WHISKYINVESTDIRECT LIMITED

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS
COMPANY REGISTRATION NUMBER: 09068458

FOR THE YEAR ENDED 31 OCTOBER 2023

Registered number: 09068458

WHISKYINVESTDIRECT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

WHISKYINVESTDIRECT LIMITED

COMPANY INFORMATION

Directors	R C Patrick P G Tustain I M Lochhead A M Kime A Del Serra (appointed 2 November 2023)
Company secretary	J Prytula
Registered number	09068458
Registered office	7th Floor 3 Shortlands London W6 8DA
Independent auditors	Armstrong Watson Audit Limited Statutory Auditors 1st Floor 24 Blythswood Square Glasgow G2 4BG

WHISKYINVESTDIRECT LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2023

The directors present their report and the financial statements for the year ended 31 October 2023.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Principal activity

The principal activity of the company is that of enabling its customers to buy and sell barrel whisky for maturation, via the internet, and arranging the custody of the alcohol in professional bonded storage in Scotland. The company delivers its services through the WhiskyInvestDirect.com website.

Business review

The most significant theme of our previous financial year ('21-22) was that liquid supply was tight and demand for mature spirit from our platform was high with 132 bulk trade bids and 2.6m LPA bought back by our trade partners. This had the effect of reducing the volume of stock held on the platform but generated increased profitability for the business as commissions were significantly higher.

In this most recent year ('22-23) the same trend continued. The market became increasingly tight and distillers were reluctant to sell to third parties, including us. This was expected and is part of the normal cycle of the Scotch whisky business. The trade continued to use the platform to replenish stocks; we had a further 128 bulk trade bids with an overall volume of 3m LPA moving from the platform back to the trade. Commission generation was once again strong. Global consumption of Scotch continued strongly throughout the year, sustaining the positive medium to long outlook for the industry.

WhiskyInvestDirect was, however, negatively impacted by the shortage of supply and the resulting net reduction in spirit held by our customers. We ended the year with 10.9m LPA, down nearly 10% from last year.

Topline turnover grew 16% to £3.72m, driven by higher interest income and an increased value of stock held by the company. Commissions and custody fees were flat year on year.
Profit before tax rose 4% to £1.26m

The number of clients paying custody fees was up 4% while deposits decreased 18% to £23.4m and withdrawals increased by 49% to £18.3m as clients realised their returns and withdrew the proceeds. It is encouraging to report that since the launch of the platform, mature whisky bought back by the trade has realised an average annualised return for our customers of over 15% net of all costs. (Whilst these are good numbers, they give no guarantee of future performance.)

While many customers were happy with good price growth and strong profit generation from selling stock, many were also frustrated by the significantly reduced amount of stock available to buy. Having had a few years of good customer acquisition, it was disappointing, yet understandable, that stock availability was low. We therefore reduced our marketing spend accordingly.

We added two new members of staff in IT and Operations to reduce our reliance on outsourced services. Overall, the employment, establishment and IT costs increased by 28%.

OUTLOOK.

After many years of strong growth, in shipments and consumption, there are early signs of a slowdown. It may be that the cycle is starting to change, with supply and demand coming back into equilibrium. This would take the pressure off stock and may encourage distillers to increase the supply of new fillings. This would put us back into the position we first experienced in 2015-2019 when we were able to build up stock levels. This said, there is still the potential for India's taxes to be reduced. Should that happen, the game would change again.

WhiskyInvestDirect's business is fitter and stronger than it was five years' ago and the business proposition is better understood in the trade and with our retail customers. This should set us up for continued growth when the cycle changes and stock acquisition eases.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2023

Directors

The directors who served during the year were:

R C Patrick
P G Tustain
I M Lochhead
A M Kime

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 and signed on its behalf.

....

A M Kime
Director

Date: 3/4/24

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHISKYINVESTDIRECT LIMITED

Opinion

We have audited the financial statements of Whiskyinvestdirect Limited (the 'Company') for the year ended 31 October 2023, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, 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 October 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHISKYINVESTDIRECT LIMITED (CONTINUED)

Opinion 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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHISKYINVESTDIRECT LIMITED (CONTINUED)

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 an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the Company to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management and review of appropriate industry knowledge. Key laws and regulations we identified during the audit were the UK Companies Act 2006 and tax legislation, UK employment legislation and UK health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above by making enquiries of management and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- tested journal entries recorded on the Company's finance system to identify unusual transactions that may indicate override of controls;
- reviewed key judgements and estimates for any evidence of management bias.
- reviewed the application of accounting policies with focus on those with heightened estimation uncertainty.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation and
- enquiring of management to identify actual and potential litigation and claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHISKYINVESTDIRECT LIMITED (CONTINUED)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Martin Johnston

Martin Johnston (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Statutory Auditors
1st Floor 24 Blythswood Square
Glasgow
G2 4BG
Date: 24/4/24

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2023

	Note	2023 £	2022 £
Turnover		3,687,077	5,354,516
Cost of sales		(1,942,331)	(3,508,380)
Gross profit		1,744,746	1,846,136
Administrative expenses		(797,564)	(621,407)
Operating profit		947,182	1,224,729
Interest receivable and similar income		364,504	35,342
Interest payable and similar expenses		(45,941)	(46,619)
Profit before tax		1,265,745	1,213,452
Tax on profit		(294,605)	(234,992)
Profit after tax		971,140	978,460
Retained earnings at the beginning of the year		1,818,575	840,115
		1,818,575	840,115
Profit for the year		971,140	978,460
Dividends declared and paid		(160,000)	-
Retained earnings at the end of the year		2,629,715	1,818,575

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 20 form part of these financial statements.

WHISKYINVESTDIRECT LIMITED
REGISTERED NUMBER: 09068458

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	4		**245,716**		*281,238*
			245,716		*281,238*
Current assets					
Stocks	5	**1,838,598**		*404,349*	
Debtors: amounts falling due within one year	6	**895,787**		*803,077*	
Cash at bank and in hand	7	**4,642,216**		*5,375,681*	
		7,376,601		*6,583,107*	
Creditors: amounts falling due within one year	8	**(1,318,868)**		*(1,338,155)*	
Net current assets			**6,057,733**		*5,244,952*
Total assets less current liabilities			**6,303,449**		*5,526,190*
Creditors: amounts falling due after more than one year	9		**(1,528,972)**		*(1,553,972)*
Provisions for liabilities					
Deferred tax	12	**(61,429)**		*(70,310)*	
			(61,429)		*(70,310)*
Net assets			**4,713,048**		*3,901,908*
Capital and reserves					
Called up share capital			**80,000**		*80,000*
Share premium account			**2,003,333**		*2,003,333*
Profit and loss account			**2,629,715**		*1,818,575*
			4,713,048		*3,901,908*

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 by:

....
A M Kime
Director

Date: 3/4/24

The notes on pages 11 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2023

1. General information

WhiskyInvestDirect Limited is a private company, limited by shares, registered in England and Wales. The company's registration number is 09068458 and registered office address is 7th Floor, 3 Shortlands, London, W6 8DA.

These financial statements have been presented in pounds sterling, rounded to the nearest pound, as this is the currency of the primary economic environment in which it operates.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the on-going situation with regard to the current economic downturn as part of their going concern assessment. The view of the directors is that the Company is well placed to negotiate the unique set of conditions currently facing the UK economy and has sufficient cash in order to continue to meet its liabilities as they fall due.

The Company has a strong cash position at the year end and at the time of signing. The directors have prudently assessed the level of outgoings in the business against the available cash and concluded there is sufficient headroom to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the financial statements being signed.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

2.3 Turnover recognition

Turnover represents the sale of whisky and the related services as part of a composite supply of services to customers. Turnover is recognised at the point of sale.

Where there is an element in the initial sale price that relates to the ownership of the casks by the Company, this element is spread over the period of time the Company expects to own those casks for the purposes of customers storing that whisky.

2. Accounting policies (continued)

2.4 Current and Deferred Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

2.5 Foreign currency transactions and balances

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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Interest income

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

2. Accounting policies (continued)

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 Statement of financial position. 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.

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:

Casks	- 15 years
Computer equipment	- 3 years

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.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price les 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. Accounting policies (continued)

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 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on the issue of share capital. Transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account includes all current and prior period profits and losses.

2.14 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Redeemable preference shares are treated as non-current loans and borrowings, which is in accordance with FRS 102.

2.15 Client accounts

The Company operates separately designated client accounts in each currency in which the company trades. Customers are only able to purchase whisky once the Company has received cleared money and this money is paid to and held in the separately designated financial accounts. As these amounts are held within designated client accounts and beneficial entitlement is retained by the customers, these cash balances are not included in the balance sheet of the Company.

2.16 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash

2. Accounting policies (continued)

2.16 Financial instruments (continued)

equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are

2. Accounting policies (continued)

2.16 Financial instruments (continued)

subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

The Company 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

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Derivatives, including currency swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Changes in fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 9 *(2022 - 6)*.

4. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 November 2022	**399,104**
Additions	**8,054**
Disposals	**(20,405)**
At 31 October 2023	**386,753**
Depreciation	
At 1 November 2022	**117,866**
Charge for the year on owned assets	**27,419**
Disposals	**(4,248)**
At 31 October 2023	**141,037**
Net book value	
At 31 October 2023	**245,716**
At 31 October 2022	*281,238*

5. Stocks

	2023 £	*2022 £*
Spirits	**1,810,756**	*404,349*
Finished goods and goods for resale	**27,842**	-
	1,838,598	*404,349*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

6. Debtors

	2023 £	2022 £
Trade debtors	**174**	-
Other debtors	**853,890**	*767,828*
Prepayments and accrued income	**41,723**	*35,249*
	895,787	*803,077*

Other debtors balance contains a balance of £75,000 that falls due after 12 months of the balance sheet date.

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**4,642,216**	*5,375,681*
	4,642,216	*5,375,681*

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	**9,697**	*40,563*
Corporation tax	**122,943**	*143,074*
Other taxation and social security	**18,272**	*10,199*
Other creditors	**1,167,956**	*1,144,319*
	1,318,868	*1,338,155*

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

	2023 £	2022 £
Other creditors	**1,528,972**	*1,553,972*
	1,528,972	*1,553,972*

10. Reedemable Preference Shares

The redeemable preference shares are redeemable at the option of the holder between 1 May 2025 and 31 May 2025. They are redeemable at £1 per share together with any unpaid cumulative preference dividend at the time of redemption and carry no voting rights.

The holder has the right to purchase one ordinary share of £0.01 each per preference share redeemed between 1 May 2025 and 31 May 2025 for consideration of £1 each.

If the shares are not redeemed by the holder during either of the periods then the Company can enforce redemption after 31 May 2025.

11. Related party transactions

Summary of transactions with directors and key management

During the year the directors made personal purchases of whisky from the Company totalling £4,680 (2022 - £5,257) and sales of whisky to the Company totalling £57,018 (2022 - £619,050) which have been settled as normal clients paying in personal funds.

In addition, during the year the directors made personal purchases of bottled whisky from the company totalling £759 (2022 - £nil) which have been settled as normal clients paying in personal funds.

During the year other related parties made purchases of whisky from the Company of £2,270 (2022 - £4,861) which have been settled as normal clients paying in personal funds and sales of whisky to the Company totalling £48,290 (2022- £11,343).

Dividends were paid to the directors and key management who held preference shares at the year end. The amount of dividends paid to directors and key management was £2,070 (2022 - £5,070).

Dividends were paid to other related parties who held preference shares at the year end. The amount of dividends paid to other related parties was £1,545 (2022 - £1,545).

Summary of transactions with companies under common directorship

During the year the company had recharge agreements in place with Galmarley Limited. These recharges have been reflected in the accounts against the corresponding expenditure. In relation to recharges the Company paid £114,964 (2022 - £131,865) and received £524 (2022 - £nil).

The Company paid £1,115 (2022 - £3,733) to Galmarley Limited in order to settle a debt with Galmarley's subsidiary, Bullionvault Limited.

At the balance sheet date the amount due to Galmarley Limited was £7,791 (2022 - £11,164).

During the year the Company had recharge agreements in place with James Eadie Limited. These recharges have been reflected in the accounts against the corresponding expenditure. In relation to recharges the Company paid £nil (2022 - £140).

The amount outstanding at the balance sheet date owed to the Company by James Eadie Limited was £75,000 (2022 - £87,260).

During the year the company received £72 (2022 - £nil) from Angus Dundee Distillers plc from the sale of sample stock.

12. Deferred taxation

	2023 £
At beginning of year	(70,310)
Charged to profit or loss	8,881
At end of year	**(61,429)**

The provision for deferred taxation is made up as follows:

	2023 £	*2022 £*
Accelerated capital allowances	**(61,429)**	*(70,310)*
	(61,429)	*(70,310)*

13. Controlling party

The company has no ultimate controlling party at the balance sheet date.