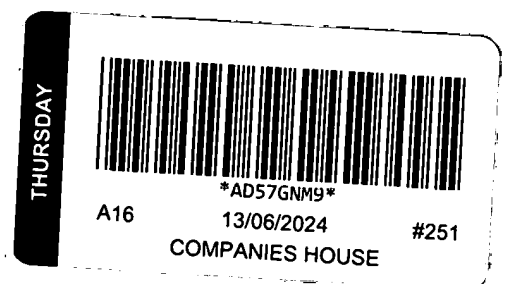


Company Registration No. SC035148 (Scotland)

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Council	Mr D Mobley Mr P A Hyde (Treasurer) Mr J-E Gourgues (Chair) Mr E Andrew Mr B H Donaghey Mr P G Gordon Mrs R M Greenwood (Vice Chair) Mr S McCroskie Mr A B C Ricard Mr W J Walker Mr N W J Mitchell Mr A Alvarez Ms D A Crew Mr M E Leask Mr C Matthews	Diageo plc The Edrington Group Chivas Brothers Ltd Diageo plc Whyte & Mackay Ltd William Grant & Sons Ltd William Grant & Sons Ltd The Edrington Group Chivas Brothers Ltd The Glenallachie Distillers Company Ltd John Dewar & Sons Ltd Beam Suntory Inc Diageo plc Inver House Distillers Ltd Loch Lomond Group Ltd
Secretary	Ms Liz Gibb	
Company number	SC035148	
Registered office	1st Floor Quartermile Two 2 Lister Square Edinburgh United Kingdom EH3 9GL	
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE	

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS**

	Page
Council's Report	1 - 2
Members of Council's responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 26

THE SCOTCH WHISKY ASSOCIATION (A COMPANY LIMITED BY GUARANTEE) COUNCIL'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Council has pleasure in submitting to the Members the report by Council, the independent auditor's report and the audited financial statements for the year ended 31 December 2023. The report and financial statements will be submitted to the Council for approval at their meeting on 5 June 2024. This report is considered to be the directors report under the requirements of the Companies Act 2006.

Principal activities

The principal activity of the Association remained that of supporting the continued success of The Scotch Whisky industry generally, in the UK and globally.

Status

The Association is a company (Registered number: SC035148) limited by guarantee and therefore does not have any issued share capital.

Future Outlook

The Scotch Whisky Association and its members remain confident about the long term prospects for the Scotch Whisky Industry. The Association will continue to provide support to its members on matters important to the industry into the future.

Council

Members of Council, who are directors under the Companies Act 2006, during the year ended 31 December 2023 and up to the date of signing the financial statements, were as follows:

Mr I Menezes (deceased 7 June 2023)	Diageo plc
Mr D Mobley (Chair from 7 June 2023- 31 December 2023)	Diageo plc
Mr P A Hyde (Treasurer)	The Edrington Group
Mr J-E Gourgues (Vice Chair, Chair from 1 January 2024)	Chivas Brothers Ltd
Mr E Andrew	Diageo plc
Mr S Bremner (resigned 31 December 2023)	Tomatin Distillery Company Ltd
Mr B H Donaghey	Whyte & Mackay Ltd
Mr P G Gordon (resigned 08 March 2024)	William Grant & Sons Ltd
Mrs R M Greenwood (Vice Chair, appointed 1 January 2024)	William Grant & Sons Ltd
Mr E C Mackintosh (resigned 31 December 2023)	Gordon & MacPhail
Mr S McCroskie	The Edrington Group
Mr A.B.C. Ricard	Chivas Brothers Ltd
Mr D Ridley (appointed 1 January 2023 and resigned 24 January 2023)	The Scotch Malt Whisky Society
Mr C Vandini (resigned 1 January 2024)	Glen Grant Ltd
Mr W J Walker (appointed 17 March 2023)	The Glenallachie Distillers Company Ltd
Mr N W J Mitchell (appointed 17 March 2023)	John Dewar & Sons Ltd
Mr A Alvarez (appointed 17 March 2023)	Beam Suntory Inc
Ms D A Crew (appointed 12 July 2023)	Diageo plc
Mr M E Leask (appointed 1 January 2024)	Inver House Distillers Ltd
Mr C Matthews (appointed 1 January 2024)	Loch Lomond Group Ltd
Mr K McKinlay (appointed 18 March 2024)	William Grant & Sons Ltd

Members of the Council receive no remuneration and have no financial stake in the Association.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
COUNCIL'S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2023

Our Chair, Ivan Menezes, passed away in June 2023, whilst in post. Ivan's impact on the Association and on the Scotch Whisky industry cannot be underestimated and we are grateful for the legacy he has left. Our thoughts continue to be with Ivan's loved ones.

Mr D Mobley was appointed Chair in Mr Menezes's place from 7 June 2023. Mr Gourgues was appointed Vice Chair on 1 January 2022 and as Chair on 1 January 2024. Mr Hyde was appointed Treasurer on 1 January 2023.

Results

The deficit for the financial year after taxation was £339,268 (2022: surplus of £478,807). Operating costs were higher than subscription income as the organisation used surpluses and cash reserves from prior years.

The Association operates a defined benefit pension scheme, which is closed to new members and ceased future accrual to all remaining active members on 31 August 2018.

In June 2022 the Association entered into an agreement to insure the members pension benefits with Legal & General Assurance Society Limited through the purchase of a bulk annuity policy.

Going concern

The Council have considered the appropriateness of the going concern basis of accounting and are satisfied that it is correct to continue to prepare the financial statements on this basis.

Directors' liability insurance

The Association maintains liability insurance for its directors and officers.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

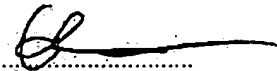
Statement of disclosure to auditor

So far as Members of Council at the date of approving this report are aware, there is no relevant audit information, of which the company's auditor is unaware. Additionally, the Members of Council have taken all the necessary steps that they ought to have taken as Members of Council in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption within Part 15 of the Companies Act 2006.

On behalf of the Council



.....
Liz Gibb

Company Secretary

Date:

5/6/2024

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF RESPONSIBILITIES OF MEMBER'S OF COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2023**

Members of Council are responsible for preparing the Council Report in accordance with applicable law and regulations.

Company law requires Members of the Council to prepare financial statements for each financial year. Under that law the Council have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Members of Council 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 the surplus or deficit of the company for that period. In preparing these financial statements, the Members of Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Members of Council 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.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SCOTCH WHISKY ASSOCIATION**

Opinion

We have audited the financial statements of The Scotch Whisky Association (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its deficit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors' with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors' responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Council's Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report included within the Council's Report has been prepared in accordance with applicable legal requirements.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE SCOTCH WHISKY ASSOCIATION

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 Directors' report included within the Council's Report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.
- The directors' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Council's Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the statement of responsibilities of Members of Council, set out on page 3, the Members (who are directors' under the Companies Act 2006), are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors' are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors' either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

Extent to which the audit is considered capable of detecting irregularities, including fraud

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF THE SCOTCH WHISKY ASSOCIATION

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates, focusing on provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of submitted returns, relevant correspondence with regulatory bodies and those charged with governance and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

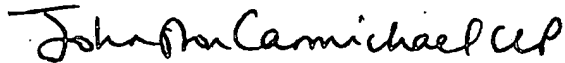
- Reviewing minutes of meetings of those charged with governance for reference to breaches or laws and regulations or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Performing audit work over the risk of revenue recognition, including agreeing subscription income to Council approved budget and substantive analytical procedures by referencing income to bank and agreeing samples post year end to receipts to ensure income is in the correct period;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE SCOTCH WHISKY ASSOCIATION**

Use of our report

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



**Grant Roger (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP**

Date: 07/06/2024

**Chartered Accountants
Statutory Auditor**

7-11 Melville Street
Edinburgh
EH3 7PE

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Turnover	3	7,143,199	7,218,233
Administrative expenses		(7,612,503)	(6,627,409)
Operating (deficit)/surplus	4	(469,304)	590,824
Interest receivable and similar income	6	65,158	7,535
(Deficit)/surplus before taxation		(404,146)	598,359
Tax on (deficit)/surplus	7	64,878	(119,552)
(Deficit)/surplus for the financial year		(339,268)	478,807

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	8		170,034		85,845
Tangible assets	9		266,657		344,066
			<u>436,691</u>		<u>429,911</u>
Current assets					
Debtors	10	488,736		401,138	
Cash at bank and in hand		1,900,735		2,393,976	
		<u>2,389,471</u>		<u>2,795,114</u>	
Creditors: amounts falling due within one year	11	(719,360)		(731,150)	
Net current assets			<u>1,670,111</u>		<u>2,063,964</u>
Total assets less current liabilities			<u>2,106,802</u>		<u>2,493,875</u>
Creditors: amounts falling due after more than one year	12		(429,826)		(486,663)
Provisions for liabilities	13		(9,032)		-
Net assets excluding pension liability			<u>1,667,944</u>		<u>2,007,212</u>
Defined benefit pension liability	14		-		-
Net assets			<u><u>1,667,944</u></u>		<u><u>2,007,212</u></u>
Reserves					
Retained earnings	16		<u><u>1,667,944</u></u>		<u><u>2,007,212</u></u>

The financial statements were approved by the Council and authorised for issue on 05/06/2024 and are signed on its behalf by:


P Hyde
Treasurer

Company Registration No. SC035148

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained earnings £
Balance at 1 January 2022	1,528,405
Year ended 31 December 2022: Surplus for the year	478,807
Balance at 31 December 2022	2,007,212
Year ended 31 December 2023: (Deficit) for the year	(339,268)
Balance at 31 December 2023	<u>1,667,944</u>

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(238,583)		502,249
Income taxes paid			(103,769)		(54,558)
Net cash (outflow)/inflow from operating activities			(342,352)		447,691
Investing activities					
Purchase of intangible assets		(194,019)		(54,117)	
Purchase of tangible fixed assets		(19,626)		(105,672)	
Proceeds on disposal of tangible fixed assets		150		1,071	
Interest received		65,158		7,535	
Net cash used in investing activities			(148,337)		(151,183)
Financing activities					
Payment of finance leases obligations		(2,552)		7,361	
Net cash (used in)/generated from financing activities			(2,552)		7,361
Net (decrease)/increase in cash and cash equivalents			(493,241)		303,869
Cash and cash equivalents at beginning of year			2,393,976		2,090,107
Cash and cash equivalents at end of year			1,900,735		2,393,976

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

The Scotch Whisky Association is a private company limited by guarantee incorporated in Scotland. The registered office is 1st Floor, Quartermile Two, 2 Lister Square, Edinburgh, United Kingdom, EH3 9GL.

The Association supports the continued success of the Scotch Whisky Industry generally, in the UK and globally.

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 £.

1.2 Going concern

The Council has considered the appropriateness of the going concern basis of accounting and are satisfied that it is correct to continue to prepare the financial statements on this basis.

1.3 Turnover

Legal recoveries

Legal recoveries have been included in turnover. Generally they are recognised in the accounting year that they are received, however amounts received post-year end before the accounts are signed, will also be recognised if it is considered appropriate to do so.

Subscriptions

Membership subscriptions are charged to cover the services provided in the calendar year, which matches the accounting year. Subscriptions are usually calculated to cover estimated expenditure for the year, and if appropriate, to reduce any deficit from previous years. For 2024, subscriptions have been held at a level lower than estimated expenditure, in order to limit the increased cost to members and to further reduce surpluses and cash reserves accumulated in 2022 and prior years.

Sundry sales

Sundry sales include recharges to members and non-member companies for services provided, and sales of publications, attendance at seminars and Association events. They are charged in the calendar year that the service is provided.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	3 - 5 years
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1.5 Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any impairment losses.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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:

Office equipment	3 - 5 years
Furniture and fittings	10 - 15 years
Computer equipment	3 - 5 years

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 the Statement of Comprehensive Income.

1.6 Impairment of fixed assets

At each reporting period end date, the Association reviews the carrying amounts of its tangible and intangible 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.

The 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.

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 the Statement of Comprehensive Income, 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 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Association 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 Association's balance sheet 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 and cash and bank balances, 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.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

Financial liabilities, including trade and other payables, 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.

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 long-term liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Offsetting

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

1.9 Taxation

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

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

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. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

1.10 Employee benefits

(i) Short term benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

(ii) Defined benefit pension plans

The Association provided pensions to some employees through a defined benefit scheme, which was closed to new members on 2 January 2003 and ceased future accrual to all remaining active members on the 31 August 2018. The assets of the scheme are held independently by trustees. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the Association's long-term expected return on assets are included in the statement of comprehensive income.

The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet. Any differences between the expected return on assets and that actually achieved is included in the other comprehensive income along with differences which arise from experience or assumptions changes.

The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The Association does not recognise a surplus when the present value of plan assets exceeds the present value of defined benefit obligations.

(iii) Defined contribution pension plans

Since the defined benefit scheme has been closed to new members, the Association also operates a defined contribution scheme. The pensions costs charged to the statement of comprehensive income for the defined contribution scheme are the contributions payable by the Association during the year.

1.11 Retirement benefits

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

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 Accounting policies

(Continued)

1.12 Leases

(i) Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to the statement of comprehensive income 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.

(iii) Lease incentives

Incentives received by the Association are spread over the period of the lease. Incentives received to enter into an operating lease for the new Edinburgh office are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the 15 year period of the lease.

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

1.13 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 are included in the statement of comprehensive income for the period.

THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Council 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.

(i) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends. The scheme was closed to future accrual on 31 August 2018 and the link of benefit to future salaries was severed at that date. In June 2022 the Trustees of the scheme entered into an agreement to insure the members pension benefits with Legal & General Assurance Society Limited through the purchase of a bulk annuity policy. See note 14 for the disclosures relating to the defined benefit pension scheme.

(ii) Legal Matters

The Association has a number of legal cases ongoing as part of its normal course of business. Legal accruals and provisions are made, where appropriate, based on the legal advice and the best estimates of likely outcomes for each case. There is a risk that future legal ruling could impact these estimates leading to further financial obligations.

(iii) Estimated useful lives and residual values of tangible fixed assets

The assessment of the estimated useful lives and residual values of tangible fixed assets involves judgements and estimates regarding the anticipated purpose and use of the asset and the period of time in which the asset can adequately perform its anticipated role before it becomes ineffective or obsolete. These judgements and estimates have a direct impact on the depreciation charge and the carrying value of tangible fixed assets. Management review these judgements and estimates as required at least on an annual basis. The carrying value of tangible fixed assets at the year end is £266,657 and the depreciation charged during the year was £97,035.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Subscriptions	7,079,716	7,140,509
Sundry sales and other income	28,000	39,300
Legal recoveries	35,483	38,424
	<u>7,143,199</u>	<u>7,218,233</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>7,143,199</u>	<u>7,218,233</u>

THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

3	Turnover and other revenue		(Continued)
		2023	2022
		£	£
	Other significant revenue		
	Interest income	65,158	7,535
		<u> </u>	<u> </u>
4	Operating (deficit)/surplus	2023	2022
	Operating (deficit)/surplus for the year is stated after charging:	£	£
	Exchange losses	28,712	31,968
	Fees payable to the company's auditor for the audit of the company's financial statements	16,100	15,250
	Auditors remuneration for other services	10,010	4,205
	Depreciation of owned tangible fixed assets	97,035	119,635
	Loss on disposal of tangible fixed assets	24,850	3,041
	Amortisation of intangible assets	84,830	60,110
	Operating lease charges	271,305	263,945
		<u> </u>	<u> </u>
5	Employees		
	The average monthly number of persons employed by the company during the year was:		
		2023	2022
		Number	Number
		42	40
		<u> </u>	<u> </u>
	Their aggregate remuneration comprised:		
		2023	2022
		£	£
	Wages and salaries	2,533,017	2,187,104
	Social security costs	262,496	247,539
	Pension costs	313,781	284,777
		<u> </u>	<u> </u>
		3,109,294	2,719,420
		<u> </u>	<u> </u>

No remuneration was paid to any member of the Council. The members of Council are the Association's directors.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2023

6	Interest receivable and similar income	2023	2022
		£	£
	Interest income		
	Interest on bank deposits	65,158	7,535
		<u>65,158</u>	<u>7,535</u>
7	Taxation	2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	-	107,147
	Adjustments in respect of prior periods	(78,503)	1,050
	Total current tax	<u>(78,503)</u>	<u>108,197</u>
	Deferred tax		
	Origination and reversal of timing differences	10,375	11,355
	Adjustment in respect of prior periods	3,250	-
	Total deferred tax	<u>13,625</u>	<u>11,355</u>
	Total tax (credit)/charge	<u>(64,878)</u>	<u>119,552</u>

The actual (credit)/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	<u>(404,146)</u>	<u>598,359</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(95,055)	113,688
Tax effect of expenses that are not deductible in determining taxable profit	10,999	9,136
Tax effect of utilisation of tax losses not previously recognised	78,503	-
Adjustments in respect of prior years	(78,503)	1,051
Effect of change in corporation tax rate	14,498	-
Permanent capital allowances in excess of depreciation	(359)	(7,047)
Deferred tax adjustments in respect of prior years	3,250	-
Effect of change in deferred tax rate	613	2,724
Unutilised qualifying donations	1,176	-
Taxation (credit)/charge for the year	<u>(64,878)</u>	<u>119,552</u>

Deferred tax has been calculated using the rate effective in the period it is expected to reverse.

THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

8 Intangible fixed assets

	Software £
Cost	
At 1 January 2023	234,419
Additions	194,019
Disposals	(48,000)
At 31 December 2023	<u>380,438</u>
Amortisation and impairment	
At 1 January 2023	148,574
Amortisation charged for the year	84,830
Disposals	(23,000)
At 31 December 2023	<u>210,404</u>
Carrying amount	
At 31 December 2023	<u>170,034</u>
At 31 December 2022	<u>85,845</u>

9 Tangible fixed assets

	Office equipment £	Furniture and fittings £	Computer equipment. £	Total £
Cost				
At 1 January 2023	122,839	534,525	642,244	1,299,608
Additions	6,423	737	12,466	19,626
Disposals	-	-	(257,649)	(257,649)
At 31 December 2023	<u>129,262</u>	<u>535,262</u>	<u>397,061</u>	<u>1,061,585</u>
Depreciation and impairment				
At 1 January 2023	102,099	283,220	570,223	955,542
Depreciation charged in the year	15,041	36,067	45,927	97,035
Eliminated in respect of disposals	-	-	(257,649)	(257,649)
At 31 December 2023	<u>117,140</u>	<u>319,287</u>	<u>358,501</u>	<u>794,928</u>
Carrying amount				
At 31 December 2023	<u>12,122</u>	<u>215,975</u>	<u>38,560</u>	<u>266,657</u>
At 31 December 2022	<u>20,740</u>	<u>251,305</u>	<u>72,021</u>	<u>344,066</u>

Office equipment includes £6,061 (2022: £6,061) of cost and £2,424 (2022: £1,212) aggregate depreciation relating to assets held under finance lease.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	3,791	4,332
Corporation tax recoverable	75,125	-
Other debtors	176,077	161,530
Prepayments and accrued income	233,743	230,683
	<u>488,736</u>	<u>396,545</u>
Deferred tax asset (note 13)	-	4,593
	<u>488,736</u>	<u>401,138</u>

11 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	236,562	120,732
Corporation tax	-	107,147
Other taxation and social security	103,155	97,311
Deferred income	35,120	35,120
Provision for post-retirement benefits	28,648	27,284
Other creditors	52,007	39,868
Accruals and deferred income	263,868	303,688
	<u>719,360</u>	<u>731,150</u>

Included in other creditors are obligations under finance leases are secured over the assets to which the agreements relate of £2,552 (2022 - £2,552).

12 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Obligations under finance leases	6,380	8,932
Deferred income	190,234	225,354
Provision for post-retirement benefits	233,212	252,377
	<u>429,826</u>	<u>486,663</u>

The provision for retirement benefits in notes 11 and 12 represents an amount in addition to the company's defined benefit and defined contribution pension scheme liabilities and is in respect of individuals who were not included in either of these schemes, for whom the company considers itself to have a defined benefit type obligation. The quantum and movements in this liability are advised by an independent actuary.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	2023	2022
	£	£
Balances:		
Accelerated capital allowances	80,798	74,668
Other timing differences	(71,766)	(79,261)
	<u>9,032</u>	<u>(4,593)</u>
Movements in the year:		2023
		£
Asset at 1 January 2023		(4,593)
Charge to profit or loss		13,625
		<u>9,032</u>
Liability at 31 December 2023		<u>9,032</u>

Deferred tax has been calculated using the rate effective in the period it is expected to reverse.

14 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	313,781	284,777
	<u>313,781</u>	<u>284,777</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

14 Retirement benefit schemes

(Continued)

Defined benefit schemes

The Association operates a funded defined benefit pension scheme in the UK providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Association.

The defined benefit pension scheme was closed to new members on 2 January 2003 and ceased future accrual to all remaining active members on the 31 August 2018. All employees are now invited to participate in the Association's Defined Contribution Scheme.

The pension contribution for the year was £nil (2022: £nil).

In June 2022 the Association entered into an agreement to insure the members pension benefits with Legal & General Assurance Society Limited through the purchase of a bulk annuity policy.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 December 2021 and updated to 31 December 2023 by a qualified independent actuary. The present value of the defined benefit obligation was measured using the projected unit credit method.

The trustees of the pension scheme have engaged Mercer to carry out the necessary data cleansing and other activities with the intention to move to a buy-out and ultimate wind-up of the scheme.

	2023	2022
	%	%
<i>Key assumptions</i>		
Discount rate	4.8	5
Expected rate of increase of pensions in payment	3.65	3.65
Expected rate of salary increases	2.75	2.75
Inflation rate (RPI)	3.15	3.25
Cash commutation allowance	10	10
Mortality	S3PMA	S3PMA

There is no withdrawal allowance.

The scheme was closed to future accrual on 31 August 2018 and the link of benefit to future salaries was severed at that date.

	2023	2022
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	696,000	(13,920,000)
Less: calculated interest element	(697,000)	(517,000)
Return on scheme assets excluding interest income	(1,000)	(14,437,000)
Actuarial changes related to obligations	14,000	8,006,000
Experience (gains)/losses arising on the scheme liabilities	(1,000)	(969,000)
Effect of changes in the amount of surplus that is not recoverable	(12,000)	7,400,000
Total costs	-	-

THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

14 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from the company's liability in respect of defined benefit plans are as follows:

	2023 £	2022 £
Present value of defined benefit obligations	14,135,000	14,322,000
Fair value of plan assets	(14,197,000)	(14,370,000)
Surplus in scheme	(62,000)	(48,000)
Restriction on scheme assets	62,000	48,000
Total liability recognised	<u>-</u>	<u>-</u>

	2023 £
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 January 2023	14,322,000
Plan introductions, changes, curtailments and settlements	(13,000)
Benefits paid	(869,000)
Interest cost	695,000
At 31 December 2023	<u>14,135,000</u>

	2023 £
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 January 2023	14,370,000
Interest income	697,000
Return on plan assets (excluding amounts included in net interest)	(1,000)
Benefits paid	(869,000)
At 31 December 2023	<u>14,197,000</u>

The actual return on plan assets was £696,000 (2022 - £13,920,000).

	2023 £	2022 £
<i>Fair value of plan assets at the reporting period end</i>		
Cash	118,000	105,000
Other insured assets	14,079,000	14,265,000
	<u>14,197,000</u>	<u>14,370,000</u>

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 Retirement benefit schemes (Continued)

The liability driven investment allocation is designed to hedge changes placed on the Scheme's liabilities following changes in interest and expected inflation rates as these variables change with market conditions and represents holdings in investment funds which are structured to provide these characteristics.

15 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £5.25.

16 Retained earnings

The profit and loss records the company's retained earnings.

17 Operating lease commitments

Lessee

Operating leases relate to new offices in Edinburgh taken on in 2015 and in London taken on in 2023. The Edinburgh office is leased over 15 years. Rental payments are expected to increase after a 5 yearly rent review in 2025.

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

	2023	2022
	£	£
Within one year	318,917	271,937
Between two and five years	848,766	745,266
In over five years	263,948	450,265
	<u>1,431,631</u>	<u>1,467,468</u>

18 Related party transactions

Each of those Members who have a representative on the Council of the Association (Board of Directors) are deemed to be related parties and for the year to 31 December 2023 subscriptions received from those Members totalled £6,282,968 (2022: £6,349,334). Individual member subscriptions are confidential for competition law reasons and hence could not be disclosed. The Members of Council who served during the year and the companies that they represent are listed in the Council report on page 1.

The total number of Association members is 93 (2022: 92).

The Spirits Energy Efficiency Company (SEEC), jointly controlled by the Scotch Whisky Association and the Wine and Spirits Trade Association, is a further related party. During the year £25,500 (2022: £25,500) was charged by the Scotch Whisky Association for administration and personnel services. At 31 December 2023 the balance due to the Scotch Whisky Association by SEEC was £49,338 (2022: £49,338). The amount due is unsecured and there was no provision for bad or doubtful debts.

**THE SCOTCH WHISKY ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

19	Cash (absorbed by)/generated from operations		2023	2022
			£	£
	(Deficit)/surplus for the year after tax		(339,268)	478,807
	Adjustments for:			
	Taxation (credited)/charged		(64,878)	119,552
	Investment income		(65,158)	(7,535)
	Loss on disposal of tangible fixed assets		24,850	3,041
	Amortisation and impairment of intangible assets		84,830	60,110
	Depreciation and impairment of tangible fixed assets		97,035	119,635
	Movements in working capital:			
	Increase in debtors		(17,066)	(35,448)
	Increase/(decrease) in creditors		76,192	(188,785)
	Decrease in deferred income		(35,120)	(47,128)
	Cash (absorbed by)/generated from operations		(238,583)	502,249
20	Analysis of changes in net funds			
		1 January	Cash flows	31 December
		2023		2023
		£	£	£
	Cash at bank and in hand	2,393,976	(493,241)	1,900,735
	Obligations under finance leases	(11,484)	2,552	(8,932)
		<u>2,382,492</u>	<u>(490,689)</u>	<u>1,891,803</u>