498,091	31,488
Called up share capital not paid	5,199,879	5,199,879
Prepayments and accrued income	11,525	451
	<u>5,782,702</u>	<u>5,235,725</u>

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>4,735,576</u>	<u>3,225,689</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	127,100	163,182
Other taxation and social security	11,509	-
Other creditors	2,125	350
Accruals and deferred income	4,500	93,534
	<u>145,234</u>	<u>257,066</u>

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

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

	2022 £	2021 £
Other loans	3,000,000	-
Accruals and deferred income	9,508	9,508
	<u>3,009,508</u>	<u>9,508</u>

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due after more than 5 years		
Other loans	3,000,000	-
	<u>3,000,000</u>	<u>-</u>

The convertible loan note advance of £3,000,000 with an interest rate of 5% p.a. is secured by a pledge of 10% of the company's product, a floating charge and a cash sum deposit of £150,000 shown in other debtors.

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary G shares of £0.10 each	100	100
10 (2021 - 10) Deferred shares of £0.10 each	1	1
49,379 (2021 - 46,204) Ordinary shares of £0.10 each	4,938	4,620
53,424 (2021 - 49,156) Ordinary A shares of £0.10 each	5,343	4,916
925 (2021 - Nil) Ordinary G1 shares of £0.10 each	92	-
	<u>10,474</u>	<u>9,637</u>

During the year 8,368 (2021 - 64,440) shares with a nominal value of £0.10 were issued for total consideration of £630,322 (2021 - £8,997,239).

Ardgowan Distillery Company Limited

Notes to the financial statements For the year ended 30 June 2022

13. Reserves

Share premium account

The share premium account comprises the premium paid on issue of equity shares.

Profit and loss account

The profit and loss account reserve comprises of the cumulative profit and loss trading results less any dividends distributed to shareholders.

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,143 (2021 - £1,708). Contributions totaling £1,967 (2021 - £287) were payable to the fund at the balance sheet date and are included in creditors.

15. Controlling party

In the opinion of the directors, there is no ultimate controlling party.