Registered Number: SC242001

CL WORLD BRANDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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DIRECTORS REPORT

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2012.

Principal activities

The company acts as a holding company involving the holding of a number of long term strategic investments. The principal trading activities of its subsidiaries are the distillation, blending, bottling, marketing and sale of Scotch whisky and the production, marketing and sale of other alcoholic beverages.

The company's principal subsidiaries and investments are listed in note 11 to the financial statements on pages 19 to 21.

Results and dividends

The group's financial results are detailed in the Group Profit and Loss Account on page 7. The profit after tax and minority interests amounted to £16.0m. (2011: £30.9m).

No dividends have been paid or are recommended by the directors (2011: Nil). The retained profit for the financial year of £16.0m (2011: £30.9m) has been added to reserves.

Business review

Financial overview

Turnover for the year amounted to £90.9m compared to £85.7m for the year to 31 December 2011, an increase of 6.1%. The increase is attributable to strong trading performance across the group companies.

After finance costs, the profit before taxation of £14.8m for the year compared to a profit before taxation of £31.2m for the previous year. Significant factors contributing to this decrease are the £26.4m impairment provision release booked in 2011, counteracted to some extent by the additional share of profit of £5.5m included in the 2012 results due to the group's investment in Angostura Holdings Limited now being equity accounted as this is deemed to be an associated entity.

The directors are satisfied with the performance of the group during the year.

Financial performance

Financial performance of the group has been analysed as follows:

	Year to 31 December 2012 £000's	Year to 31 December 2011 £000's	Change £000's	%
Turnover	90,919	85,672	5,247	6%
Gross profit	37,825	34,933	2,892	8%
Profit before tax	14,813	31,237	-16,424	-53%

Turnover of £90.9m was marginally ahead of expectations and reflects the trading conditions under which the group operated during the year.

Gross profit of £37.8m provided a margin of 42% for the year versus £34.9m and 41% last year. The margin achieved is in line with management expectations set at the beginning of the year.

Total operating profit was £15.9m for the year versus an operating profit of £32.4m for the previous year, and is marginally ahead of management expectations set at the beginning of the year.

The net cash inflow from operating activities of £0.9m was £7.2m lower than the previous year. After interest and tax payments of £1.3m and a net outflow from capital expenditure and financial investment of £0.8m, our net debt increased from £41m to £42.2m over the year.

The key performance indicators used by the directors to monitor the group's performance are gross margin, operating profit, cash flow, capacity utilisation and customer satisfaction.

Looking forward the directors believe that the greatest risks / uncertainties faced by the group come from government legislation and financial risk arising from interest rate exposure, foreign currency exposure and liquidity and bad debt risk and competitive pressures which may limit gross margin expectations.

Post Balance Sheet Events

In April 2013, the company accepted an offer from Distell Group Limited, a company registered in South Africa, to acquire its entire shareholding in Burn Stewart Distillers Limited at a price of approximately £113.7m.

In August 2013, Angostura SA, a subsidiary of the company, accepted an offer from EDV SAS, a company registered in France, to acquire its entire shareholding in Thomas Hine & Co SA at a reported price of approximately €51m.

Directors

The directors holding office at 31 December 2012 and who served during the year and up to the date of signing these financial statements are as follows:

AR Mitchell (Chairman and non-executive director, resigned 18 April 2013)
FJ Thornton (Resigned on 3 May 2013)
MA Holder (Non-executive director)
G Yetming (Non-executive director)
S Bishop (Resigned on 3 May 2013)
R Ramchand (Non-executive director appointed 1 August 2012)
J Teixeira (Non-executive director appointed 1 August 2012)

None of the directors have any interests in CL Financial Limited, the ultimate holding company.

Financial risk management objectives and policies

The group uses various financial instruments such as loans, cash, equity instruments, trade debtors and trade creditors to raise finance for the group's operations. The existence of these financial instruments exposes the group to a number of financial risks; liquidity risk, cash flow interest rate risk, and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

Currency risk

The group is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures are not currently hedged but will be kept under continuing review.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The short term needs are achieved through utilisation of the revolving facility and the long term needs are met through the use of term loans. The maturity of borrowings is set out in note 15 to the financial statements.

Interest rate risk

The group finances its operations through a mixture of operating profits, bank borrowings and capital contributions. Currently this risk is not hedged and the directors are continually assessing this position with a view to implementing appropriate hedging in the future.

The level of interest rate risk that the group is exposed to is set out in note 15.

Credit risk

The group's principal financial assets are trade debtors, and as such this is where the principal credit risk lies.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Disabled employees
Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Charitable and political contributions
During the year the group made charitable donations totalling £16,241 (2011: £5,578). No contributions to political organisations were made during the year (2011: Nil).

Suppliers
The group is committed, whenever possible, to maintaining good working relationships with all its suppliers. The trading terms with each supplier, including payment terms, are established either at the time an order is placed or from previously agreed practice with the supplier. The group is committed to paying all invoices within the agreed terms, where appropriate. At 31 December 2012, the period of purchases represented by year end trade creditors was 60 days (2011: 64 days) and is in line with the group's commitment.

Auditors
Grant Thornton UK LLP having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved by the Board on 2013 and signed on its behalf by

MA Holder
Director

R Ramchand
Director

Independent auditor's report to the members of CL World Brands Limited

We have audited the financial statements of CL World Brands Limited for the year ended 31 December 2012 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses, the group reconciliation of movement in shareholders' funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of CL World Brands Limited (continued)

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Robert K Hannah
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Glasgow

15/11/13

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover (including share of joint venture)		**90,959**	85,712
Less: Share of joint venture's turnover		**(40)**	(40)
Group Turnover	1	**90,919**	85,672
Cost of Sales		**(53,094)**	(50,739)
Gross Profit		**37,825**	34,933
Distribution costs		**(19,041)**	(17,952)
Administration expenses		**(8,621)**	(11,081)
Other operating income	2	**230**	26,509
Group operating profit		**10,393**	32,409
Share of profit after tax of associate	10	**5,470**	-
Share of operating result of joint venture		**-**	(12)
Total operating profit		**15,863**	32,397
Net interest payable and similar charges	3	**(1,050)**	(1,160)
Profit on ordinary activities before taxation	4	**14,813**	31,237
Tax (charge) / credit on profit on ordinary activities	6	**(2,971)**	2,344
Profit on ordinary activities after tax		**11,842**	33,581
Attributable to equity minority interests	20	**4,187**	(2,636)
Profit attributable to shareholders and added to reserves	19	**16,029**	30,945

All operations are continuing.

Registered Number SC242001

GROUP AND COMPANY BALANCE SHEETS

At 31 December 2012

	Note	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Fixed assets					
Intangible assets	8	**28,639**	28,804	**-**	-
Tangible assets	9	**18,318**	18,847	**-**	-
Interest in joint venture:					
Share of gross assets		**15**	15	**-**	-
Share of gross liabilities		**(13)**	(13)	**-**	-
Investment in associate	10	**64,550**	-	**-**	-
Investments	11	**402**	59,498	**137,845**	126,845
		111,911	107,151	**137,845**	126,845
Current assets					
Stocks	12	**85,554**	77,234	**-**	-
Debtors due within one year	13	**23,338**	21,730	**11,174**	11,538
Debtors due after more than one year	13	**546**	2,579	**6,000**	6,000
Cash at bank and in hand		**6,910**	4,759	**232**	1,873
		116,348	106,302	**17,406**	19,411
Creditors: Due within one year	14	**(21,638)**	(20,029)	**(535)**	(491)
Net current assets		**94,710**	86,273	**16,871**	18,920
Total assets less current liabilities		**206,621**	193,424	**154,716**	145,765
Creditors: Due after more than one year	14	**(64,601)**	(62,819)	**(28,241)**	(31,203)
Provisions for liabilities and charges	16	**(362)**	(706)	**-**	-
Net assets		**141,658**	129,899	**126,475**	114,562
Capital and reserves					
Share capital	18	**101,911**	101,911	**101,911**	101,911
Capital contribution	19	**19,250**	19,250	**19,250**	19,250
Translation reserve	19	**30**	96	**-**	-
Profit and loss account	19	**13,653**	(2,359)	**5,314**	(6,599)
Shareholders' funds		**134,844**	118,898	**126,475**	114,562
Minority interest	20	**6,814**	11,001	**-**	-
		141,658	129,899	**126,475**	114,562

Approved and authorised for issue by the Board on

and signed on its behalf by

MA Holder
Director

R Ramchand
Director

The following notes on pages 14 to 25 form an integral part of these financial statements

GROUP CASH FLOW STATEMENT

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Net cash inflow from operating activities	21	**898**	8,063
Returns on investments and servicing of finance			
Interest paid		**(882)**	(1,003)
Interest received		**-**	81
Net cash outflow from returns on investments and servicing of finance		**(882)**	(922)
Taxation paid		**(409)**	(764)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	9	**(1,114)**	(1,123)
Purchase of intangible fixed assets	8	**(6)**	(92)
Purchase of asset held for sale		**(33)**	(33)
Proceeds from disposal of tangible fixed assets		**30**	2
Proceeds from disposal of fixed assets		**321**	17
Net cash outflow from capital expenditure and financial investment		**(802)**	(1,229)
Net cash (outflow) / inflow before financing		**(1,195)**	5,148
Financing			
Increase / (decrease) in loans	22	**3,335**	(3,755)
		3,335	(3,755)
Increase in cash	22	**2,140**	1,393

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Increase in cash in the year	22	**2,140**	1,393
Cash (inflow) / outflow from (increase) / decrease in loans	22	**(3,335)**	3,755
Change in net debt resulting from cash flows		**(1,195)**	5,148
Translation difference		**69**	13
(Increase) / Decrease in net debt in the financial period		**(1,126)**	5,161
Net debt at 1 January 2012		**(41,024)**	(46,185)
Net debt at 31 December 2012	22	**(42,150)**	(41,024)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Profit attributable to shareholders	19	**16,029**	30,945
Exchange (loss) / gain on retranslation of group assets	19	**(17)**	27
Translation reserve	19	**(66)**	96
Total recognised gains for the financial year		**15,946**	31,068

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the year ended 31 December 2012

	2012 £000	2011 £000
Total recognised gains for the financial year	**15,946**	31,068
Shareholders' funds at 1 January 2012	**118,898**	87,830
Shareholders' funds at 31 December 2012	**134,844**	118,898

ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the group have remained unchanged from the previous year.

The financial statements have been prepared on the basis of ongoing support from the Group's bankers and ultimate holding company, CL Financial Ltd. Details of the Group's bank facilities are disclosed in note 15 of the financial statements. The bank facilities of Burn Stewart Distillers were renewed in December 2011 for a further five years.

On the basis that the group support and bank facilities are in place the directors are satisfied that they have sufficient financial resources for at least 12 months from the date of signing.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all its subsidiary undertakings up to 31 December 2012.

The results of subsidiary undertakings are consolidated from their effective date of acquisition, and all acquisitions are dealt with by the acquisition method of accounting. The group's interest in joint ventures and associates are accounted for using the gross equity method, where the group has control. Where the group has no control over the associate then this is treated as an investment and will be accounted for accordingly.

Intangible fixed assets

Goodwill

Goodwill arising on consolidation as a result of the acquisition of subsidiaries and associates is capitalised at their fair value and amortised on a straight line basis over the estimated economic life. Where the underlying asset is deemed to have an indefinite life, goodwill is not amortised but is instead subjected to an annual impairment review.

Brands

Brands acquired as a result of the acquisition of subsidiaries and associates are capitalised at their fair value as an intangible fixed asset and amortised on a straight line basis over their estimated economic life. Where the brand is deemed to have an indefinite life, it is not amortised but is instead subjected to an annual impairment review.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, except for freehold land which is not depreciated. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Heritable buildings	4-5% per annum
Plant, machinery and motor vehicles	5-25% per annum
Fixtures and fittings	20-25% per annum

ACCOUNTING POLICIES

Fixed asset investments

Investments are stated at cost in both the group and company balance sheets, less any necessary provision for diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises all expenditure, excluding financing costs, incurred in producing or purchasing the stock and bringing it to its current state of completion, including an appropriate allocation of fixed production, maturation and administration costs.

Cash and cash equivalents

Cash and cash equivalents include cash and short term investments having an original term to maturity of less than or equal to 90 days.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover represents the net amounts invoiced, exclusive of value added tax and excise duty, in respect of goods and services supplied during the year. Sales are recognised depending upon individual customer terms at the time of despatch, delivery or some other specified point when the risk of loss transfers.

Foreign exchange

Exchange differences arising in the normal course of trading and on the translation of monetary assets and liabilities are dealt with in the profit and loss account. The accounts of overseas branch operations and associates are translated at the rate ruling at the balance sheet date. Any exchange difference arising on the retranslation of opening net investments and goodwill in operations and associates are taken directly to reserves.

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital elements of future obligations are included in creditors. The interest elements of the rentals payable are charged to the profit and loss account.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease period.

ACCOUNTING POLICIES

Pension costs

The cost of providing pensions through defined contribution arrangements is charged to the profit and loss account in the year in respect of which contributions become payable.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Income from investments

Investment income comprises dividends received during the accounting period and interest receivable on listed and unlisted investments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

1 SEGMENTAL ANALYSIS

Class of business

The company is incorporated in Scotland and is a holding company and holder of long term strategic investments, whose subsidiaries are engaged in the production and sale of Scotch whisky and other alcoholic beverages.

Geographical area

The geographical analysis of the destination of turnover is as follows:

	2012	2011
	£000	£000
European Union (including share of joint venture's turnover)	**51,887**	52,651
Less: Share of joint venture's turnover	**(40)**	(40)
	51,847	52,611
Far East	**20,306**	18,722
The Americas	**6,781**	6,091
Africa	**4,732**	4,155
Other	**7,253**	4,093
	90,919	85,672

The geographical analysis of net assets is as follows:

	2012	2011
	£000	£000
European Union	**104,352**	96,236
Far East	**2,448**	2,000
Rest of the World	**34,858**	31,663
Total net assets	**141,658**	129,899

2 OTHER OPERATING INCOME

	2012	2011
	£000	£000
Reversal of provision for diminution in value of investment	-	19,722
Adjustment to restate to original cost of investment	-	6,665
Other operating income	230	122
Total other operating income	**230**	26,509

3 NET INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£000	£000
On bank and other loans	**838**	869
On group loans	**260**	299
Interest receivable	**(48)**	(8)
	1,050	1,160

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012 £000	2011 £000
Profit on ordinary activities before taxation is stated after charging / (crediting):		
Depreciation	**1,492**	1,543
Amortisation of intangible assets	**157**	167
Gain on disposal of fixed assets	**(300)**	(2)
Operating lease rentals	**515**	520
Gain on foreign exchange	**(302)**	(984)
Fees payable to the company's auditor and their associates:		
Audit of the company's annual financial statements	**30**	58
Other services - statutory audits of the company's associates	**111**	140
Other services - taxation and other services	**38**	59

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:	2012 £000	2011 £000
Wages and salaries	**11,222**	10,797
Social security costs	**2,360**	1,529
Other pension costs (note 24)	**938**	899
	14,520	13,225

The average number of employees, including directors, during the period was:

	No.	No.
Production	**155**	165
Sales, distribution and administration	**186**	175
	341	340

Remuneration in respect of directors was as follows:

	2012 £000	2011 £000
Emoluments	**221**	200
Pension contributions to money purchase pension schemes	**14**	9
	235	209

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2012 £000	2011 £000
Emoluments	**149**	155
Pension contributions to money purchase pension schemes	**14**	8
	163	163

6 TAXATION

(a) Analysis of tax charge / (credit) in the year

	2012	2011
	£000	£000
Current tax:		
UK Corporation Tax	-	-
Foreign tax	874	580
	874	580
Deferred tax:		
Origination and reversal of timing differences	2,035	(2,924)
Impact of change in rate	62	-
Tax on profit on ordinary activities	2,971	(2,344)

(b) Factors affecting current tax charge / (credit)

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below.

	2012	2011
	£000	£000
Profit on ordinary activities before tax	14,813	31,237
Profit on ordinary activities at 24.5% (2011: 26.5%)	3,629	8,276
Expenses not deductible for tax purposes and non taxable income	(1,114)	(6,105)
Depreciation in excess of capital allowances	(5)	(52)
Non qualifying depreciation	42	47
Other timing differences	76	(126)
Losses carried forward	(62)	(2)
Tax losses utilised	(1,733)	(1,591)
Difference in overseas tax rate	(76)	133
Chargeable gain	117	-
Current tax charge for the period	874	580

Deferred tax credit

At 31 December 2012 unrelieved tax losses of £7.1m (2011 - £14.3m) remain available to offset against future taxable trading profits. As the group have forecasts profits a deferred tax asset has been recognised in the financial statements.

7 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £11,913k (2011: profit £23,884k). The company has not presented its own profit and loss account, as permitted by Section 480 of the Companies Act 2006.

8 INTANGIBLE FIXED ASSETS

	Goodwill on Consolidation £000	Brands £000	Other Intangible Assets £000	**Total £000**
Group				
Cost				
As at 1 January 2012	14,865	27,508	165	**42,538**
Additions	-	-	6	**6**
Disposals	-	-	(10)	**(10)**
Exchange difference	-	(8)	(4)	**(12)**
At 31 December 2012	**14,865**	**27,500**	**157**	**42,522**
Depreciation				
At 1 January 2012	13,692	35	7	**13,734**
Charge for the year	103	-	54	**157**
On disposals	-	-	(10)	**(10)**
Exchange difference	-	1	1	**2**
At 31 December 2012	**13,795**	**36**	**52**	**13,883**
Net Book Value				
At 31 December 2012	**1,070**	**27,464**	**105**	**28,639**
At 31 December 2011	1,173	27,473	158	28,804

The carrying values of brands with an indefinite life are subject to an annual impairment review. The directors are satisfied that these brands are reasonably stated at cost.

9 TANGIBLE FIXED ASSETS

Group	Heritable Land and Buildings £000	Plant Machinery and Vehicles £000	Fixtures and Fittings £000	**Total £000**
Cost				
At 1 January 2012	19,036	9,789	1,048	**29,873**
Additions	220	678	216	**1,114**
Disposals	-	(74)	(6)	**(80)**
Exchange difference	(153)	(76)	(25)	**(254)**
At 31 December 2012	**19,103**	**10,317**	**1,233**	**30,653**
Depreciation				
At 1 January 2012	5,031	5,393	602	**11,026**
Charge for the year	647	709	136	**1,492**
Disposals	-	(72)	(6)	**(78)**
Exchange difference	(44)	(47)	(14)	**(105)**
At 31 December 2012	**5,634**	**5,983**	**718**	**12,335**
Net Book Value				
At 31 December 2012	**13,469**	**4,334**	**515**	**18,318**
At 31 December 2011	14,005	4,396	446	18,847

9 TANGIBLE FIXED ASSETS (CONT)

Company	Plant Machinery and Vehicles £000	Fixtures and Fittings £000	**Total £000**
Cost			
At 1 January 2012 and 31 December 2012	**20**	**11**	**31**
Depreciation			
At 1 January 2012 and 31 December 2012	(20)	(11)	**(31)**
Net Book Value			
At 31 December 2012 and 31 December 2011	-	-	-

10 INVESTMENT IN ASSOCIATE

	Group Total 2012 £000	Group Total 2011 £000
Opening balance on reclassification of investment	**59,080**	-
Movement in shareholder funds	**(1,240)**	-
Dividend payment	**(1,083)**	-
Share of 2012 profit after tax of associate	**7,793**	-
Share of 2012 profit after tax of associate after movement in shareholder funds and dividend payment	**5,470**	-
Investment in associate at 31 December 2012	**64,550**	-

	Group Total 2012 £000	Group Total 2011 £000
Share of turnover of associate	**27,930**	-
Share of profit before tax of associate	**9,664**	-
Share of taxation of associate	**(1,871)**	-
Share of profit after tax of associate	**7,793**	-
Share of assets of associate		
Investment in associate - goodwill	**58,516**	-
Fixed assets	**12,577**	-
Current assets	**23,175**	-
	35,752	-
Share of liabilities of associate		
Liabilities due within one year	**(8,007)**	-
Liabilities due after one year or more	**(21,711)**	-
	(29,718)	-
Share of net assets	**64,550**	-

11 FIXED ASSET INVESTMENTS

Group

	Group Total 2012 £000	Group Total 2011 £000
Interest in listed and other investments	**402**	59,498

Interest in listed and other investments	Interest in Other Investments £000	Interest in Listed Investments £000	**Group Total £000**
Cost			
Cost at 1 January 2012	685	59,080	**59,765**
Additions	33	-	**33**
Disposals	(49)	-	**(49)**
Reclassification of investment	-	(59,080)	**(59,080)**
Cost at 31 December 2012	669	-	**669**
Provision for diminution in value			
At 1 January 2012	(267)	-	**(267)**
Charge for the year	-	-	**-**
Write back of provision for diminution in value	-	-	**-**
At 31 December 2012	(267)	-	(267)
Net Value at 31 December 2012	**402**	**-**	**402**
Net Value at 31 December 2011	418	59,080	59,498

11 FIXED ASSET INVESTMENTS (CONT)

Company

	Interest in Subsidiaries £000	Interest in Listed Investments £000	**Company Total £000**
Cost			
At 1 January 2012 and 31 December 2012	78,765	59,080	**137,845**
Provision for diminution in value			
At 1 January 2012	(11,000)	-	**(11,000)**
Write back of provision for diminution in value	11,000	-	**11,000**
At 31 December 2012	-	-	-
Net Value at 31 December 2012	**78,765**	**59,080**	**137,845**
Net Value at 31 December 2011	67,765	59,080	126,845

	£000
Listed investment at market value at 31 December 2012	**79,712**
Listed investment at market value at 31 December 2011	72,768

At the date of signing these accounts the market value of the listed investment was £119.4m.

Interest in associate undertaking

The company owns the entire share capital of Rumpro Company Limited, a company registered in St Lucia, whose only interest is 44.97% of the share capital of Angostura Holdings Limited, a company registered in Trinidad and Tobago and listed on the Trinidad and Tobago Stock Exchange. Prior to 2012 the company did not have significant influence over this company and it was accounted for as a fixed asset investment. However, as from 1 January 2012 it has been reclassified as an associate and is accounted for under the equity accounting method in these financial statements.

Joint Venture

In April 2007, the company invested in a 50% interest in Scotch Whisky Sub-Sahara LLP, a limited liability partnership, in a joint venture with Distillers Corporation International Ltd, with regard to the sale and licensing of the company's brands in Sub Saharan Africa. The accounting date of Scotch Whisky Sub-Sahara LLP is 30 June. However, these financial statements include the results of the joint venture as at 31 December 2012.

Other investments

The directors are satisfied that the value of the other investments, which are not listed on a recognised stock exchange are reasonably stated at cost or directors' valuation.

Interests in subsidiary undertakings

As at 31 December 2012, the company owns 71%, and the group owns 84% (2011: 71%) of the ordinary share capital of Burn Stewart Distillers Limited, a producer and seller of Scotch whisky and other alcoholic beverages, registered in Scotland.

11 FIXED ASSET INVESTMENTS (CONT)

Burn Stewart Distillers Limited owns the entire ordinary share capital of several dormant companies. Further details of the companies are outlined in the financial statements of Burn Stewart Distillers Limited.

Burn Stewart Distillers Limited owns 60% of Burn Stewart (US Holdings) Limited which owns 100% of International Beverage Company Inc., an importer of alcoholic beverages in the United States of America. The results of both companies are consolidated within the group financial statements although not separately disclosed, given the immateriality of the amounts involved.

The company owns the entire ordinary share capital of the following companies, acquired in April 2010 from Groupe Angostura Suisse (SA):

Angostura SA (which itself owns 100% of Thomas Hine & Co and Etablissements Dugas), a company incorporated in France;
S. Fassbind AG, a company incorporated in Switzerland;
Fassbind Compagnie de Distribution et d'Exportation SA, a company incorporated in Switzerland;
CLWB Global Duty Free AG, a company incorporated in Switzerland;
Paragon Vintners Limited, a company incorporated in the UK.

All subsidiary undertakings are consolidated within the group financial statements.

12 STOCKS

	Group 2012 £000	Group 2011 £000	**Company 2012 £000**	Company 2011 £000
Raw materials	**3,121**	2,931	**-**	-
Maturing spirit and casks	**67,103**	61,132	**-**	-
Finished goods	**15,330**	13,171	**-**	-
	85,554	77,234	**-**	-

13 DEBTORS

	Group 2012 £000	Group 2011 £000	**Company 2012 £000**	Company 2011 £000
Due within one year:				
Trade debtors	**17,558**	16,690	**-**	-
Deferred tax asset	**1,468**	1,233	**-**	-
Other debtors and pre-paid charges	**2,433**	2,252	**94**	1
Amounts due from group undertakings	**1,879**	1,555	**11,080**	11,537
	23,338	21,730	**11,174**	11,538
Due after more than one year:				
Deferred tax asset	**-**	1,892	**-**	-
Other debtors	**131**	201	**-**	-
Amounts due from group undertakings	**415**	486	**6,000**	6,000
	546	2,579	**6,000**	6,000
	23,884	24,309	**17,174**	17,538

14 CREDITORS: Due within one year

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Bank loans and revolving credit facilities (note 15)	**1,250**	1,293	**-**	-
Trade creditors	**11,450**	10,143	**52**	32
Social security and other taxes	**3,594**	2,990	**-**	-
Other creditors and accruals	**4,578**	4,684	**238**	277
Amounts due to group undertakings	**766**	919	**245**	182
	21,638	20,029	**535**	491

CREDITORS: Due after more than one year

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Bank loans (note 15)	**40,643**	37,335	**10,936**	10,936
Other creditors and accruals	**838**	481	**-**	-
Amounts due to parent company	**4,713**	6,412	**1,271**	3,982
Amounts due to group undertakings	**18,407**	18,591	**16,034**	16,285
	64,601	62,819	**28,241**	31,203

15 BORROWINGS

Borrowings are repayable as follows :	Group 2012 £000	Group 2011 £000
Bank loans and revolving credit facilities		
Repayable: within one year or on demand	**1,250**	1,293
between one and two years	**271**	270
between two and five years	**36,516**	25,838
in more than five years	**3,856**	11,227
Loan due to group undertaking		
Repayable: between two and five years	**4,607**	2,034
in more than five years	**11,397**	14,216
	57,897	54,878

The borrowings include a variety of fixed term and revolving facilities of various lengths, provided by lenders chosen by each subsidiary to meet their needs. The facilities are subject to interest rates ranging from 1.00% to 3.86%, with a weighted average rate of 1.65%. One of the lenders also provides a guarantee facility of up to £2m.

16 PROVISIONS FOR LIABILITIES AND CHARGES

	Litigation £000	Pensions £000	Other £000	**Group £000**
At 1 January 2012	356	352	(2)	**706**
Charged to the profit and loss account	(335)	86	(95)	**(344)**
At 31 December 2012	21	438	(97)	**362**

The provision for litigation relates to supplier and employee litigations and has been determined based upon legal advice. The provision for pension liabilities relates to retirement indemnities and is required under French legislation.

17 DEFERRED TAXATION

	Accelerated Capital Allowances £000	Other Timing Differences £000	Losses £000	Total £000
Deferred tax asset				
At 1 January 2012	359	(120)	(3,364)	(3,125)
Current year	9	(80)	1,728	1,657
At 31 December 2012	**368**	**(200)**	**(1,636)**	**(1,468)**
Deferred tax liability				
At 1 January 2012	-	525	-	525
Current year	-	440	-	440
At 31 December 2012	-	**965**	-	**965**

The deferred tax asset, created as a result of unutilised losses from previous years, is recorded within debtors in the financial statements at £1,468k (2011 - £3,125k).

The deferred tax liability above is recorded within creditors in the financial statements.

18 CALLED UP SHARE CAPITAL

	2012 £000	2011 £000
Authorised:		
150,000,000 ordinary shares of £1 each	**150,000**	150,000
Allotted, issued and fully paid:		
ordinary shares of £1 each	**101,911**	101,911

19 RESERVES

	Translation Reserve £000	Capital Contribution £000	Profit and Loss £000	**Group £000**
At 1 January 2012	96	19,250	(2,359)	**16,987**
Movement for the period	(66)	-	16,029	**15,963**
Exchange loss on retranslation of foreign branch assets	-	-	(17)	**(17)**
At 31 December 2012	**30**	**19,250**	**13,653**	**32,933**

	Translation Reserve £000	Capital Contribution £000	Profit and Loss £000	**Company £000**
At 1 January 2012	-	19,250	(6,599)	**12,651**
Movement for the period	-	-	11,913	**11,913**
At 31 December 2012	**-**	**19,250**	**5,314**	**24,564**

20 MINORITY INTEREST

	Group £000
At 1 January 2012	**11,001**
Share of net profits of subsidiaries	**1,380**
Minority interest - AHL adjustment	**(5,567)**
At 31 December 2012	**6,814**

21 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £000	2011 £000
Operating profit	**15,863**	32,397
Depreciation charged for period	**1,492**	1,543
Gain on disposal of tangible fixed assets	**(300)**	(2)
Amount written off investments	**-**	94
Amorisation of intangible assets	**157**	167
Share of joint venture results	**-**	12
Share of associate results	**(5,470)**	-
Write back of impairment on investment	**-**	(19,722)
Adjustment to restate investment to original cost	**-**	(6,665)
Movement in stocks	**(8,280)**	(1,276)
Movement in debtors	**(1,260)**	2,459
Movement in creditors	**(1,304)**	(944)
Net cash inflow from operating activities	**898**	8,063

22 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2012 £000	Cash Flow £000	Loans repaid £000	Translation Difference £000	**At 31 December 2012 £000**
Cash at bank and in hand	4,759	2,140	-	11	**6,910**
Bank borrowings due within one year	(1,293)	-	43	-	**(1,250)**
Bank borrowings due after one year	(37,335)	-	(3,378)	70	**(40,643)**
Group loans due after one year	(7,155)	-	-	(12)	**(7,167)**
	(41,024)	2,140	(3,335)	69	**(42,150)**

23 FINANCIAL COMMITMENTS

Operating Lease Commitments	**2012 Land & Buildings £000**	**2012 Plant & Equipment £000**	2011 Land & Buildings £000	2011 Plant & Equipment £000
Annual commitments expiring:				
Within one year	**89**	**42**	6	81
Between two and five years	**11**	**211**	89	142
After five years	**140**	**-**	140	-
	240	**253**	235	223

Capital commitments contracted but not provided for in the financial statements amounted to £333,000 (2011: £nil).

24 PENSION COMMITMENTS

The group operates various defined contribution pension schemes within its subsidiary companies for the benefit of their employe Pension costs represent contributions payable by the group to the various funds. The total of the contributions for the year was £938,000 (2011 - £899,000). Contributions totalling £260,000 (2011 - £251,842) remained unpaid at 31 December 2012 and are included in creditors. As noted in note 16 an amount of £438,000 (2011 - £352,000) has been provided in respect of retirement indemnities as required under French legislation.

25 TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemption in FRS 8 'Related Party Transactions' from disclosing transactions with other 100% owned members of the Group headed by CL Financial Limited.

In the normal course of business, the group has trading relationships with Angostura Holdings Limited (AHL), a subsidiary of CL Financial Limited. During the year, the total purchases from AHL amounted to £2,819k (2011: £2,808k). During the year, the total sales to AHL amounted to £1,759k (2011: £1,842k). The net amount due from AHL at the year end was £655k (2011: £36k).

26 CONTINGENT LIABILITIES

Up to 50% of the shares in the company's associate undertaking have been pledged as security under a warranty provision cont within a contract between the ultimate shareholder, CL Financial Ltd, and a third party. The warranty will expire in June 2014.

27 CONTROLLING RELATED PARTY

The largest group undertaking for which group accounts have been drawn up is that headed by CL Financial Limited, a company registered in Trinidad and Tobago.

28 POST BALANCE SHEET EVENTS

In April 2013, the company accepted an offer from Distell Group Limited, a company registered in South Africa, to acquire its entire shareholding in Burn Stewart Distillers Limited at a price of approximately £113.7m

In August 2013, Angostura SA, a subsidiary of the company, accepted an offer from EDV SAS, a company registered in France, to acquire its entire shareholding in Thomas Hine & Co SA at a reported price of approximately €51m.