

Registered number: SC457756

**TORABHAIG DISTILLERY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



COMPANIES HOUSE

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**TORABHAIG DISTILLERY LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Francesco Annibali John Mathieson
<b>Company secretary</b>	John Mathieson
<b>Registered number</b>	SC457756
<b>Registered office</b>	Mossburn House Camptown Jedburgh Roxburghshire TD8 6PJ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Level 8 Glasgow G1 3BX

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**TORABHAIG DISTILLERY LIMITED**

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**TORABHAIG DISTILLERY LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

**Results**

The profit for the year, after taxation, amounted to £16,918 (2019 - loss £155,913).

**Directors**

The directors who served during the year were:

Francesco Annibali  
John Mathieson

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**TORABHAIG DISTILLERY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Review of business**

The principal activity of the company is the distilling of Single Malt Scotch Whisky at Torabhaig Distillery. The company also operates a visitor centre and café at its production site.

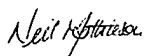
**Future developments**

The next financial year will continue the same principal activities.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 28/9/2021 and signed on its behalf.



J N Mathieson  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORABHAIG DISTILLERY LIMITED

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### Opinion

We have audited the financial statements of Torabhaig Distillery Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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 company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORABHAIG DISTILLERY LIMITED  
(CONTINUED)**

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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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**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.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORABHAIG DISTILLERY LIMITED (CONTINUED)**

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### **Matter on which we are required to report under the Companies Act 2006**

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.

### **Matters on which we are required to report by exception**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORABHAIG DISTILLERY LIMITED  
(CONTINUED)**

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that as the Company is UK registered, the Companies Act 2006 has the most significant and direct impact to the financial statements along with FRS 102. In addition the industry is heavily regulated by HM Revenue and Customs;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to; the occurrence and completeness of revenue, the existence and accuracy of stock and cost of sales, transactions with related parties and the risk of management override of controls.
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- Audit procedures performed included:
  - Identifying and evaluating the design effectiveness of controls that management have put in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in their judgement of significant accounting estimates;
  - Identifying and testing journal entries, with a focus on large and unusual manual journals, considered by the engagement team to carry a higher risk of fraud;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
  - Performed audit procedures to conclude on the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures have been designed to provide reasonable assurance that the financial statements are free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those resulting from error, as those resulting from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentation.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TORABHAIG DISTILLERY LIMITED  
(CONTINUED)**

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- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following;
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge and experience of the industry in which the client operates;
  - Understanding of the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 and the application of the legal and regulatory requirements to the Company.
- In assessing the potential risk of material misstatement, we have obtained an understanding of;
  - The Company's operations, including the nature of its business, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
  - The Company's control environment, including policies and procedures implemented to comply with the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006, the adequacy of procedures surrounding authorisation of transactions and policies to ensure that any possible breaches of laws and regulations are appropriately investigated and reported.  
From the procedures performed we did not identify any matters relating to non-compliance with laws and regulations or matters in relation to fraud.

**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.

*Grant Thornton UK LLP*

Lynne Bicket  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Glasgow  
Date: 28/9/2021

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**TORABHAIG DISTILLERY LIMITED**


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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Note	2020 £	2019 £
Turnover	4	1,821,082	1,913,586
Cost of sales		(1,408,447)	(1,477,554)
<b>Gross profit</b>		<b>412,635</b>	<b>436,032</b>
Administrative expenses		(465,369)	(585,221)
Other operating income		82,911	6,300
<b>Operating profit/(loss)</b>	5	<b>30,177</b>	<b>(142,889)</b>
Interest receivable and similar income		-	104
Interest payable and expenses		(13,259)	(13,128)
<b>Profit/(loss) before tax</b>		<b>16,918</b>	<b>(155,913)</b>
<b>Profit/(loss) for the financial year</b>		<b>16,918</b>	<b>(155,913)</b>

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 11 to 21 form part of these financial statements.

**TORABHAIG DISTILLERY LIMITED**  
**REGISTERED NUMBER: SC457756**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	8	-	6,824
Tangible assets	9	1,736,200	1,824,784
		<u>1,736,200</u>	<u>1,831,608</u>
<b>Current assets</b>			
Stocks	10	119,576	119,511
Debtors: amounts falling due within one year	11	350,602	160,040
Cash at bank and in hand	12	128,085	119,182
		<u>598,263</u>	<u>398,733</u>
Creditors: amounts falling due within one year	13	(411,626)	(1,713,572)
<b>Net current assets/(liabilities)</b>		<u>186,637</u>	<u>(1,314,839)</u>
<b>Total assets less current liabilities</b>		<u>1,922,837</u>	<u>516,769</u>
Creditors: amounts falling due after more than one year	14	(1,389,150)	-
<b>Net assets</b>		<u><u>533,687</u></u>	<u><u>516,769</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,400,000	1,400,000
Profit and loss account		(866,313)	(883,231)
		<u><u>533,687</u></u>	<u><u>516,769</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/9/2021

*Neil Mathieson*

J N Mathieson

Director

The notes on pages 11 to 21 form part of these financial statements.

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**TORABHAIG DISTILLERY LIMITED**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	1,400,000	(883,231)	516,769
<b>Comprehensive income for the year</b>			
Profit for the year	-	16,918	16,918
<b>Total comprehensive income for the year</b>	-	16,918	16,918
<b>At 31 December 2020</b>	<b>1,400,000</b>	<b>(866,313)</b>	<b>533,687</b>

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	1,400,000	(727,318)	672,682
<b>Comprehensive income for the year</b>			
Loss for the year	-	(155,913)	(155,913)
<b>Total comprehensive income for the year</b>	-	(155,913)	(155,913)
<b>At 31 December 2019</b>	<b>1,400,000</b>	<b>(883,231)</b>	<b>516,769</b>

The notes on pages 11 to 21 form part of these financial statements.

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## **TORABHAIG DISTILLERY LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1. General information**

Torabhaig Distillery Limited is a private company limited by shares and incorporated in Scotland. Registered number SC457756. Its registered office is based at Mossburn House, Camptown, Jedburgh, Roxburghshire, TD8 6PJ, Scotland. The principal activity of the company is the operation of a distillery.

#### **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 Section 1A of 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future.

In their assessment of going concern management have taken into account the impact of Covid-19 and do not deem this to have an impact on the ability of the business to continue to operate as a going concern as they have the continued support of the parent entity and the loan facility has been extended to 2025.

##### **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.

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**TORABHAIG DISTILLERY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**2. Accounting policies (continued)****2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.5 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.

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:

Plant and machinery	-	4%
Motor vehicles	-	10%
Fixtures and fittings	-	10%
Computer equipment	-	33%

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.

**2.6 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 reporting 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.

**2.7 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.

**2.8 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

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**TORABHAIG DISTILLERY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)****2.8 Cash and cash equivalents (continued)**

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.

**2.9 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 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.



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**TORABHAIG DISTILLERY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.11 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss 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 the Statement of comprehensive income in the same period as the related expenditure. During the period the entity received government grants in relation to the covid job retention scheme. These values are included within other operating income in the Statement of comprehensive income.

**2.12 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.13 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.

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**TORABHAIG DISTILLERY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**2. Accounting policies (continued)**
**2.14 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 Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.15 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.16 Borrowing costs**

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

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

Management do not consider there to be any key sources of estimation uncertainty in the financial statements due to the low volumes of stock held and the related party nature of debtors.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	<u>1,821,082</u>	<u>1,913,586</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<u>1,821,082</u>	<u>1,913,586</u>

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**TORABHAIG DISTILLERY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>125,788</b>	<b>119,634</b>
Amortisation of intangible assets	<b>6,824</b>	<b>7,444</b>
Non-operating lease rentals	<b>360,000</b>	<b>360,000</b>

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**TORABHAIG DISTILLERY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Auditor's remuneration**

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £8,885 (2019: £8,625).

	2020 £	2019 £
Other accounting	1,650	1,600
Tax compliance	1,950	2,000
Company secretarial services	400	425
	<u>4,000</u>	<u>4,025</u>

**7. Employees**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	502,330	524,745
Social security costs	45,866	47,372
Cost of defined contribution scheme	28,928	24,707
	<u>577,124</u>	<u>596,824</u>

The average monthly number of employees, including directors, during the year was 19 (2019 - 16).

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Intangible assets**

	<b>Trademarks £</b>
<b>Cost</b>	
At 1 January 2020	22,333
At 31 December 2020	<u>22,333</u>
<b>Amortisation</b>	
At 1 January 2020	15,509
Amortisation	6,824
At 31 December 2020	<u>22,333</u>
<b>Net book value</b>	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>6,824</u>

Amortisation on intangible assets is charged to administrative expenses

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**TORABHAIG DISTILLERY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	1,823,268	56,450	245,026	14,815	2,139,559
Additions	24,038	-	10,666	2,500	37,204
At 31 December 2020	<u>1,847,306</u>	<u>56,450</u>	<u>255,692</u>	<u>17,315</u>	<u>2,176,763</u>
<b>Depreciation</b>					
At 1 January 2020	252,669	15,993	39,842	6,271	314,775
Charge for the year on owned assets	91,999	5,645	24,698	3,446	125,788
At 31 December 2020	<u>344,668</u>	<u>21,638</u>	<u>64,540</u>	<u>9,717</u>	<u>440,563</u>
<b>Net book value</b>					
At 31 December 2020	<u>1,502,638</u>	<u>34,812</u>	<u>191,152</u>	<u>7,598</u>	<u>1,736,200</u>
At 31 December 2019	<u>1,570,599</u>	<u>40,457</u>	<u>205,184</u>	<u>8,544</u>	<u>1,824,784</u>

**10. Stocks**

	2020 £	2019 £
Work in progress	47,737	76,391
Finished goods and goods for resale	71,839	43,120
	<u>119,576</u>	<u>119,511</u>

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**TORABHAIG DISTILLERY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**11. Debtors**

	2020 £	2019 £
Trade debtors	1,514	1,294
Amounts owed by group undertakings	216,244	56,111
Other debtors	33,826	31,024
Prepayments and accrued income	99,018	71,611
	<u>350,602</u>	<u>160,040</u>

**12. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>128,085</u>	<u>119,182</u>

**13. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	106,733	58,411
Amounts owed to group undertakings	138,811	1,420,971
Other taxation and social security	21,402	16,338
Other creditors	2,876	890
Accruals and deferred income	141,804	216,962
	<u>411,626</u>	<u>1,713,572</u>

**14. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	50,000	-
Amounts owed to group undertakings	1,325,891	-
Accruals and deferred income	13,259	-
	<u>1,389,150</u>	<u>-</u>

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**TORABHAIG DISTILLERY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**15. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due 1-2 years</b>		
Other loans	<u>50,000</u>	<u>-</u>

**16. Controlling party**

The Company's immediate parent is Mossburn Distillers Limited. The ultimate parent company is Sastre Holding SA, a company incorporated in Switzerland. The ultimate controlling party is The Paulsen Familiae Foundation, a legal entity incorporated under the Jersey law.

The smallest and largest group of companies which prepares consolidated accounts which this company is included in is Haydn Holding AB. Consolidated accounts can be obtained from the company secretary, Haydn Holding AB C/O Moore Stephens, Strotogate 8, Box 4051, 2003 11 Malmö, Sweden.