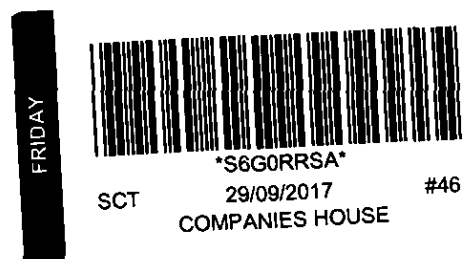


Registered number: SC134248

WILLIAM GRANT & SONS DISTILLERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



WILLIAM GRANT & SONS DISTILLERS LIMITED

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WILLIAM GRANT & SONS DISTILLERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

INTRODUCTION

The Directors present their Strategic Report for the year ended 31 December 2016.

REVIEW OF THE BUSINESS AND FINANCIAL KEY PERFORMANCE INDICATORS

The Company's principal activity during the year continued to be the distillation, blending and bottling of alcoholic beverages.

The Company profit for the year after taxation amounted to £108,659,000 (2015 - £62,277,000). The Company's balance sheet position at 31 December 2016 showed net assets of £793,032,000 (2015 - £684,373,000) benefiting from capital investment, totalling £53,712,000. Reported turnover increased by 7% to £229,234,000 with profit before tax up 62% on the prior year, a key driver being the significant volatility in foreign exchange rates compared to 2015. The Company's total cash position increased from a net overdraft of £159,007,000 at the end of 2015 to a net overdraft of £72,567,000 at the end of 2016.

Trading Environment

Global economic conditions resulted in 2016 being another challenging year in terms of geography and category. Political and other volatility continues to be a growing feature of the global economy and many of the markets in which the Company operates. The slowdown in the Chinese economy, persistent conflicts in many parts of the world, and terrorist attacks in Europe are just some of the events and trends that have contributed to an unpredictable environment. The resulting uncertainty, changes to economic variables such as exchange rates and commodity prices, and fluctuations in political security reduce consumer confidence and spending power.

From a regional perspective growth is being driven across the Americas, lower growth than the prior year is being realised across Asia, whilst Europe is broadly flat. The overall trading environment has been extremely dynamic, spanning uncertainty over global economic growth and devaluation of currency in Brazil, Russia and across Europe, the continued crack down on conspicuous consumption in China, and heightened tensions across the Middle East.

These trends have influenced consumer confidence, have driven intense competitor activity and have ultimately affected consumer pricing behaviour. The Company continues to enjoy the improving trends for single malt whisky offset by a more challenging, fiercely competitive blended scotch market. The current industry oversupply of blended whisky is impacting the business.

Operations

Within the production operations, overall volumes at the Dufftown distilleries were higher than in the prior year, although the volumes from Girvan were lower as a result of the aforementioned oversupply of blended whisky. Capital expenditure continued to focus on initiatives to improve efficiency, increase distilling and packaging capacity, automate packaging operations and increase warehousing capacity.

Industry

The market for beverage alcohol is highly diverse, with significant variations in culture and conditions between, and within, individual countries and regions. The market is broadly split between developed and emerging markets, but each individual market presents different consumer dynamics and a different outlook. Typically, developed market populations are ageing and growing more slowly than those in emerging markets. Overall, levels of disposable income are higher, and consumers are often prepared to pay a premium for high quality brands with heritage and provenance. The industry sees consumption occasions as opportunities to promote our brands, and, within those brands, to encourage consumers to trade up to our premium portfolio. Opportunities in emerging markets are driven by growth in both populations and wealth. Each country is different, and growth occurs at different price points depending on wealth and local conditions.

WILLIAM GRANT & SONS DISTILLERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

REVIEW OF THE BUSINESS AND FINANCIAL KEY PERFORMANCE INDICATORS (continued)

Outlook

The Company continues to see a slowdown for the group of advanced economies during 2017 and a partial offsetting pickup for developing economies. Inflation forecasts have been tempered given the economic outlook with many markets now forecasting a slower period of growth or a disinflationary environment. These impacts are creating less growth than previously forecast in some markets and a more challenging global trading environment.

Although the global financial crisis was seven years ago, the world's economy is still struggling to regain momentum. Growth continues to falter in advanced economies and, while there is considerable divergence of performance across emerging market and developing economies, their overall growth remains below potential. Looking ahead, the prospects of global growth remain muted. Emerging market and developing economies face challenges, including the fall-out of sluggish advanced economy growth, tighter financial conditions, and stubbornly low commodity prices, though the latter impacts economies differently, depending on their nature of trade. Exporters of oil and other key commodities have been particularly hard hit, while their importers have been more resistant to economic headwinds. Overall, the global outlook faces pronounced risks of another stretch of muted growth.

However, the drinks industry remains an interesting market with good opportunities. Over the medium term, the industry is expected to grow overall in terms of volume and value. This is driven by consumer fundamentals including a rise in global incomes and a growing legal age population. In this context, the fundamentals for future growth remain on a par with 2016. The environment remains challenging but overall the outlook for the Company's brands remains positive.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties set out below are those which the Directors believe to have the greatest potential to impact the Company's ability to achieve its strategic objectives, or which have the greatest potential impact on the Company's solvency or liquidity.

Market Competition

The Company is part of the alcoholic beverage segment, where there is a high level of competition and a large number of operators. Its main competitors are large international groups involved in the current wave of mergers and acquisitions, which are operating aggressive strategies at global level. The Company's competitive position relative to the other global players, which often have greater financial resources and benefit from a more highly diversified portfolio of brands and geographic locations, means that its exposure to market competition risks is particularly significant.

Regulatory Compliance

Failure to comply with local laws and regulations could result in regulatory sanctions, reputational damage and / or financial loss. Activities relating to the alcoholic drinks industry (including production, distribution, export and import) are governed by complex national and international legislation, often drafted with somewhat restrictive aims. The requirement to make the legislation governing the health of consumers, particularly young people, ever more stringent could in the future lead to the adoption of new laws and regulations aimed at discouraging or reducing the consumption of alcoholic drinks. Such measures could include restrictions on advertising or tax increases for certain product categories. Non-compliance with local laws or regulations, or breach of our internal global policies and standards and/or significant internal control breakdown could cause severe damage to our corporate reputation, brand perception and finances. Any tightening of regulations in the main countries in which the Company operates could lead to a fall in demand for its products.

WILLIAM GRANT & SONS DISTILLERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Regulatory Compliance (continued)

The Company has risk management processes in place to ensure that employees are aware of their responsibilities and the applicable regulatory requirements. Formal training sessions are undertaken throughout the year. The Company proactively reviews, with external legal counsel, its principal regulatory compliance obligations and controls, including, but not limited to, competition laws, liquor laws, environmental laws, compliance with EU and UN trade and political sanctions, and local statutory laws (e.g. health & safety). The Company has further improved its processes and controls to ensure as best as possible that any perceived risks are mitigated. These activities are underpinned by a Code of Conduct, a Global Anti Corruption Policy, and a Speak-Up Policy which apply to all its employees, agents, distributors, contractors and suppliers. Induction procedures include evidenced completion of an online training module and assessment which covers the Code and its supporting policies. The course, which is translated into all the main languages spoken across the Company, is also periodically refreshed and retaken at all locations.

Major Operational Failure

A major supply chain failure could affect the supply of raw materials or equipment, loss of maturing stocks or the customer order process. Assets managed by the business include intangible brand assets, plant and equipment, people and business technology. Disaster recovery, incident management plans and contingency measures are in place and tested regularly. Contingency bottling/blending options are refreshed and tested to ensure that operations can be maintained in event of loss or impairment of its own facilities.

Product Compliance and Safety

The Company is exposed to risks relating to its responsibility of ensuring that its products are safe for consumption. It has therefore put in place procedures to ensure that products manufactured in its plants are compliant and safe in terms of quality and hygiene, in accordance with the laws and regulations in force, and voluntary certification standards. In addition, the Company has defined guidelines to be implemented if quality is accidentally compromised, such as withdrawing and recalling products from the market.

Brand Protection

The Company invests considerable effort in proactively protecting its intellectual property rights. The Company has a clear brand protection policy with processes aimed at addressing the principal exposures and risks likely to affect alcoholic beverage brands. The Company manages the principal components of brand protection: intellectual property management; authentication and security technologies for products and packaging; digital media, channel and communications monitoring; products and packaging compliance; commercial behaviours; brand security education, surveillance and enforcement.

IT Risks

IT risks consist of data loss (both commercial and financial), the inability to operate effectively due to a technical fault, and system intrusion or hacking. The Company's processes are based on the extensive use of IT systems. As such, they are exposed to the risk of failure of the Company's IT systems and the network infrastructure used. The processes concerned could be significantly interrupted or sensitive data could be lost or corrupted if these systems were to become totally or partially unavailable. Hacking could result in the theft of confidential data. To guard against these risks, a data protection and backup plan and business continuity plan have been implemented allowing the Company to continue operating in virtually all circumstances. In addition, the Company uses available technologies to protect its network and servers and to prevent hacking.

WILLIAM GRANT & SONS DISTILLERS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial Risks

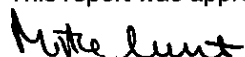
Exposure to market risk (including medium term movements in exchange rates risk and commodity price risk), credit risk and liquidity risk, may adversely impact on profits. The management of certain financial risks is delegated by the Board to the Treasury Committee. The principal financial risks faced by the Company are those relating to liquidity, foreign currency and credit risk. The Company's treasury policies and procedures, which are reviewed and updated on a regular basis, seek to reduce these financial risks. Within this framework, the Company uses financial assets and liabilities including derivatives to hedge certain foreign exchange risks.

With regard to funding and liquidity, the Company's objective is to manage cash flows in all currencies in an efficient and flexible manner. At the balance sheet date, the Company had no significant external debt funding.

The Company's credit risk is primarily attributable to its trade receivables with risk spread over a large number of countries and customers. There is no significant concentration of credit risk. Credit worthiness checks are undertaken before entering into contracts with new customers and credit limits are set as appropriate. The Company also uses trade finance instruments such as letters of credit and insurance to mitigate specific identified risks. The Company's exposure to the credit risk of financial institutions is limited by only trading with counterparties who have a strong credit standing based on ratings provided by the major credit rating agencies.

The Company is exposed to movements in exchange rates for transactions undertaken in foreign currencies with the operating companies concerned, and the translation of foreign currency denominated net assets and profit and loss items. The Treasury Policy requires transactional currency exposures to be hedged, within certain predefined parameters, using forward contracts thereby ensuring more certainty over revenue and costs. Foreign exchange transactions are executed by the central treasury function. No speculative transactions are undertaken. The Company's policy is not to hedge foreign currency net assets or profit and loss items.

This report was approved by the Board on 14 August 2017 and signed on its behalf.



M Lamont
Director

WILLIAM GRANT & SONS DISTILLERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS

The Directors who served during the year, and to the date of this report, were:

S David (resigned 29 February 2016)
S Hunt
R McGinness (resigned 30 July 2017)
B Thomson
M Lamont
A Hopkins (resigned 31 October 2016)
J Broadbridge
G Horsfield (appointed 15 June 2017)

DIVIDENDS

The Directors do not recommend a final dividend for 2016 (2015 - £nil). During the year, no dividends were paid (2015 - £100,000,000).

FUTURE DEVELOPMENTS

The Directors aim to maintain the policies that have resulted in the Company's recent growth. This will mean continuing investment in those areas which have performed well and taking up profitable opportunities to broaden the base of activities. Investment will continue to improve capacity, efficiencies, marketing and distribution.

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in the Strategic Report and in note 20 to the financial statements.

ANTI BRIBERY AND CORRUPTION

The Company operates an Anti Bribery and Corruption programme. The purpose is to ensure that the Company, and all third parties providing services to it, operate in compliance with both company policy and the relevant legislation. It is important that the Company sets the highest standards of integrity, probity and prudence and insists that all employees are fully compliant with this programme.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The Company has considerable financial resources and continuing business with a number of customers and suppliers across different geographical areas and industries. As a consequence of this the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

WILLIAM GRANT & SONS DISTILLERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

EMPLOYEE INVOLVEMENT

As a key part of the Company's philosophy, great importance continues to be placed on involving all staff in the Company's operations.

The Company continues to keep staff informed and involved in the progress of the Company through a wide variety of mechanisms, including the Company Annual Review, Local Reviews and Team Briefs.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company is actively pursuing new product development and is a member of The Scotch Whisky Research Institute.

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

POST BALANCE SHEET EVENTS

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

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

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, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 14 August 2017 and signed on its behalf.



M Lamont
Director

WILLIAM GRANT & SONS DISTILLERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors are responsible for preparing the Strategic Report, 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAM GRANT & SONS DISTILLERS LIMITED

We have audited the financial statements of William Grant & Sons Distillers Limited for the year ended 31 December 2016, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes 1 to 27, set out on pages 10 to 29. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

OPINION ON OTHER MATTER 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIAM GRANT & SONS
DISTILLERS LIMITED (CONTINUED)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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, 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.

Handwritten signature of Mark Harvey in black ink, reading "Ernst & Young LLP".

Mark Harvey (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

G1
5 George Square
Glasgow
G2 1DY

14 August 2017

WILLIAM GRANT & SONS DISTILLERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £000	2015 £000
Turnover	3	229,234	213,304
Cost of sales		(77,986)	(108,557)
Gross profit		151,248	104,747
Administrative expenses		(39,411)	(37,713)
Operating profit	4	111,837	67,034
Interest receivable	7	18,145	16,683
Interest payable and similar charges	8	(6,255)	(7,419)
Profit on ordinary activities before taxation		123,727	76,298
Taxation on profit on ordinary activities	9	(15,068)	(14,021)
Profit for the year		108,659	62,277

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £000	2015 £000
Profit for the year	108,659	62,277
Total comprehensive income for the year	108,659	62,277

The notes on pages 13 to 29 form part of these financial statements.

WILLIAM GRANT & SONS DISTILLERS LIMITED
REGISTERED NUMBER: SC134248

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	11	288	260
Tangible assets	12	263,264	228,881
Investments	13	55,955	60,202
		<u>319,507</u>	<u>289,343</u>
Current assets			
Stocks	14	443,142	414,553
Debtors: amounts falling due within one year	15	901,223	830,942
Cash at bank and in hand	16	43,352	7,032
		<u>1,387,717</u>	<u>1,252,527</u>
Creditors: amounts falling due within one year	17	(819,491)	(758,584)
Net current assets		<u>568,226</u>	<u>493,943</u>
Total assets less current liabilities		<u>887,733</u>	<u>783,286</u>
Creditors: amounts falling due after more than one year	18	(79,043)	(82,221)
Provisions for liabilities			
Deferred tax	21	(14,658)	(15,692)
Other provisions	22	(1,000)	(1,000)
		<u>(15,658)</u>	<u>(16,692)</u>
Net assets		<u><u>793,032</u></u>	<u><u>684,373</u></u>
Capital and reserves			
Called up share capital	24	80,000	80,000
Profit and loss account	23	713,032	604,373
		<u><u>793,032</u></u>	<u><u>684,373</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 14 August 2017.



M Lamont
Director

The notes on pages 13 to 29 form part of these financial statements.

WILLIAM GRANT & SONS DISTILLERS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	80,000	604,373	684,373
Profit for the year	-	108,659	108,659
At 31 December 2016	80,000	713,032	793,032

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2015	80,000	642,096	722,096
Profit for the year	-	62,277	62,277
Dividends	-	(100,000)	(100,000)
At 31 December 2015	80,000	604,373	684,373

The notes on pages 13 to 29 form part of these financial statements.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE

William Grant & Sons Distillers Limited is a limited liability company incorporated in Scotland, with its registered office at The Glenfiddich Distillery, Dufftown, Banffshire, AB55 4DH.

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', as it applies to the financial statements of the Company for the year ended 31 December 2016, and the Companies Act 2006.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of William Grant & Sons Distillers Limited were authorised for issue by the Board of Directors on 14 August 2017. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling, which is the functional and presentational currency of the Company, and rounded to the nearest thousand (£000).

1.3 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraph 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of William Grant & Sons Holdings Limited for the year ending 31 December 2016, available from the address in note 27.

1.4 TURNOVER

Turnover is measured as the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, rebates, value added tax and other sales related taxes.

The Company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.4 TURNOVER (CONTINUED)

Sale of goods

Turnover from the sale of goods includes import and other duties which the Company pays as principal but excludes amounts collected on behalf of third parties, such as value added tax. In the majority of countries, import duties are effectively a production tax which becomes payable when the product is removed from bonded premises and is not directly related to the value of sales. It is generally not included as a separate item on external invoices; increases in import duty are not always passed on to the customer and where a customer fails to pay for a product received, the Company cannot reclaim the import duty. The Company therefore recognises import duty as a cost to the Company.

Sales are recognised depending upon individual customer terms at the time of despatch, delivery or when the risk of loss transfers. Provision is made for returns where appropriate.

Rendering of services

Turnover from the provision of services, which include contract bottling and warehouse storage, is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

1.5 INTANGIBLE ASSETS

Intangible assets acquired separately from a business combination are capitalised at cost. Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

All other intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, then the life shall not exceed ten years. Intangible assets are amortised on a straight line basis over their assessed useful life, which is dependent on the nature and/or categorisation of the brand, or other identifiable asset.

The estimated useful lives range as follows:

Computer software	-	4 years
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WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.6 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes amounts that are directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its estimated useful life, using the straight-line method, as follows:

Freehold property	-	25 to 50 years
Plant, equipment and vehicles	-	5 to 20 years
Fixtures and fittings	-	4 to 10 years
Other fixed assets	-	5 to 20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Depreciation is not provided on freehold land or assets under construction.

1.7 IMPAIRMENT OF NON FINANCIAL ASSETS

At each reporting date, the Company assesses whether an asset may be impaired. If any such indication exists then an assessment of the asset's recoverable amount is made. If it is not possible to estimate the recoverable amount of the individual asset then an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount is impaired and reduced to its recoverable amount through an impairment charge in the profit and loss account.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

1.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Equity investments are recognised initially at fair value, this being the transaction price. Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.9 STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials	-	Purchase cost on a first in, first out basis
Work-in-progress and finished goods	-	Cost of direct materials, labour and attributable overheads based on a normal level of activity

Net realisable value is based on the estimated selling price (in the normal course of business) less any further costs expected to be incurred to completion and sale.

At each balance sheet date, stocks are assessed for indicators of impairment. If an item of stock is considered to be impaired, the carrying amount is reduced to its estimated selling price less costs to complete and sell, and an impairment charge is recognised immediately in profit or loss.

1.10 SHORT TERM DEBTORS AND CREDITORS

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

1.12 DERIVATIVE INSTRUMENTS

The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates, and interest rate swaps to adjust interest rate exposures, from time to time.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

The Company does not apply hedge accounting to any derivative transactions.

1.13 OPERATING LEASES

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

1.14 FOREIGN CURRENCIES

Transactions in foreign currency are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.15 EMPLOYEE BENEFITS

The Company provides a range of benefits to employees, including annual bonus and paid holiday arrangements, and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is rendered.

Defined contribution plan

The Company participates in a defined contribution plans 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 the profit and loss account when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company participates in a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length or service and remuneration.

Where the risks of a defined benefit plan are shared by entities under common control, the net defined benefit cost is recognised in the financial statements of the group entity which is legally responsible for the plan and all other group entities recognise a cost equal to their contribution payable for that period. Disclosures in relation to the Group pension plan are included in the financial statements of the legally responsible entity, William Grant & Sons Limited.

Annual bonus plan

The Company operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events, and a reliable estimate of the obligation can be made.

Long Term Incentive Plans

The Company operates cash-settled long term incentive plans for certain members of management. The plans are based on business performance over a three year period against a number of target measures. During the term of the plan, a liability is recognised representing the product of the fair value of the award and the portion of the plan period expired as at the balance sheet date. From the end of the plan period until payment date, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount of the liability are recognised in profit or loss for the period.

1.16 PROVISIONS FOR LIABILITIES

A provision is made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount required to settle the obligation.

Provisions are charged to the profit and loss account in the period that the Company becomes aware of the obligation, and are measured at the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged against the provision carried in the balance sheet.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.17 CURRENT AND DEFERRED TAXATION

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised as other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries in which the Company operates.

Deferred tax

Deferred tax is recognised in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for revenues and expenses during the period then ended. However, the nature of estimation means that actual outcomes could differ from those estimates. The Directors are of the opinion that there are no judgments or sources of estimation uncertainty that have had a significant effect on amounts recognised in the financial statements.

3. TURNOVER

The majority of the Company's turnover is attributable to the provision of goods which fall within its ordinary activities, stated net of sales related taxes for example Value Added Tax, and other taxes or duties collected on behalf of third parties.

An analysis of turnover by class of business and geographical origin has not been disclosed. The Directors are of the opinion that to disclose such information would be seriously prejudicial to the interests of the Company.

Turnover from the provision of services has not been separately disclosed as it is not considered material to the Company.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. OPERATING PROFIT

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

	2016 £000	2015 £000
Research & development charged as an expense	3,354	3,552
Depreciation of tangible fixed assets	18,436	16,916
Amortisation of intangible assets	68	34
Exchange (gains)/losses excluding financial instruments measured at fair value through the profit and loss account	(11,328)	4,108
Operating lease rentals	900	1,252
Defined contribution pension cost	1,456	1,383
	<u> </u>	<u> </u>

During the year, no Director received any emoluments in relation to qualifying services (2015 - £nil).

5. AUDITORS' REMUNERATION

	2016 £000	2015 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	42	42
	<u> </u>	<u> </u>

6. EMPLOYEES

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	35,445	32,393
Social security costs	3,405	2,771
Cost of defined contribution pension scheme	1,456	1,383
	<u> </u>	<u> </u>
	<u>40,306</u>	<u>36,547</u>

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

	2016 No.	2015 No.
Administration	94	90
Production	746	705
Selling	25	28
	<u> </u>	<u> </u>
	<u>865</u>	<u>823</u>

WILLIAM GRANT & SONS DISTILLERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. INTEREST RECEIVABLE

	2016 £000	2015 £000
Interest receivable from group companies	18,015	16,610
Other interest receivable	130	73
	<u>18,145</u>	<u>16,683</u>

During the prior year, interest receivable from another group company was incorrectly included as other interest receivable. The comparator above has been restated. There is no impact on the total interest receivable for 2015.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £000	2015 £000
Bank interest payable	-	37
Exchange losses on loans	-	1,208
Interest on loans from group undertakings	6,255	6,174
	<u>6,255</u>	<u>7,419</u>

9. TAXATION

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	23,397	13,607
Adjustments in respect of previous periods	(7,295)	2,837
Total current tax	<u>16,102</u>	<u>16,444</u>
Deferred tax		
Origination and reversal of timing differences	1,893	867
Changes to tax rates	(871)	(1,802)
Adjustments in respect of prior periods	(2,056)	(1,488)
Total deferred tax	<u>(1,034)</u>	<u>(2,423)</u>
Taxation on profit on ordinary activities	<u>15,068</u>	<u>14,021</u>

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

9. TAXATION (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	123,727	76,298
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	24,745	15,450
Effects of:		
Expenses not deductible for tax purposes	7	56
Non-qualifying depreciation	355	527
Changes to tax rates	(871)	(1,802)
Adjustments to tax charge in respect of prior periods	(9,351)	1,349
Short term timing difference leading to an increase in taxation	-	(1,585)
Research and development	(505)	(233)
Double taxation relief	(1)	(11)
Other differences leading to a decrease in the tax charge	(5)	(1,563)
Transfer pricing adjustments	694	1,833
Total tax charge for the year	15,068	14,021

Factors that may affect future tax charges

The Chancellor announced that the main UK rate of corporation tax rate will be reduced from the current rate of 20% which has applied from 1 April 2015, to 17% via a 1% reduction at 1 April 2017 and a 2% reduction at 1 April 2020. The reduction in the corporation tax rates to 17% was included within the Finance Act that was substantively enacted on 6 September 2016. Deferred tax has been provided at 17% as this is the rate at which timing differences are expected to reverse.

10. DIVIDENDS

	2016 £000	2015 £000
Dividends on ordinary shares - interim paid	-	100,000
	-	100,000

WILLIAM GRANT & SONS DISTILLERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. INTANGIBLE ASSETS

	Software £000
Cost	
At 1 January 2016	328
Additions	96
At 31 December 2016	424
Amortisation	
At 1 January 2016	68
Charge for the year	68
At 31 December 2016	136
Net book value	
At 31 December 2016	288
At 31 December 2015	260

The amortisation charge for the year is included within cost of sales in the profit and loss account.

WILLIAM GRANT & SONS DISTILLERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. TANGIBLE FIXED ASSETS

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Other fixed assets £000	Total £000
Cost					
At 1 January 2016	150,132	148,861	7,114	136,445	442,552
Additions	17,433	19,068	1,468	15,743	53,712
Disposals	(839)	(1,852)	(1)	-	(2,692)
Transfers between classes	(1,762)	40	1,432	290	-
At 31 December 2016	164,964	166,117	10,013	152,478	493,572
Depreciation					
At 1 January 2016	50,526	94,738	4,528	63,879	213,671
Charge for the period	3,727	8,464	596	5,649	18,436
Disposals	(24)	(1,775)	-	-	(1,799)
At 31 December 2016	54,229	101,427	5,124	69,528	230,308
Net book value					
At 31 December 2016	110,735	64,690	4,889	82,950	263,264
At 31 December 2015	99,606	54,123	2,586	72,566	228,881

Commitments for capital expenditure contracted but not provided for amounted to £9,995,000 (2015 - £12,674,000).

Assets under construction, for which no depreciation was charged during the year, amounted to £33,659,000 (2015 - £37,046,000).

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary £000	Unlisted investments £000	Total £000
Cost			
At 1 January 2016	60,143	59	60,202
Additions	-	5	5
Write down	-	(41)	(41)
Partnership interest received	(4,128)	-	(4,128)
Transfers intra group	(83)	-	(83)
At 31 December 2016	<u>55,932</u>	<u>23</u>	<u>55,955</u>

The Company has an investment in a Scottish Limited Partnership for the non-cash funding of the pension liability of the group.

Unlisted investments represents investments in Scotch Whisky Heritage, The Grampian Venture Capital Fund Limited and ANM Group Limited.

14. STOCKS

	2016 £000	2015 £000
Raw materials	8,317	7,740
Work in progress	416,982	387,351
Finished goods and goods for resale	17,843	19,462
	<u>443,142</u>	<u>414,553</u>

WILLIAM GRANT & SONS DISTILLERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. DEBTORS

	2016 £000	2015 £000
Trade debtors	10,154	9,238
Amounts owed by group undertakings	856,488	775,098
Prepayments and accrued income	31,106	37,354
Overseas sales tax recoverable	3,000	7,898
Derivative financial instruments	475	1,354
	<u>901,223</u>	<u>830,942</u>

16. CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash at bank and in hand	43,352	7,032
Less: bank overdrafts	(115,919)	(166,039)
	<u>(72,567)</u>	<u>(159,007)</u>

17. CREDITORS: Amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	115,919	166,039
Trade creditors	21,233	17,401
Amounts owed to group undertakings	601,892	511,928
Corporation tax	29,805	24,891
Other taxation and social security	5,322	4,407
Obligations under finance lease and hire purchase contracts	10,000	10,000
Accruals and deferred income	25,398	22,305
Derivative financial instruments	9,922	1,613
	<u>819,491</u>	<u>758,584</u>

WILLIAM GRANT & SONS DISTILLERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****18. CREDITORS: Amounts falling due after more than one year**

	2016 £000	2015 £000
Net obligations under finance leases and hire purchase contracts	78,136	82,221
Derivative financial instruments	907	-
	<u>79,043</u>	<u>82,221</u>

19. FINANCE LEASES

Minimum lease payments under finance leases fall due as follows:

	2016 £000	2015 £000
Within one year	10,000	10,000
Between 1-5 years	40,000	40,000
Over 5 years	78,945	88,945
less finance charges allocated to future periods	(40,809)	(46,724)
	<u>88,136</u>	<u>92,221</u>

The Company has one significant leasing arrangement for warehouses with William Grant & Sons Scottish Limited Partnership (note 13). This lease has an expiry date in 2027 with no renewal terms or option to purchase.

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

20. FINANCIAL INSTRUMENTS

	2016 £000	2015 £000
Financial assets		
At fair value through profit or loss	498	1,413
Debt instruments measured at amortised cost	866,642	784,336
	<u>867,140</u>	<u>785,749</u>
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(10,829)	(1,613)
Financial liabilities measured at amortised cost	(764,442)	(717,673)
	<u>(775,271)</u>	<u>(719,286)</u>

Financial assets measured at fair value through profit or loss comprise unlisted investments and foreign currency forward contracts and swaps (notes 13 and 15).

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and amounts owed by group undertakings (note 15).

Derivative financial liabilities measured at fair value through profit or loss comprise foreign currency forward contracts and swaps (notes 17 and 18).

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, amounts owed to related parties and to group undertakings and accruals and deferred income (note 17).

21. DEFERRED TAXATION

	Deferred tax liability £000
At beginning of year	(15,692)
Charged to the profit or loss	1,034
At end of year	<u>(14,658)</u>

The provision for deferred taxation is made up as follows:

	2016 £000
Accelerated capital allowances	<u>(14,658)</u>

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

21. DEFERRED TAXATION (CONTINUED)

The net reversal of deferred tax assets and liabilities expected to occur in the following year is £1,172,000 (2015 - £1,255,000).

22. PROVISIONS

	Provision for disputed claims £000
At 1 January 2016	1,000
At 31 December 2016	1,000

The Company is, from time to time, party to legal proceedings and claims which arise in the normal course of business. The Company robustly defends all claims and provisions are recorded based on the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. This provision relates to claims in dispute which had not been settled by the balance sheet date. It is expected that the resolution of the claims to which these provisions relate will be reached within the next five years.

23. RESERVES

Profit and loss account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account and dividends paid.

24. SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid		
80,000,002 Ordinary shares of £1 each	80,000	80,000

WILLIAM GRANT & SONS DISTILLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Not later than 1 year	389	352
Later than 1 year and not later than 5 years	369	229
	758	581

26. RELATED PARTY TRANSACTIONS

Related party transactions with companies which are wholly owned by the Group have not been disclosed in accordance with the provisions of FRS 102, Section 33.

27. CONTROLLING PARTY

The Company's immediate parent undertaking is William Grant & Sons Limited. William Grant & Sons Holdings Limited is the ultimate parent undertaking. The group of companies, of which William Grant & Sons Holdings Limited is the ultimate parent undertaking, is the largest group in which the Company is a member. Consequently the Company is included in its group financial statements. The address from which copies of these group financial statements are available to the public is: The Registrar of Companies, Companies House, Fourth Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.