

Company Registration No. SC205193 (Scotland)

Compass Box Delicious Whisky Limited

**Financial statements
for the year ended 31 March 2023**

Pages for filing with the registrar

Compass Box Delicious Whisky Limited

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Compass Box Delicious Whisky Limited

Statement of financial position

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5	2,579,472		105,434	
Investments	6	2		317,211	
		<u>2,579,474</u>		<u>422,645</u>	
Current assets					
Stocks	7	30,950,939	1,821,097		
Debtors	8	1,780,195	1,455,137		
Cash at bank and in hand		352,790	915,011		
		<u>33,083,924</u>	<u>4,191,245</u>		
Creditors: amounts falling due within one year	9	<u>(2,370,133)</u>	<u>(4,123,406)</u>		
Net current assets		<u>30,713,791</u>		<u>67,839</u>	
Total assets less current liabilities		<u>33,293,265</u>		<u>490,484</u>	
Creditors: amounts falling due after more than one year	10	<u>(6,705,451)</u>		<u>-</u>	
Net assets		<u><u>26,587,814</u></u>		<u><u>490,484</u></u>	
Capital and reserves					
Called up share capital	12	6,669	2,493		
Share premium account		32,233,214	3,544,323		
Profit and loss reserves		<u>(5,652,069)</u>	<u>(3,056,332)</u>		
Total equity		<u><u>26,587,814</u></u>	<u><u>490,484</u></u>		

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

Compass Box Delicious Whisky Limited

Statement of financial position (continued)

As at 31 March 2023

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

Maurice Doyle

Director

Company Registration No. SC205193 (Scotland)

Compass Box Delicious Whisky Limited

**Statement of changes in equity
For the year ended 31 March 2023**

	Share capital	Share premium account	EBT reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 April 2021	2,493	3,544,323	-	(3,509,549)	37,267
Year ended 31 March 2022:					
Profit and total comprehensive income for the year	-	-	-	453,217	453,217
Balance at 31 March 2022	2,493	3,544,323	-	(3,056,332)	490,484
Year ended 31 March 2023:					
Loss and total comprehensive income for the year	-	-	-	(2,778,502)	(2,778,502)
Issue of share capital	12	4,176	28,688,891	-	28,693,067
Share based payment charge		-	182,765	-	182,765
Transfer		-	(182,765)	182,765	-
Balance at 31 March 2023	6,669	32,233,214	-	(5,652,069)	26,587,814

Compass Box Delicious Whisky Limited

Notes to the financial statements For the year ended 31 March 2023

1 Accounting policies

Company information

Compass Box Delicious Whisky Limited is a private company limited by shares incorporated in Scotland. The registered office is 4th Floor, 115 George Street, Edinburgh, EH2 4JN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the forecasts that have been produced and the lending facilities the company have in place to support its trading activities and long term strategic plans. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Design costs	A straight line provision based on the directors' assessment of the specific products' life
Fixtures, fittings & equipment	4 years straight line
Software & website costs	3 years straight line
Casks	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Whisky stocks include an appropriate allocation of costs related to maturation of stock including warehousing, cask depreciation and insurance.

1.8 Cash at bank and in hand

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

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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 debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Compound instruments

The component parts of the convertible loan note issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. Where it meets the definition of a basic financial instrument it is measured on an amortised cost basis using the effective interest method, otherwise it is measured on a fair value basis through profit or loss until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The company operates an employee benefit trust (EBT) and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the EBT for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the EBT are recognised on an accruals basis.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1 Accounting policies (continued)

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Share based payment

The company has incurred a charge of £34,260 based on the fair value of the cash settled share based payment transaction, by way of an uplift in valuation to its investment in its subsidiary.

Further, the company has incurred a charge of £56,192 by way of an uplift in valuation to its investment in its subsidiary and has also incurred a charge of £146,792 as an expense, based on the fair value of the equity settled share based payment transaction.

The assumptions used to determine the fair value are detailed in note 14.

Market rate of interest on financial instruments

Convertible loan note accrue interest at a rate of 8% per annum. The company considers this to represent a market rate of interest for similar, unsecured loans based on other third party financing offers in the year.

Stock provision

The company recognises provisions for impairment stock in its financial statements, when considered appropriate. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Total	15	10
	<u> </u>	<u> </u>

4 Taxation

	2023	2022
	£	£
Current tax		
Foreign current tax on profits for the current period	-	(3,502)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	-	111,910
	<u> </u>	<u> </u>
Total tax charge	-	108,408
	<u> </u>	<u> </u>

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

4 Taxation (continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
(Loss)/profit before taxation	(2,778,502)	561,625
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(527,915)	106,709
Tax effect of expenses that are not deductible in determining taxable profit	4,238	37,925
Tax effect of income not taxable in determining taxable profit	-	(665)
Effect of overseas tax rates	-	(3,502)
Fixed asset differences	10,265	(286)
Remeasurement of deferred tax for changes in tax rates	(134,221)	(138,919)
Movement in deferred tax not recognised	647,633	(4,764)
Deferred tax adjustment	-	111,910
Taxation charge for the year	-	108,408

The company has carried forward corporation tax losses of approximately £5,620,000 (2022: £2,272,000).

Based on expected profitability of the company in the next 12 months and due to uncertainty around when the tax losses will be able to be fully utilised, no deferred tax asset has been recognised.

Compass Box Delicious Whisky Limited**Notes to the financial statements (continued)****For the year ended 31 March 2023****5 Tangible fixed assets**

	Tangible assets
	£
Cost	
At 1 April 2022	891,189
Additions	2,764,761
At 31 March 2023	3,655,950
Depreciation and impairment	
At 1 April 2022	785,755
Depreciation charged in the year	290,723
At 31 March 2023	1,076,478
Carrying amount	
At 31 March 2023	2,579,472
At 31 March 2022	105,434

6 Fixed asset investments

	2023	2022
	£	£
Shares in group undertakings and participating interests	2	317,211

Fixed asset investments relate to 100% shareholdings in:

- Compass Box Whisky Supply Limited. The registered office is Chiswick Studios, 9 Power Road, London, W4 5PY
- Compass Box USA LLC. The registered office is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington Delaware 19801, County of New Castle, USA.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)
For the year ended 31 March 2023

6 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2022	317,211
Valuation changes	90,452
At 31 March 2023	407,663
Impairment	
At 1 April 2022	-
Impairment losses	407,661
At 31 March 2023	407,661
Carrying amount	
At 31 March 2023	2
At 31 March 2022	317,211

7 Stocks

	2023 £	2022 £
Stocks	30,950,939	1,821,097

Impairment tests have been carried out where appropriate and impairment losses of £28,736 (2022: £71,627) have been recognised in the profit and loss.

Compass Box Delicious Whisky Limited**Notes to the financial statements (continued)****For the year ended 31 March 2023****8 Debtors**

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,387,442	1,220,701
Other debtors	392,753	234,436
	<u>1,780,195</u>	<u>1,455,137</u>

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	30,807	1,291,667
Convertible loans	-	355,000
Trade creditors	972,391	1,087,546
Taxation and social security	48,450	13,184
Other creditors	1,318,485	1,376,009
	<u>2,370,133</u>	<u>4,123,406</u>

During the year ended 31 March 2021, the company entered in to a fixed rate loan agreement for £50,000 with Clydesdale Bank plc attracting an annual interest of 2.5%, after one year from the date the loan was granted. The loan is due for repayment in monthly instalments and to be repaid in full by 27 May 2026. The balance at 31 March 2023 was £30,807 (2022: £41,667). This lending facility is supported by the Bounce Back Loan Scheme (BBS), managed by the British Business Bank with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy.

Included in bank loans and overdrafts in the prior year is an amount of £1,250,000 drawn under a Revolving Credit Facility. The facility was repaid on 20 December 2022.

The company previously issued £355,000 convertible debt which remained outstanding at the prior year end. The debt accrued interest at a rate of 8% and was convertible on the earliest of a sale, a qualifying fundraising or 13 May 2022. The loan note was converted on 20 April 2022, on the same date as the completion of a transaction to sell the majority of the business to a new investor. All unconverted amounts were also settled.

Included in other creditors is an invoice financing facility of £nil (2022: £398,020), secured by a floating charge over the assets and undertakings of the company and a charge over the debtor book.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

10 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	6,705,451	-

During the year, the company was granted an inventory secured credit facility. The company has drawn down £6,707,451 that includes accrued interest and is included in bank loans and overdrafts. The facility accrues interest at a rate of 2.25% per annum above the Bank of England base rate and has an attached non-utilisation fee of 0.35%. The minimum period of the facility is 60 months, so to 19 December 2027.

11 Share-based payment transactions

The company entered into a phantom share scheme for four employees that are employed by its subsidiary Compass Box USA LLC. The phantom share scheme is in relation to 52 AA phantom shares and vest on the date of a change of control of the company. The award payment will be made after the vesting date.

The company has previously used a Black Scholes model to determine the fair value of the cash settled share based payment transaction. The fair value in the current year was based on the actual cost of the group, resulting in a change in the investment held in Compass Box USA LLC of £34,260 (2022: £213,955).

There is no impact to the income statement with an increase in other creditors and investment in its subsidiary, Compass Box USA LLC. The liability was cleared following release of the shares.

The share based payments became payable on 20 April 2022 with the completion of a transaction to sell the majority of the business to a new investor. 95% of the payment was made in June with the remainder being paid in July.

Liabilities and expenses

During the year, seven employees of the company and four employees of the subsidiary company were gifted shares in the company, via the Employee Benefit Trust. The EBT acquired and gifted 11 A shares and 17 AA shares to the employees. The employees immediately sold the shares on 20 April 2022.

In respect of the company's employees, the company recognised total share-based payment expenses of £146,792 which related to equity settled share based payment transactions. The fair value was determined using the consideration received for the shares as part of the company sale.

In respect of the employees of the subsidiary, there is no impact to the income statement, instead there is an increase in the value of the investment of £56,192.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued) For the year ended 31 March 2023

12 Called up share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
6,669 "A" Ordinary shares of £1 each	6,669	1,250
0 "B" Ordinary shares of £1 each	-	1,199
0 "C" Ordinary shares of £1 each	-	1
0 "AA" Ordinary shares of £1 each	-	43
	<u>6,669</u>	<u>2,493</u>

A shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer rights of redemption.

B shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer rights of redemption.

C shares shall have no right to vote and shall entitle the holder of such C share to receive a dividend of £1 per C share in any year in which the aggregate of all dividends declared and paid in respect of all A shares and B shares then in issue is not less than £1,000,000 for each such share. On a return of assets on liquidation, the holders of the C share shall be entitled only to the return of the nominal value of the C share held. the C share is not redeemable.

AA shares shall have no right to vote and shall entitle the holder of such AA shares to receive a dividend pro rata according to their holding of AA shares. On a return of assets on liquidation, the holders of the AA shares shall be entitled to receive any amount over £2,000,000 in equal proportions with the holders of the A shares and the B shares. The AA shares are not redeemable.

During the year, there were an additional 60 A ordinary shares of £1 which were issued (resulting in a total of 1,310 A ordinary shares). On the 20 April 2022, a transaction selling the majority of the business to a new investor was completed. Immediately following this, all shares (being the 1,310 A ordinary shares of £1, 1,199 B ordinary shares of £1, 1 C ordinary share of £1 and 43 AA shares of £1) were re-designated as ordinary shares of £1 each in the capital of the Company having the rights and being subject to the obligations set out in the new Articles. Following this, also on 20 April 2022, a capital injection of £4,116 ordinary shares of £1 was completed at a subscription price of £6,881.50 per share. An additional amount of £26,688,891 was recognised as share premium in respect of this acquisition.

Employee Benefit Trust

The Company is the settler and sponsor of the Compass Box Delicious Whisky Employee Benefit Trust, a discretionary trust which was executed as a trust deed on 10 February 2022. Since that time, for accounting purposes, the Company has had de facto control of the assets and liabilities of the trust and, consequently, the assets and liabilities of the trust are recognised in the Company accounts.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Jamie Cassell
Statutory Auditors:	Saffery LLP

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023	2022
£	£
56,783	71,446
<u>56,783</u>	<u>71,446</u>

15 Related party transactions

Remuneration of key management personnel

Remuneration paid to directors during the year was £841,007 (2022: £75,671). Remuneration paid to non-executive directors during the year was £75,054 (2022: £13,037). Directors and non-executive directors were considered to be key management personnel during the year.

Other information

The company has taken advantage of FRS 102 section 33.1A exemption to not disclose any related party transactions with companies that are wholly owned within the group. The balances outstanding at the year end are disclosed in the Creditors note.

Compass Box Delicious Whisky Limited

Notes to the financial statements (continued)

For the year ended 31 March 2023

16 Parent company

The directors considered there to be no ultimate controlling party at the start of the financial year.

Following the sale transaction on 20 April 2022, the immediate parent company became Caelum Compass Box Holdings Limited.

As part of the financing, the group inserted an intermediary holding company. Therefore at the time of signing the financial statements, the immediate parent company is Compass Box Holdings Limited.

The ultimate controlling party is considered to be Caelum Jersey Holdings One Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.