

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 April 2022
for
Hunter Laing Holdings Limited

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for the Year Ended 30 April 2022

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Hunter Laing Holdings Limited

Company Information
for the Year Ended 30 April 2022

DIRECTORS:

D J Armour
S H Laing
A Laing
S Laing

REGISTERED OFFICE:

16 Park Circus
Glasgow
G3 6AX

REGISTERED NUMBER:

SC555631 (Scotland)

AUDITORS:

O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

Group Strategic Report
for the Year Ended 30 April 2022

The directors present their strategic report of the company and the group for the year ended 30 April 2022.

Principal Activities

The company and the group are principally engaged in the production and sale of Scotch whisky and other spirits.

Overall Strategy

The Laing family have been in the scotch whisky business for more than three generations. The experience gained over that time has enabled Hunter Laing to develop a portfolio of premium single malts and blends that reflect the family's entrepreneurial flair whilst maintaining many of the industry's finest traditions. With an extensive stock of the finest scotch whiskies and a growing and extensive brand portfolio, we aim to continue to develop and augment our core strengths: a strong reputation in our core markets for integrity and professionalism; a commercial and pragmatic approach to business; world-class customer service.

As a full service whisky company, we support our clients throughout the product lifecycle from spirit production to final product and warehousing. We have a rolling programme of investment across every area of our business, with sustainability and the environment key elements in our investment strategy.

REVIEW OF BUSINESS

The 2021/22 financial year saw the group deliver record revenues and profits. The Board were delighted with this result, which reflects the dedication and commitment of all our staff and the valued support of everyone in our supply chain.

Our core Far Eastern markets grew substantially whilst we increased our presence in North America, with our Scarabus brand gaining significant traction. Market demand for premium, rare scotch whiskies remains strong for those with the right stocks - our stock investment policy of recent years, coupled with an ambitious wood programme, has allowed Hunter Laing to sustain and grow its presence and reputation in this market. We continue to open new supply channels that will support this activity for the foreseeable future.

Ardnahoe Distillery continues to build its reputation as a world-class distiller of the finest Islay single malt and as a must-see visitor attraction. Having just passed the fourth anniversary of the commencement of production, we celebrated the first ever dram of Ardnahoe Single Malt Scotch Whisky towards the end of 2021 and we look forward to bringing our first products to market in the near future.

Future Developments

The group intends to bring forward further new products and brands that will continue to enhance its position as a leading player in the premium single malts market. We continue to build our portfolio of mature stocks, including by strategic acquisition, which have secured the future of our brands.

In November 2021, Ardnahoe Distillery was awarded planning consent for the development of warehousing facilities on the site adjacent to the distillery. That investment will further enhance our Ardnahoe product and brand and provides security of storage facilities for many years. This expansion can be financed from existing facilities and cash flows.

Group Strategic Report
for the Year Ended 30 April 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Supplying over 70 markets worldwide means we need to keep abreast of a broad range of political, social and economic factors. Continuous engagement with our markets, working through a global network of partners and distributors, allows us to navigate and manage risk for the benefit of all stakeholders.

Financial Risk Management Objectives and Policies

The group is financed using various financial instruments, including an asset based lending facility provided by Virgin Money, cash trade debtors and trade creditors. These instruments carry various financial risks as noted below.

Currency Risk

The group trades primarily in Sterling, with less than 5% of revenues and purchases conducted in other currencies (principally Euros and US Dollars). Some of this exposure is naturally mitigated by purchases in the same currencies. The balance of risk is not considered material compared to turnover and profits.

Liquidity Risk

We operate with banking facilities that ensure we have adequate liquidity to meet our commitments, support ongoing investment for growth and give us the ability to respond quickly to market opportunities. We operate within agreed covenants and manage financial exposure through an extensive financial reporting and forecasting regime.

Interest Rate Risk

The principal interest rate risk arises on the bank borrowings. The directors consider the interest rate risk is readily manageable due to the level of interest cover from operating profit. Interest rate management options are also regularly considered.

Credit Risk

The group's predominant credit risk is with trade debtors, which is managed by the establishment of appropriate credit limits based on trading history, industry reputation, financial strength and credit references. The risk on export debtors is managed by up-front payments or irrevocable letter of credit commitments.

ON BEHALF OF THE BOARD:

A Laing - Director

30 November 2022

Report of the Directors
for the Year Ended 30 April 2022

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2022.

DIVIDENDS

An interim dividend of £8.36 per share was paid on 30 April 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 April 2022 will be £ 327,834 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2021 to the date of this report.

D J Armour
S H Laing
A Laing
S Laing

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, O'Haras Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Laing - Director

30 November 2022

Report of the Independent Auditors to the Members of Hunter Laing Holdings Limited

Opinion

We have audited the financial statements of Hunter Laing Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 April 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of Hunter Laing Holdings Limited

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 Group Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page four, 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 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 group's and 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

- We gained an understanding of the legal and regulatory framework applicable to the company and the whisky industry in which it operates. We made enquiries of management as to whether there were any known or suspected instances of non-compliance with laws and regulations or fraud, and reviewed available board minutes for any indication of such matters.
- We gained an understanding of management's internal controls designed to prevent and detect irregularities in their day-to-day operations.
- We considered laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement components. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of relevant third parties.
- We considered how fraud might occur in this company and designed our tests accordingly.
- As in all audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Hunter Laing Holdings 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 a Report of the Auditors 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.

John O'Hara CA (Senior Statutory Auditor)
for and on behalf of O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

30 November 2022

Hunter Laing Holdings Limited (Registered number: SC555631)**Consolidated Income Statement**
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
REVENUE	3	18,228,006	15,775,396
Cost of sales		<u>6,888,520</u>	<u>6,641,582</u>
GROSS PROFIT		11,339,486	9,133,814
Administrative expenses		<u>3,901,223</u>	<u>3,767,949</u>
		7,438,263	5,365,865
Other operating income		<u>210,592</u>	<u>533,003</u>
OPERATING PROFIT	5	7,648,855	5,898,868
Interest receivable and similar income		<u>21</u>	<u>-</u>
		7,648,876	5,898,868
Interest payable and similar expenses	6	<u>380,479</u>	<u>442,669</u>
PROFIT BEFORE TAXATION		7,268,397	5,456,199
Tax on profit	7	<u>1,377,676</u>	<u>1,120,879</u>
PROFIT FOR THE FINANCIAL YEAR		<u>5,890,721</u>	<u>4,335,320</u>
Profit attributable to:			
Owners of the parent		<u>5,890,721</u>	<u>4,335,320</u>

The notes form part of these financial statements

Hunter Laing Holdings Limited (Registered number: SC555631)

Consolidated Other Comprehensive Income
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		5,890,721	4,335,320
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>5,890,721</u>	<u>4,335,320</u>
Total comprehensive income attributable to: Owners of the parent		<u>5,890,721</u>	<u>4,335,320</u>

The notes form part of these financial statements

Hunter Laing Holdings Limited (Registered number: SC555631)**Consolidated Balance Sheet**
30 April 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		110,685		124,520
Property, plant and equipment	11		15,424,825		15,056,062
Investments	12		10,766		10,766
			<u>15,546,276</u>		<u>15,191,348</u>
CURRENT ASSETS					
Inventories	13	25,382,941		19,665,482	
Debtors	14	3,232,207		4,699,851	
Cash at bank and in hand		<u>3,439,373</u>		<u>240,645</u>	
		32,054,521		24,605,978	
CREDITORS					
Amounts falling due within one year	15	<u>27,027,086</u>		<u>24,840,591</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>5,027,435</u>		<u>(234,613)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			20,573,711		14,956,735
PROVISIONS FOR LIABILITIES	19		<u>463,646</u>		<u>409,557</u>
NET ASSETS			<u><u>20,110,065</u></u>		<u><u>14,547,178</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		39,196		39,196
Retained earnings	21		<u>20,070,869</u>		<u>14,507,982</u>
SHAREHOLDERS' FUNDS			<u><u>20,110,065</u></u>		<u><u>14,547,178</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2022 and were signed on its behalf by:

A Laing - Director

Hunter Laing Holdings Limited (Registered number: SC555631)

Company Balance Sheet
30 April 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	10	-	-
Property, plant and equipment	11	-	-
Investments	12	39,196	39,196
		<u>39,196</u>	<u>39,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,196</u>	<u>39,196</u>
CAPITAL AND RESERVES			
Called up share capital	20	39,196	39,196
SHAREHOLDERS' FUNDS		<u>39,196</u>	<u>39,196</u>
Company's profit for the financial year		<u>327,834</u>	<u>266,915</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2022 and were signed on its behalf by:

A Laing - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 April 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2020	39,196	10,439,577	10,478,773
Changes in equity			
Dividends	-	(266,915)	(266,915)
Total comprehensive income	-	4,335,320	4,335,320
Balance at 30 April 2021	39,196	14,507,982	14,547,178
Changes in equity			
Dividends	-	(327,834)	(327,834)
Total comprehensive income	-	5,890,721	5,890,721
Balance at 30 April 2022	39,196	20,070,869	20,110,065

Company Statement of Changes in Equity
for the Year Ended 30 April 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2020	39,196	-	39,196
Changes in equity			
Dividends	-	(266,915)	(266,915)
Total comprehensive income	-	266,915	266,915
Balance at 30 April 2021	39,196	-	39,196
Changes in equity			
Dividends	-	(327,834)	(327,834)
Total comprehensive income	-	327,834	327,834
Balance at 30 April 2022	39,196	-	39,196

Consolidated Cash Flow Statement
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	6,277,239	6,655,764
Interest paid		(371,625)	(439,568)
Interest element of hire purchase payments paid		(8,854)	(3,101)
Tax paid		(1,202,517)	-
Net cash from operating activities		<u>4,694,243</u>	<u>6,213,095</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,072,975)	(620,050)
Interest received		21	-
Net cash from investing activities		<u>(1,072,954)</u>	<u>(620,050)</u>
Cash flows from financing activities			
Loan repayments in year		(61,735)	(5,466,852)
Capital repayments in year		(236)	(2,833)
Amount withdrawn by directors		(32,756)	(624)
Equity dividends paid		(327,834)	(266,915)
Net cash from financing activities		<u>(422,561)</u>	<u>(5,737,224)</u>
Increase/(decrease) in cash and cash equivalents		<u>3,198,728</u>	<u>(144,179)</u>
Cash and cash equivalents at beginning of year	2	240,645	384,824
Cash and cash equivalents at end of year	2	<u>3,439,373</u>	<u>240,645</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 April 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	7,268,397	5,456,199
Depreciation charges	718,047	697,170
Finance costs	380,479	442,669
Finance income	(21)	-
	<u>8,366,902</u>	<u>6,596,038</u>
(Increase)/decrease in inventories	(5,717,459)	1,253,213
Decrease/(increase) in trade and other debtors	1,500,400	(1,433,780)
Increase in trade and other creditors	<u>2,127,396</u>	<u>240,293</u>
Cash generated from operations	<u><u>6,277,239</u></u>	<u><u>6,655,764</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2022

	30.4.22 £	1.5.21 £
Cash and cash equivalents	<u>3,439,373</u>	<u>240,645</u>

Year ended 30 April 2021

	30.4.21 £	1.5.20 £
Cash and cash equivalents	<u>240,645</u>	<u>384,824</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.21 £	Cash flow £	At 30.4.22 £
Net cash			
Cash at bank and in hand	<u>240,645</u>	<u>3,198,728</u>	<u>3,439,373</u>
	<u>240,645</u>	<u>3,198,728</u>	<u>3,439,373</u>
Debt			
Finance leases	(236)	236	-
Debts falling due within 1 year	<u>(18,958,309)</u>	<u>61,735</u>	<u>(18,896,574)</u>
	<u>(18,958,545)</u>	<u>61,971</u>	<u>(18,896,574)</u>
Total	<u><u>(18,717,900)</u></u>	<u><u>3,260,699</u></u>	<u><u>(15,457,201)</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 30 April 2022

1. STATUTORY INFORMATION

Hunter Laing Holdings Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The directors are satisfied that the Company will have access to sufficient funds to ensure that all liabilities will be met as they fall due over a period of at least 12 months from the approval date of these financial statements. Consequently, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Revenue

Revenue represents the amounts derived from the sale of Scotch whisky and other spirits, excluding value added tax and trade discounts.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 5% on cost and 2% on cost
Long leasehold	- 10% on cost and over 15 years (period of lease)
Improvements to property	- 10% on cost and 2% on cost
Plant and machinery	- 15% on reducing balance, 15% on cost and 4% on cost
Fixtures and fittings	- 20% on cost, 15% on reducing balance, 15% on cost and 10% on cost
Wood	- 33% on cost, 25% on reducing balance and 5% on cost
Computer equipment	- 33% on cost and 20% on cost

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The company has not directly benefited from any other forms of government assistance.

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing inventories to their present location and condition.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

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.

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.

Impairment of fixed assets

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash and cash equivalents

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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the group.

An analysis of revenue by geographical market is given below:

	2022 £	2021 £
United Kingdom	3,606,372	7,157,915
Rest of the world	14,621,634	8,617,481
	<u>18,228,006</u>	<u>15,775,396</u>

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	2,161,071	2,129,758
Social security costs	138,276	106,494
Other pension costs	34,464	36,097
	<u>2,333,811</u>	<u>2,272,349</u>

The average number of employees during the year was as follows:

	2022	2021
Hunter Laing & Company Limited	29	30
Ardnahoe Distillery Company Limited	<u>31</u>	<u>31</u>
	<u>60</u>	<u>61</u>

	2022 £	2021 £
Directors' remuneration	<u>561,411</u>	<u>555,236</u>

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	<u>288,421</u>	<u>330,320</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation - owned assets	704,212	683,334
Goodwill amortisation	13,835	13,836
Auditors' remuneration	27,000	27,000
Auditors' remuneration for non audit work	46,006	46,987
Foreign exchange differences	<u>7,178</u>	<u>5,534</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022****6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank loan interest	371,625	439,568
Hire purchase	84	132
Leasing	8,770	2,969
	<u>380,479</u>	<u>442,669</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	1,323,587	952,517
Deferred tax	54,089	168,362
Tax on profit	<u>1,377,676</u>	<u>1,120,879</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>7,268,397</u>	<u>5,456,199</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	1,380,995	1,036,678
Effects of:		
Expenses not deductible for tax purposes	1,239	282
Capital allowances in excess of depreciation	(23,040)	(20,945)
Utilisation of tax losses	(35,607)	(63,498)
Deferred tax adjustment	54,089	168,362
Total tax charge	<u>1,377,676</u>	<u>1,120,879</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	<u>327,834</u>	<u>266,915</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

10. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 May 2021
and 30 April 2022

138,356

AMORTISATION

At 1 May 2021

13,836

Amortisation for year

13,835

At 30 April 2022

27,671

NET BOOK VALUE

At 30 April 2022

110,685

At 30 April 2021

124,520

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold property £	Long leasehold £	Improvements to property £	Plant and machinery £
COST				
At 1 May 2021	10,255,283	83,967	39,366	3,641,372
Additions	692,230	-	-	24,380
At 30 April 2022	10,947,513	83,967	39,366	3,665,752
DEPRECIATION				
At 1 May 2021	692,835	40,304	18,844	438,053
Charge for year	237,660	8,397	3,937	166,017
At 30 April 2022	930,495	48,701	22,781	604,070
NET BOOK VALUE				
At 30 April 2022	10,017,018	35,266	16,585	3,061,682
At 30 April 2021	9,562,448	43,663	20,522	3,203,319

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

11. PROPERTY, PLANT AND EQUIPMENT - continued

Group

	Fixtures and fittings £	Wood £	Computer equipment £	Totals £
COST				
At 1 May 2021	604,397	1,809,495	544,198	16,978,078
Additions	-	324,804	31,561	1,072,975
At 30 April 2022	604,397	2,134,299	575,759	18,051,053
DEPRECIATION				
At 1 May 2021	256,937	219,680	255,363	1,922,016
Charge for year	73,903	104,385	109,913	704,212
At 30 April 2022	330,840	324,065	365,276	2,626,228
NET BOOK VALUE				
At 30 April 2022	273,557	1,810,234	210,483	15,424,825
At 30 April 2021	347,460	1,589,815	288,835	15,056,062

12. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 May 2021 and 30 April 2022	10,766
NET BOOK VALUE	
At 30 April 2022	10,766
At 30 April 2021	10,766
Company	
	Unlisted investments £
COST	
At 1 May 2021 and 30 April 2022	39,196
NET BOOK VALUE	
At 30 April 2022	39,196
At 30 April 2021	39,196

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

13. STOCKS

	Group	
	2022	2021
	£	£
Stocks	25,044,142	19,375,938
Work-in-progress	338,799	289,544
	<u>25,382,941</u>	<u>19,665,482</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2022	2021
	£	£
Trade debtors	1,408,419	3,082,830
Other debtors	19,598	19,598
Directors' current accounts	32,756	-
VAT	236,798	149,417
Prepayments and accrued income	<u>1,534,636</u>	<u>1,448,006</u>
	<u>3,232,207</u>	<u>4,699,851</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2022	2021
	£	£
Bank loans and overdrafts (see note 16)	18,896,574	18,958,309
Hire purchase contracts (see note 17)	-	236
Trade creditors	845,163	683,519
Tax	1,073,587	952,517
Social security and other taxes	66,573	129,615
Other creditors	10,766	10,766
Duty	12,863	-
Accrued expenses	<u>6,121,560</u>	<u>4,105,629</u>
	<u>27,027,086</u>	<u>24,840,591</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>18,896,574</u>	<u>18,958,309</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022**

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts 2022	2021
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>236</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank loans	<u>18,896,574</u>	<u>18,958,309</u>

The Clydesdale Bank holds a floating charge over the assets and undertakings of the business and has a legal charge over property owned by the Group.

19. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax	<u>463,646</u>	<u>409,557</u>
Group		
		Deferred tax
		£
Balance at 1 May 2021		409,557
Provided during year		54,089
Balance at 30 April 2022		<u>463,646</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:++	Class:	Nominal Value: £	2022 £	2021 £
4	A Shares	£1.00	4	4
17,962	B Shares	£1.00	17,962	17,962
17,962	C Shares	£1.00	17,962	17,962
3,268	D Shares	£1.00	3,268	3,268
			39,196	39,196

There are 4 classes of shares. All shares rank equally in terms of voting rights. There are no restrictions on the distribution of dividends and the repayment of capital

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 April 2022

21. RESERVES

Group

	Retained earnings £
At 1 May 2021	14,507,982
Profit for the year	5,890,721
Dividends	(327,834)
At 30 April 2022	<u>20,070,869</u>

Company

	Retained earnings £
Profit for the year	327,834
Dividends	(327,834)
At 30 April 2022	<u>-</u>

22. RELATED PARTY DISCLOSURES

Included within consultancy fees are amounts paid to a company controlled by a director of Hunter Laing. Total paid in 2022, £39,315 (2021, £49,739).

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.