



**GLENWYVIS**

**DISTILLERY**

# GlenWyvis Distillery Limited Business Plan



March 2024

# GlenWyvis Distillery Business Plan

## March 2024

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# GlenWyvis Distillery

## Statement of Vision and Values

GlenWyvis is a small community owned distillery on a steep brae just outside the Royal Burgh<sup>1</sup> of Dingwall in the Scottish Highlands. We are not a faceless corporate and we are not driven by profit or personal gain. Instead, we are committed to benefiting our local community by making a real and positive difference to people's lives.

Our vision is to operate a financially and environmentally sustainable distillery, which is synonymous with Dingwall and its rich culture which includes the Picts and Vikings. A distillery owned by the community for the benefit of the community. A distillery that produces whisky and other sprits reflective of the nature, beauty, history, and culture of its community. A distillery that is a benchmark of how an enterprise can work for the benefit of its local community and broader society.

## Core values

Whilst achieving the GlenWyvis vision, we seek to uphold our core values of sustainability, fairness, and inclusivity as set out below.

1. **Sustainability:** GlenWyvis places a significant emphasis on sustainability in its operations. This commitment is manifest in various ways, including:
  - a. **Renewable Energy:** Utilising renewable energy sources, including wind, solar and hydropower for the generation of electricity and using biomass (woodchips) to heat our processes. We seek to minimise the use of fossil fuels.
  - b. **Local Sourcing:** Sourcing ingredients locally whenever possible, supporting local farmers and businesses, and reducing the carbon footprint associated with transportation.
2. **Fairness:** We seek to deal fairly and provide opportunities for all our stakeholders, which includes our distillery team, suppliers, members and our local community.

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*1 Dingwall became a Royal Burgh in 1226 under a charter granted by King Alexander II. James IV granted a charter of confirmation in 1497 and this was ratified by James VI in 1587.*

3. **Inclusivity:** GlenWyvis is first and foremost Dingwall's distillery, and we seek to foster a sense of belonging and involve diverse perspectives. This sense of inclusivity extends to our team, our members, and the wider community in which we operate.

GlenWyvis' commitment to these core values sets it apart in the whisky industry and contributes positively to the community and environment in which it operates. We want GlenWyvis to serve as a model for how businesses with these values can succeed.

## Strategy

GlenWyvis' strategy embodies a holistic and community-centred approach to business. It not only strives to create unique whiskies and gin but also seeks to be a positive force for Dingwall's development, regeneration, history, and culture. With this approach we hope to build and maintain a strong relationship with our community and help to generate interest in the Dingwall area.

We have broken down this strategy and its potential benefits:

### 1. Collaboration with Community Groups and Organisations:

- By partnering with local community groups and organisations, including the Dingwall Community Development Company ("DCDC"), GlenWyvis can leverage local expertise and resources to address specific community needs and projects. This collaborative approach fosters a sense of unity and shared responsibility within our community.
- These collaborations include initiatives related to the history and culture of Dingwall and the local area, economic growth, environmental conservation, community development, education, and more. For instance, working together to improve Dingwall High Street, to make Dingwall and the surrounding towns and villages a more pleasant place to live and visit.

## **2. Promotion of Local History and Culture:**

- GlenWyvis seeks to play an important role in preserving and promoting the rich history and culture of Dingwall and the surrounding area. This involves organising and contributing to events and educational programs that highlight the heritage of Dingwall, local communities, and the Highlands. This includes looking forward to celebrating Dingwall's 800<sup>th</sup> anniversary as a Royal Burgh in 2026 and working with Archaeology for Communities in the Highlands (ARCH), the Neil Gunn Trust, local groups, museums, and historians.
- Incorporating local historical and cultural elements into the branding of our products and our distillery visitor experience, such as tastings, will attract visitors from around the world and contribute to a deeper understanding of the area's significance. It is hoped that GlenWyvis will be able with the help of its members and the local community to connect with the Dingwall diaspora.

## **3. Generating Cash to Support the Community:**

- The production of uniquely handcrafted whisky and gin generates revenues that are being reinvested into the local community, in a cost of living crisis, to help folks who need it and to fund projects and initiatives by means of our GoodWill Fund.

## **4. Connecting to Whisky-Making Tradition:**

- GlenWyvis is engaging in activities like sharing the history of Scotch whisky and collaborating with local museums and historians to document the local whisky-making legacy.
- By connecting to the whisky-making tradition of Scotland and Ross-shire, GlenWyvis not only respects the heritage of the region but also contributes to the continuation of this tradition. This will increasingly become a point of pride for both the distillery and the local community.

## **Approach**

At first glance there would seem to be a conflict between the commercial necessity of working profitably, in an environmentally friendly manner and meeting our promises to stakeholders – that is to our members and the community amongst others. In practical terms the critical elements are production methods, cash management, and sustainability.

Our aim is to balance the needs of our values of ecologically sustainable production, management of our cash resources and our responsibility to provide a community benefit as represented in Figure 1.



Figure 1 - - Competing Requirements

Our tactics to achieve this difficult balance are set out below.

### 1. Production Methods:

- a. *Using High-Quality Ingredients:* Prioritising the use of high-quality ingredients ensures that the distillery produces premium spirits, aligning with its commitment to quality.
- b. *Employing Highly Competent Staff:* Competent staff are essential for maintaining product quality and innovation.
- c. *Using Eco-Friendly Production Techniques:* Embracing eco-friendly production techniques supports sustainability, aligning with GlenWyvis' core values.
- d. *Using Renewable Energy:* Utilising renewable energy sources reduces the environmental impact, showcasing a commitment to sustainability.
- e. *Using Local Suppliers:* Sourcing locally when feasible supports the community and reduces transportation-related carbon emissions.

### 2. Generating Profits and Cash Flow:

- a. *Mitigating Commercial Risks:* Managing risks effectively is crucial to ensure the distillery's financial stability.
- b. *Marketing Products Successfully:* Successful marketing, especially in the local area, helps generate sales and profits.



- c. *Sharing Surplus with Members and Community*: Distributing profits through to members and the community demonstrates a commitment to fairness and inclusivity.
- d. *Distilling GoodWill Gins*: Creating additional products like GoodWill gins diversifies revenue sources.
- e. *Selling Young Whisky*: Selling some whisky at a young age can generate cash, but this is balanced with managing stock for older expressions to develop the distillery's reputation for quality.

### **3. Looking After Stakeholders:**

- a. *Being a Responsible Member of the Community*: Engaging in initiatives that support the local community demonstrates social responsibility.
- b. *Employing and Training Local Staff*: Providing job opportunities and training for residents aligns with community inclusivity.
- c. *Creating an Inclusive Working Environment*: Fostering an inclusive, enjoyable, and safe working environment promotes staff well-being.
- d. *Minimising Environmental Impact*: Implementing sustainable technologies and practices helps protect the surrounding countryside and environment.

### **4. Using Surplus Cash Well:**

- a. *Increasing Contributions to the GoodWill Fund*: Supporting local initiatives through the GoodWill Fund reinforces our commitment to community development.
- b. *Attracting Investors*: Attracting investors to engage with our vision and provide for a modest return will help to secure additional capital to sustain the distillery and help it to grow.
- c. *Stockpiling Whisky*: Maintaining a stockpile of whisky for aging ensures a sustainable product pipeline for future revenue.

Balancing these requirements effectively is a dynamic process. At different stages of the distillery's development, priorities may shift to emphasise one requirement over others until a harmonious balance is achieved. This strategic approach not only enables the distillery to thrive financially but also ensures its continued positive impact on the local community and environment, aligning with its core values and mission.

## Short and Medium Term

In the short term, we will continue to generate the excitement and collectable nature of our annual and innovative batch releases of GlenWyvis whisky. In addition, the distillery has begun a programme of releasing single cask whiskies branded consistent with our marketing strategy, to celebrate the history and culture of the Royal Burgh of Dingwall and the local area. Just before Christmas 2023 there was an exclusive single cask offer to our members which caused, owing to demand, our website to crash. A cask selected by the Malt Room in Inverness, was bottled, and sold out in days.

In addition, to our whisky offerings we are looking to relaunch our gins and establish, in collaboration with an existing business, a presence on Dingwall's High Street in 2024. Our marketing strategy includes using our batch releases to celebrate the history and culture of the Royal Burgh of Dingwall.

In the medium term, we are planning to collaborate with local partners to create a visitor experience. Here's an overview of the objectives and potential benefits of this initiative:

### Creating a Visitor Experience:

- **Objective:** Growing from the seed of our initial collaboration, our primary goal is to establish a compelling whisky experience in association with other local businesses. A new shop, staffed and managed independently, will stock GlenWyvis as its exclusive liquor selection, and in turn, the distillery will have a location to direct members towards. There will also be a small gathering place for member events and tastings, which can be used for community events and classes when not in use.
- **Benefits:**
  - *Cultural Engagement:* The visitor experience will immerse tourists and locals alike in the history and culture of the local area, fostering a deeper connection with the community and its heritage.
  - *Economic Growth:* Collaboration with local businesses will boost the local economy by attracting visitors and encouraging them to explore the area.
  - *Diversification of Local Businesses:* Collaboration will help diversify the offerings available in Dingwall. New businesses or existing ones that expand their services to cater to tourists can stimulate economic growth by meeting the demand for various products and services.
  - *Job Creation:* As tourism-related activities increase, local businesses may need to hire additional staff to meet demand. This job creation not only provides employment opportunities but also contributes to the local workforce's economic well-being.

- *Increased Revenue for Local Businesses:* The influx of visitors can lead to increased sales and revenue for local businesses. This revenue can, in turn, be reinvested in the community, further contributing to economic growth.
- *Brand Promotion:* The High Street facility can serve as a showcase for GlenWyvis' brand, allowing visitors to sample and purchase its whisky and gin products.

#### Constructing a low-volume bottling facility:

- **Objective:** The establishment of a low-volume bottling facility is a strategic move with several notable benefits.
- **Benefits:**
  - *Promotion of Distillery and Local Culture:* Bottling investor casks and single casks, ideally in Dingwall's High Street, will create a unique selling point and will allow GlenWyvis to showcase its commitment to craft and quality. Each bottle will tell a story about the distillery, Dingwall, and the local history and culture, creating a deeper connection between the product and the community's heritage.
  - *Community and Employment Impact:* The bottling facility will provide additional employment opportunities for the local community, aligning with GlenWyvis' inclusivity and fairness values. It will also serve as a point of pride for the community, as it contributes to the distillery's success and local livelihoods.
  - *Sustainability and Quality Control:* Bottling in Dingwall will reduce the need to transport casks to external facilities for bottling, reducing the distillery's carbon footprint and environmental impact. Maintaining control over the bottling process will ensure that quality standards are consistently met, aligning with GlenWyvis' commitment to producing premium spirits.
  - *Brand Promotion and Differentiation:* Bottling investor and single casks on-site adds exclusivity to the products and enhances the brand's prestige. It will attract whisky enthusiasts seeking unique, limited-edition releases, further promoting the distillery's reputation.
  - *Economic Efficiency:* In the long run, having a bottling facility in Dingwall will lead to cost savings compared to outsourcing the process to external facilities. The revenue generated from the sale of investor casks and single casks will also contribute to the distillery's financial sustainability.

By pursuing these objectives, GlenWyvis will contribute significantly to the cultural, economic, and social development of Dingwall and the surrounding area. This approach aligns with the distillery's core values of sustainability, fairness, and inclusivity, because it fosters collaboration with the local community and supports the region's growth while maintaining a strong focus on its whisky-making tradition and quality products.

# GlenWyvis Distillery Business Plan

## March 2024

### Executive Summary

GlenWyvis, established in 2016, has achieved remarkable success in producing handcrafted high-quality single malt whisky, award-winning gins, and new-make spirit. Notably, the distillery recorded its first-ever operating profit in 2021, followed by another in 2022 and a predicted operating profit in 2023. Furthermore, it has demonstrated its commitment to the community by raising over £50,000 for community benefit awards.

To help our community and to generate more money for good causes, GlenWyvis wants, with your help, to develop further. One of our objectives is to continue to build a growing stockpile of maturing spirit over the next decade to ensure we have a consistent supply of aged whisky to create unique and exciting whiskies which celebrate the Royal Burgh of Dingwall and the local area. To do this we need to mature the spirit, and that requires substantial bonded storage facilities and long-term funding.

The Management Committee has outlined the following key objectives:

1. **Expand Bonded Warehouse Capacity:** The distillery plans to construct additional bonded warehouses to accommodate the growing volume of maturing spirits.
2. **Ramp Up Production:** Increasing the number of weekly mashes from 5 to 9, starting in 2025, is essential to meet production goals.
3. **Reinforce Onsite Infrastructure:** Making the distillery's electricity and water supplies more robust is crucial to support increased production and storage capacity.
4. **Visitor Experience and Low-Volume Bottling Plant:** GlenWyvis aims in collaboration with the Dingwall Community Development Company ("DCDC"), local businesses and stakeholders to create a visitor experience in Dingwall High Street. Together with a low-volume bottling plant this represents an exciting opportunity for GlenWyvis to deepen its engagement with members and customers, promote its brand, and contribute to the local economy and community. This strategic move aligns with GlenWyvis' core values and will lead to sustained growth and success.

5. **Increase Stockpile of Maturing Spirit:** GlenWyvis aims to expand its inventory of maturing spirits to meet future demand for 10-year-old and older single malt whisky.

To achieve these objectives, GlenWyvis aims to raise £2.75 million by early 2027. If successful, this fundraising effort will enable the completion of all outlined goals. The funding strategy involves issuing £2 million in new shares through a "Third Share Offer" and raising an additional £0.75 million in bonds.

This comprehensive business plan, recommended by the Management Committee, reflects GlenWyvis' commitment to quality, sustainability, and community engagement. With the support of our community and additional funding, GlenWyvis is poised for continued growth, cementing its position as a unique producer of Highland whisky with its principal aim of contributing to the well-being of its members, Dingwall, and its local community.

A handwritten signature in blue ink, appearing to read 'David McIntyre', with a stylized, cursive script.

David McIntyre,  
Chairman, GlenWyvis Distillery Ltd.

Recommended by the Management Committee on 27 March 2024

## About GlenWyvis Distillery

GlenWyvis is one of the largest registered Community Benefit Societies in the United Kingdom. Two rounds of crowdfunding raised share capital of £3.7 million and created a very supportive shareholder body. GlenWyvis also benefitted from grants, donations and loan funding of £2.6 million, bringing the total equity and debt funding to date to £6.3 million.

### Where do our Shareholder's Live?

*At the end of 2022, GlenWyvis had 3,625 shareholders, located as set out below.*

- 28% lived locally
- 44% lived in the rest of Scotland
- 16% in other parts of the UK
- 12% in 36 different countries worldwide

Our core business is the manufacture of handcrafted Highland single malt whisky, gin and other products branded to promote the history and culture of Dingwall and the local area. Our small size, hands-on production and the use of various cask types helps us create distinctive and flavourful whiskies. Our Inaugural Release was acclaimed for a smoothness uncommon in such a young whisky, and for the sophistication of its palate from the subtle influence of moscatel casks.

We commenced whisky distillation in January 2018. From then until end-December 2023, we have distilled some 218,000 litres of absolute alcohol (LAA), part of which has been sold to members, investors, and to the trade. We now have in storage about 124,000 LAA (or about 870 casks of varying sizes) which belongs to the distillery and forms the nucleus of our long-term stockpile<sup>2</sup>.

This stands in our inventory at about £1.2 million, in line with generally accepted accounting practice, which reports it at the lower of cost or market

value. Its current market value, if bottled as young spirit or sold in cask, is currently more than that, and it is expected to increase as the whisky matures.

### Why Stockpile?

*New make spirit is legally required to be aged in a cask for at least three years, before it can be called whisky. The more the spirit ages and matures, the more flavour and colour it draws from the cask. Older whisky becomes smoother and more complex as the spirit interacts with the wood. Timing is key when maturing whisky to avoid over extracting wood flavours.*

*It is the refined skill and judgement of an experienced distiller which determines when a particular whisky has reached its peak and should be bottled. This improving profile gives whisky the ability to command a greater price in the market - along with other factors such as the reputation of an individual brand for whiskies of consistently high quality.*

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<sup>2</sup>*Some of this will be used for bottling and sales to help fund cash flow and keep our brand in the public's mind.*

GlenWyvis launched its long-awaited first whisky (Batch #1) at the end of 2021 and its second and third releases with their distinctive branding came out in June 2022 and August 2023 respectively. We have already begun to gain an enviable reputation for our smooth Highland whisky which belies its youthfulness.

The distillery also produces a range of GoodWill gins, which includes Christmas Gin, and Quercus Alba and Quercus Robur, two characterful, cask-matured gins. We are also looking to produce a sloe gin for the festive season.

As well as bottled products, GlenWyvis has successfully sold casks of young spirit to individual investors under its annual Cask Offer scheme and to independent bottlers including Berry Bros & Rudd.

We have allocated £50,000 for good causes and have so far distributed just under £30,000. However, with your help we can fulfil the proposals set out in this business plan to do so much more. Initially, until processes are established, most of the funds raised will be distributed to those living and operating in Easter Ross<sup>3</sup>.

The distillery is also proud of its green philosophy - it is powered by electricity from renewable energy sources, we draw our process water from an onsite borehole, we use local materials and resources to the extent possible and we are careful in managing our carbon footprint. Again, the distillery can do more with your help.

The distillery has an online shop for all its products and ships to customers nationwide. Post-Covid, GlenWyvis has re-established its presence at local and national events where whisky is featured (including Whisky Festivals in Aberdeen, Dornoch, Edinburgh, Glasgow, Inverness, Oban, London and Munich). It is developing closer links to a range of specialist whisky retailers, online influencers, and foreign distributors to penetrate the ethical production and connoisseurs' markets further. The distillery has already achieved significant exports to Germany, Japan, New Zealand, and the Netherlands. We are also responding to enquires from Italy, Australia, Canada, South Africa and elsewhere. On social media, GlenWyvis has a wide reach<sup>4</sup> on Facebook (10,497 followers) and X (formerly Twitter), 3,660 followers.

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<sup>3</sup> [More detail about our GoodWill Fund and our proposals to engage more closely with the local community follows on page 50.](#)

<sup>4</sup> [Number of followers recorded on 11 January 2024.](#)



## Summary of Achievements

Since it started distilling whisky in January 2018, the distillery has achieved considerable successes, despite several challenges. They include the following:

1. **Raised over £50,000** in the GoodWill Fund, as well as a further **£9,000 for Cornerstone**, a national charity.
2. **Inaugural Release of single malt whisky** in December 2021.
3. **Second Release** in June 2022, including the distillery's **first significant export order** (to Germany).
4. **Third Release** in August 2023 and **new export markets**: Japan, New Zealand, and the Netherlands.
5. **Single Cask** releases in December 2023.
6. **Won the Highland Business Award** for Community Engagement in September 2023.
7. **Won acclaim** for the quality of GlenWyvis whisky.
8. **Won IWSC awards** - - Gold for spiced Christmas Goodwill Gin; Silver for both Quercus Alba GoodWill Gin and GlenWyvis New Make Spirit; and Bronze for GoodWill Gin.
9. **Achieved profitability** - - making its first ever operating profit of £153,958 in 2021, followed by an operating profit of £79,106 in 2022.
10. Raised over £1 million in **new funding**.
11. Built up a **stockpile of maturing spirit** to support bottling older expressions of GlenWyvis in the future.
12. Recruited a **new distillery manager** with international distilling experience.
13. Recruited **new voluntary directors and officers**.
14. **Recruited a CEO** in November 2023.
15. Achieved investment-readiness and credibility through voluntary audit of accounts through **four full audit cycles**.

## Why Does the Distillery Need to Raise Cash?

### Sources of Cash

In total, GlenWyvis has raised about £6.3 million from different sources as represented in Figure 2 below.

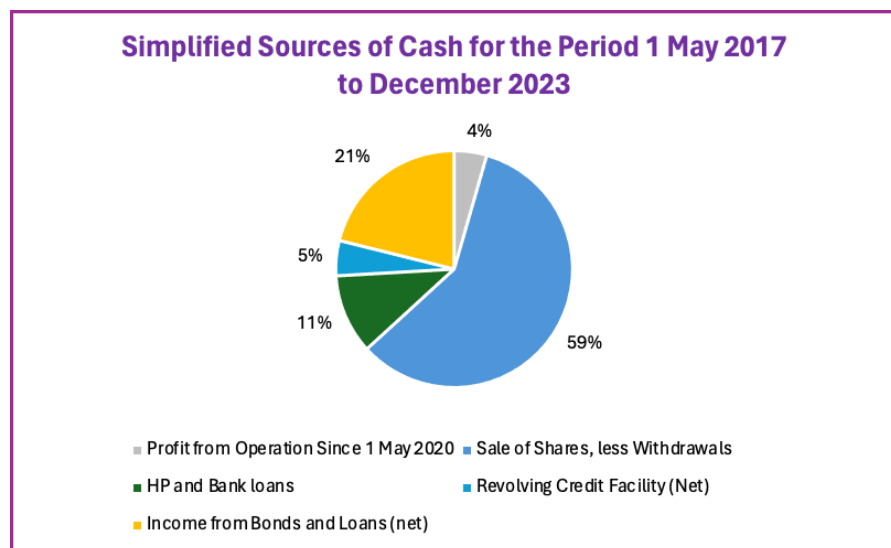


Figure 2 - - Sources of Cash

### Uses of Cash

What this paid for, is represented Figure 3, which includes about £3.22 million for the distillery buildings and equipment and £1.20 million in ageing whisky.

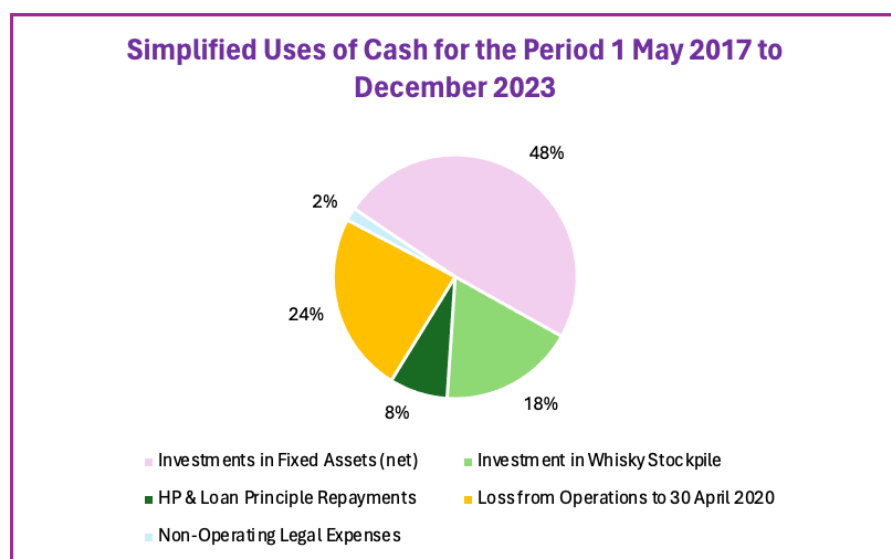


Figure 3 - - Uses of Cash

GlenWyvis has a restriction, agreed with its landlord, on its output. Consequently, GlenWyvis is currently limited to five mashes a week, which means that it is operating at about a third of its installed capacity and is therefore less efficient than it could be. Plans are in hand to increase capacity to nine mashes a week from 2025, when the restriction, by agreement, will be lifted. Ahead of that, the distillery needs to pave the way for increased production.

To meet our stockpiling costs and the bonded warehousing and production facilities discussed in detail in this business plan, the distillery must raise new funds. At minimum, this will be £1.25 million to maintain the present level of operations, which we refer to as “Baseline”. A further £1.5 million will be needed to prepare for future expansion, which we refer to as “Capacity Expansion”. Therefore, in total we are looking to raise £2.75 million.

The distillery proposes to raise this capital by means of two new Members’ unsecured bonds, augmented by new public bond and share offers. Recognising the more challenging economic environment, we have prepared a prioritised capital spending list. We recognise that there is a risk that we may not achieve the fullest extent of our ambitions at this time - - in which case we will apply the money sequentially against each item on the list as far as it is affordable. This will be followed through as new money comes in and we shall report progress against our objectives to our members.

For any items remaining on the list, the distillery will pursue other options to raise finance for them. This may include the pursuit of grants, matched funding, ‘soft loans’ at low rates of interest and long-term financing at commercial rates of interest, or a further share offer in a couple of years’ time when the fundraising climate may be better.

In the business plan put before members in January 2021, we aspired to a recovery plan to regain lost ground against the objectives set out in the original share offers of 2016 and 2017. We recognise that such a plan is now beyond our reach, partly because of external restrictions limiting our spirit production.

## Performance Against Original Objectives

The second share prospectus issued in 2017 envisaged that by 2029 annualised production would have risen to 105,000 LAA, with sales approaching £2.5 million. Pre-tax profits were predicted to exceed £500,000, and the distillery would have had a whisky inventory exceeding £4 million and twelve employees. There would be enough cash to offer shareholders a return on their investments, as well as making substantial donations to the community through the GoodWill Fund. The 2017 prospectus also indicated that there would probably be a need for further funding rounds.

In practice, the initial funding was heavily overcommitted. As a result, the distillery faced real financial challenges in early 2019 which accelerated the need to raise additional funding. Despite the highly successful fundraising campaign, there were insufficient funds to construct an urgently needed second onsite bonded warehouse. Instead, available funds were channelled towards branding of the newly insourced production of GoodWill Gin, and the creation of a virtual visitor facility on the shore of Loch Ness. Ambitious gin sales targets and margins were not met, which denied the business a steady flow of working capital.

In just over a year, seven key office-bearers (including the managing director, finance director, business planning director, HR director, communications and marketing director, vice-chairman and chairman) out of the twelve members of the Management Committee stood down from their positions.

In the two years ending April 2018, fees for consultancy and purchased services totalling £146,000 were paid to five serving directors. These were cut back dramatically at the end of 2018 as a cost-saving measure. However, there was no plan to provide for the gap left behind. Equivalent fees in the year ended April 2019 were just under £42,000.

Faced in March 2019 with the risk of insolvency, the directors acknowledged that they had no recovery plan<sup>5</sup>. They resolved unanimously to commission such work immediately. This was led by an existing member, Mr David Graham, who was a turnaround practitioner in manufacturing businesses, including food and drink.

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*5. The fee for writing the plan was set by the Management Committee 'at a level which GlenWyvis could afford' and an associated fundamental review of the company's financial system was £14,000 (of which roughly half was funded by Highlands and Islands Enterprise).*

At the annual general meeting in October 2019, Mr Graham and other appropriately experienced directors were elected to address financial weaknesses and achieve investment readiness through fully audited accounts and an enhanced business recovery plan.

There were initial production setbacks, including a fire in the woodchip store in October 2019. The cause of the fire was investigated as part of a successful insurance claim. The fire is believed to have been caused by spontaneous combustion of the woodchip fuel due to excessive moisture.

Although it was quickly dealt with and only limited damage was caused, it halted spirit distillation for five months owing to the requirement for specialised replacement parts and denied the distillery production of about 17,000 LAA. Several design improvements were made during the rebuild to avoid an accumulation of damp wood chippings and reduce the risk of future fires. Production began again in March 2020, just days before lockdown started.

In our 2021 Business Plan, we identified three bottlenecks inhibiting our growth: finance; relations with our landlord; and warehouse space. Progress has been made to address each of those, summarised below, although work remains to be done.

The distillery was designed to support a nominal production capacity of 140,000 LAA over a seven-day production period. There is nothing in the distillery's lease to restrict working hours. However, in negotiations with our landlord, who lives next door to the distillery, we agreed to restrict the distillery's operating pattern to five days a week and 46 weeks a year until the end of 2024. In return, the landlord agreed to grant a Minute of Variation of the lease (a legal obligation) linked to the preparation of a supplemental lease which would provide him with rental income in respect of the apron in front of the distillery from 2026. To date the landlord has not fulfilled this obligation.

The distillery's limited production (five mashes per week over a 46-week production calendar) equates to the distillation of about 43,000 LAA annually, which represents about 30% utilisation of the distillery's installed capacity. We also agreed with our landlord that the distillery would increase production to nine mashes a week (equivalent to over 75,000 LAA annually) from 2025.

We now recognise that the 'Catch-up scenario' recovery plan put forward in our 2021 Business Plan and accepted by our members is no longer attainable. Among other factors, the Management Committee's view is set out below:

- The acquisition of the landlord's farm would not be an effective use of the Society's resources.
- We cannot see a way to overcome the objections raised by the planning authority to create a visitor centre on the site.

### **Litres of Absolute Alcohol (LAA)**

*When you buy a bottle of whisky (or any other spirit, for that matter) its alcohol content is stated on the label and may, for example, be 40% abv (alcohol by volume). That means that 60% of the liquid in the bottle is water and the rest (40%) is alcohol. Within a distillery, there are liquids with many differing alcohol strengths. The 'low wines' are the product of the first distillation and may be around 25% abv; the spirit from the second distillation is expected to be much stronger - - around 70% abv.*

*Conventionally, most casks are filled at 63.5% abv, and will gradually lose strength during the maturation period. Whisky is generally bottled at strengths between 40% abv and 46% abv.*

*LAA is used as a standardised measure across the industry. It effectively ignores the water and expresses everything as equivalent to a litre of pure alcohol or part thereof. Therefore, a newly filled cask which holds 200 litres of spirit at 63.5% abv is described as holding 127 LAA; and a 1 litre bottle of whisky at 40% abv is described as 0.4 LAA. Having a consistent, common measurement like this makes it much easier for the authorities to levy and collect excise duty and taxes.*

### **Why don't we just count casks?**

*Maturation casks come in a variety of sizes from firkins at 55l to sherry butts at 500l. So, just counting casks is like adding apples to oranges, pears and bananas! In addition, as each cask ages, the amount of spirit it contains diminishes with evaporation - - so two casks of the same size won't necessarily hold the same quantity of spirit. These losses occur in two ways - - partly by diffusion into the wood of the cask when the spirit is first poured into it; and partly by evaporation over the period of storage, colloquially known as "the angels' share".*

- The planning permission to build a second bonded warehouse on the lower subjects of the lease has expired.

Despite requests, the Management Committee has not received costing information from the landlord to assess the likely cost and legal terms for converting the landlord's existing cow shed as a potential expedient low-cost warehousing solution, and are therefore not able to consider this as a feasible option for development.

## Bottlenecks

**Finance:** The distillery's business remains cash hungry. The Management Committee raised £411,000 from the 4% Members' Bond issued on 1 July 2021, and negotiated an increase of £200,000 in an existing HP facility. We have continued to pursue opportunities for government loans and grants yielding some £50,000, and we have successfully negotiated a revolving credit facility with Clydesdale Bank which has provided a facility giving us £325,000 of working capital, secured against the GlenWyvis-owned whisky we hold in casks. We are requesting an extension of this facility as a temporary measure. We also maintain ongoing exploratory discussions with other potential sources of funding.

**Landlord Disputes:** After his resignation as Managing Director, relationships with Mr John McKenzie, the founder of GlenWyvis and its landlord, deteriorated. A significant number of issues were raised by him, some relating to interpretation of the lease, some to management and operation of the distillery, and some relating to the impact of the business (which is adjacent to his home) on his family life. Following five months of negotiation, both parties signed a Mediation Agreement on 1 May 2021, the outcome of which was notified to members at the June 2021 AGM. The mutual objective of both parties was to see the distillery succeed whilst operating in peaceful co-existence.

Although the Management Committee has worked hard to deliver its obligations, there remain outstanding issues and areas of disagreement.

In 2021, the distillery sought a court order to restrain the landlord from conduct which it considered disrupted the distillery's business and made staff feel harassed. After an unsuccessful attempt at mediation, that matter has now been considered at Inverness Sheriff Court. A judgement was made on 13 March 2024, which was in GlenWyvis' favour. Separately, there is an arbitration, initiated by the landlord, to resolve disputes under the lease. We are hopeful that a decision will be issued by the summer of 2024.

**Warehouse space:** the distillery's bonded warehouse onsite has been full since late 2020. Before Covid, the Management Committee negotiated the lease of Inchberry, characterful old steadings at Lentrane. GlenWyvis obtained planning permission and sought quotations for the necessary works including internal fire and employee protection measures. In line with GlenWyvis' green credentials, the utilisation of embedded carbon in an existing building and the rejuvenation and repurposing of a heritage property were also significant contributors to the choice.

Post Covid, the scarce availability of contractors, labour, materials and inflation has meant that progress towards commissioning the site was delayed and the costs are now substantially greater than was first estimated. After detailed consideration the option of converting Inchberry into a warehouse may now be too expensive. Several third party storage options are becoming available.

Unless we construct and/or lease our own warehousing we will need to continue to store casks at commercial warehouses.



## Where Are We Now?

### Members' Survey 2020

We know, like the members of the Management Committee, volunteers, and our distillery team, that most of our members are interested in community and environmental good, rather than a financial return; and they know the project is risky because of its long-term nature.

We received over 1,300 responses - - representing the views of 36% of all shareholders - - a huge testimony to shareholder involvement! Most respondents (97%) were in favour of capacity expansion at the earliest opportunity, and many indicated their willingness to give it financial support through buying shares, making loans, or buying casks. Despite their disappointment that the earlier planning application for an onsite visitor centre had failed to win approval, several members voiced their desire to see a fresh visitor centre proposal brought forward and the creation of closer links with the community. Here are just some of their comments.

#### Our Shareholders' comments

- *Keep up the good work! Proud to be a shareholder and looking forward to that whisky maturing :)*
- *Difficult period past and even more difficult ahead, so vital that members are involved and can assist the distillery to achieve both the distillery and shareholders goals.*
- *Support the direction in which the Distillery is trying to grow its business.*
- *I would like to see the distillery open to visitors with the idea of a shuttle minibus to take them there.*
- *I have been impressed by your business plan and approach since the start of the company. I invested in order to create sustainable jobs in the village and area. I wish you the best of luck for the coming year, as it won't be easy in this economic climate. Keep up the good work.*
- *I haven't invested to make a packet but to support your brave and goodhearted venture in the North. Clearly you have had setbacks, but as long as you keep investors informed - of the good and the more difficult issues - you will retain loyalty. Lang may your lum reek!*

We are pleased to report that we have done the following:

- a) Maintained production and full customer service **throughout lockdown**.
- b) **Re-established a sales presence** at local events and with key retailers.
- c) **Deepened our engagement** with our community through various initiatives.
- d) Improved our **website**.
- e) Maintained communications with our members throughout, including holding **virtual members' meetings** during lockdown.
- f) **Defended the interests of our 3,625 members** against interference with their interests.

## What About Our Financial Performance?

Here are the highlights from our financial statements since the year ending 30 April 2019, as represented in Figure 4. For the last three years the distillery has made a profit. Whisky distillation started in January 2018, so this period reflects the first full year of operation<sup>6</sup>.

### Historic Income Statements

Year Ended	30-Apr-19 (restated)	30-Apr-20	31-Dec-20 (8 months)	31-Dec-21	31-Dec-22	31-Dec-23 (unaudited)
<b>Income Statements</b>						
Turnover	290,195	343,881	153,527	626,640	587,948	527,885
Gross Profit	91,211	58,034	58,484	361,599	311,667	266,137
Other Income (Expense)	36,509	163,340	28,856	12,045	(36,139)	(63,977)
Administrative expenses	(543,124)	(357,656)	(137,432)	(201,398)	(232,561)	(195,404)
Interest		(2,500)		(6,243)		(1,794)
Net Profit / (Loss)	(415,404)	(138,782)	(50,092)	166,003	42,977	4,962

Figure 4 - - Historic Income Statements

In 2021, the distillery had spirit that had matured for three years (and therefore had legally become whisky). Batch 1 (inaugural release) was launched with great success, and at a significant premium. This resulted in a turnover of £626,640 and an operating profit of £153,958. Sales of Batch 1 also contributed to 2022's turnover by £39,734.

We did not expect to repeat the success of the inaugural release in 2021 and have been working to open more export markets. We have also had to manage the ongoing disputes with our landlord. The distillery released Batch 2 in 2022 and reported a turnover of £587,948 and an operating profit of £79,106. Our turnover in 2022 included exports of £47,520, on which the duty would have been about £15,000. Therefore, for a sensible comparison the turnover for 2022 was about £563,214 (587,948-39,734+15,000).

<sup>6</sup> [Members approved the recommendation to change our accounting period from one ending on 30 April to one ending on 31 December with effect from 2020. There was a transitional reporting period of 8 months from 1 May to 31 December 2020 and the first full calendar year report ended on 31 December 2021.](#)

In 2023, exports more than doubled to £102,030. The duty relating to this would have been around £45,000. As UK sales includes duty, to give a comparable figure for exports, we need to add an amount for the duty that would have been paid, that is an extra £30,000 would have to be added to 2023's turnover to make it comparable with 2022, giving £557,885. In other words, the underlying turnover for 2022 and 2023 were about the same.

The sales in the first nine months of 2023 were significantly behind expectations. A contributory factor was the loss of a member of staff who had been with us from the start. Since then, we have built a more resilient team, which includes the appointment of a CEO, Meeghan Murdoch. In this role she has revitalised sales, broadened our client base, opened new export markets and is planning the introduction of new products.

In addition, the distillery has a good track record of well received releases, which provides an excellent platform for the future. We will now also be doing occasional single cask releases to follow up on our success in December 2023.

A review of the distillery's performance would be incomplete without referring to the negative impacts the disputes with the landlord have had. In financial terms, the distillery's legal fees for 2022 and 2023 amounted to about £116,000. In addition, the disputes have consumed energy that could have otherwise been applied to advancing the distillery and our community engagement. We look forward to the resolution of these disputes in 2024.

## Historic Balance Sheets

Year Ended	30-Apr-19	30-Apr-20	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
	(restated)		(8 months)			Unaudited
<b>Balance Sheets</b>						
Fixed Assets	2,800,420	2,683,609	2,647,095	2,579,445	2,547,347	2,500,554
<b>Whisky Stockpile</b> (at cost)	219,234	280,638	520,715	704,683	909,599	1,162,561
Other Current Assets	232,960	416,683	396,600	430,794	255,334	275,230
Current Liabilities	(239,088)	(305,267)	(561,455)	(346,513)	(353,437)	(390,727)
Long-term Liabilities	(560,923)	(741,092)	(728,726)	(931,027)	(881,532)	(1,121,593)
Total Assets	2,452,603	2,334,571	2,274,229	2,437,382	2,477,311	2,426,025
Share Capital	3,733,900	3,754,650	3,744,400	3,741,550	3,737,050	3,730,800
Reserves	(1,281,297)	(1,420,079)	(1,470,171)	(1,304,168)	(1,259,739)	(1,299,775)
Net Worth	2,452,603	2,334,571	2,274,229	2,437,382	2,477,311	2,431,025

Figure 5 - - Historic Balance Sheets

Our balance sheets, Figure 5, illustrate the steady growth of our stockpile (“Whisky Stockpile”) of maturing spirit, stated at the lower of cost or market value in line with normal accounting convention (now £1,162,561). At a conservative estimate, the Management Committee considers the market value of the Whisky Stockpile is already significantly higher and will continue to appreciate.

## Historic Funding

As well as the share capital from the first two share offers, GlenWyvis has raised £1.77 million in the following ways. It benefited from government grants of just over £305,000 as well as private donations. Additional working capital came from a seven-year asset-backed hire purchase facility (increased to £700,000 from the £500,000 negotiated in 2018), augmented recently by a six-year coronavirus Bounce-Back Loan of £50,000. In 2021, a 4% Members’ Bond raised £411,000 - - repayable in three equal tranches in 2025, 2026 and 2027. The distillery also negotiated a revolving credit facility with Clydesdale Bank to generate working capital finance of up to £325,000 over the coming three years.

The principal pressure comes from the very long-term nature of distilling and maturing whisky. This ties up money in the maturing spirit, the provision of physical storage and security facilities and servicing the finance required. In other words, while the distillery is in the Whisky Stockpiling phase of its development more money is being poured into casks than is generated in sales revenue.

## Audits

We have successfully completed four full professional audit cycles of our accounts, including two since we made radical changes to our accounting system to make it fit for purpose. These external audits have not raised significant concerns about the integrity of our new systems and controls, and all comments made by our auditors have been addressed to their satisfaction.

To be clear, under the law relating to Community Benefit Societies, we are not required to have a formal audit<sup>7</sup>. However, in 2019 new directors were appointed and they recommended that GlenWyvis should submit itself to a full audit because, at the time, the directors had identified inconsistencies in the distillery's accounting practices. Now that these inconsistencies have been addressed, the systems overhauled thoroughly, and following the four successive audit cycles, the Management Committee is now satisfied that it can recommend that the Society is subject only to an independent verification of the inventory of maturing spirit instead of full audits. This will reduce costs but retain appropriate and adequate checks. This has taken effect from the 2022 accounts and was agreed by the members at the annual general meeting in June 2023.

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<sup>7</sup>*The current thresholds are gross assets in the previous year below £5.1 million and turnover below £10.2 million.*

## What Lies Ahead?

The Management Committee has prepared a thorough forecast of our sources and uses of cash running forwards to the end of 2032. This forecast is based on restricting production to only five mashes a week until the end of 2024.

### GlenWyvis forecast annual whisky production volumes – Baseline forecast

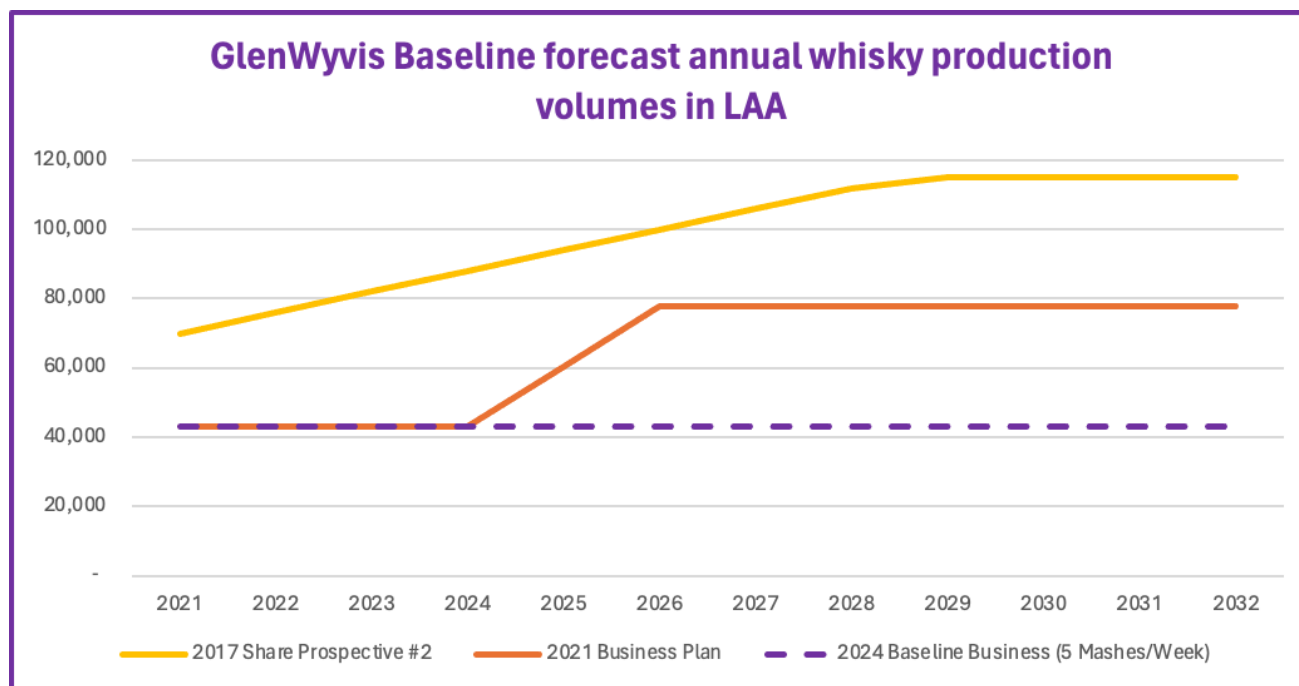


Figure 6 - - Forecast Baseline Annual Whisky Production Volumes in LAA

Figure 6 compares production forecasts from the 2017 share prospectus #2, the 2021 Business Plan and this, the 2024 Business Plan. It shows what production will be, compared to earlier forecasts, if the distillery continues at the present Baseline level of five mashes per week.

**Five mashes a week is our “Baseline”.** Under the Baseline forecast, our Whisky Stockpile will grow to some 367,000 LAA by 2032, refer to Figure 7.

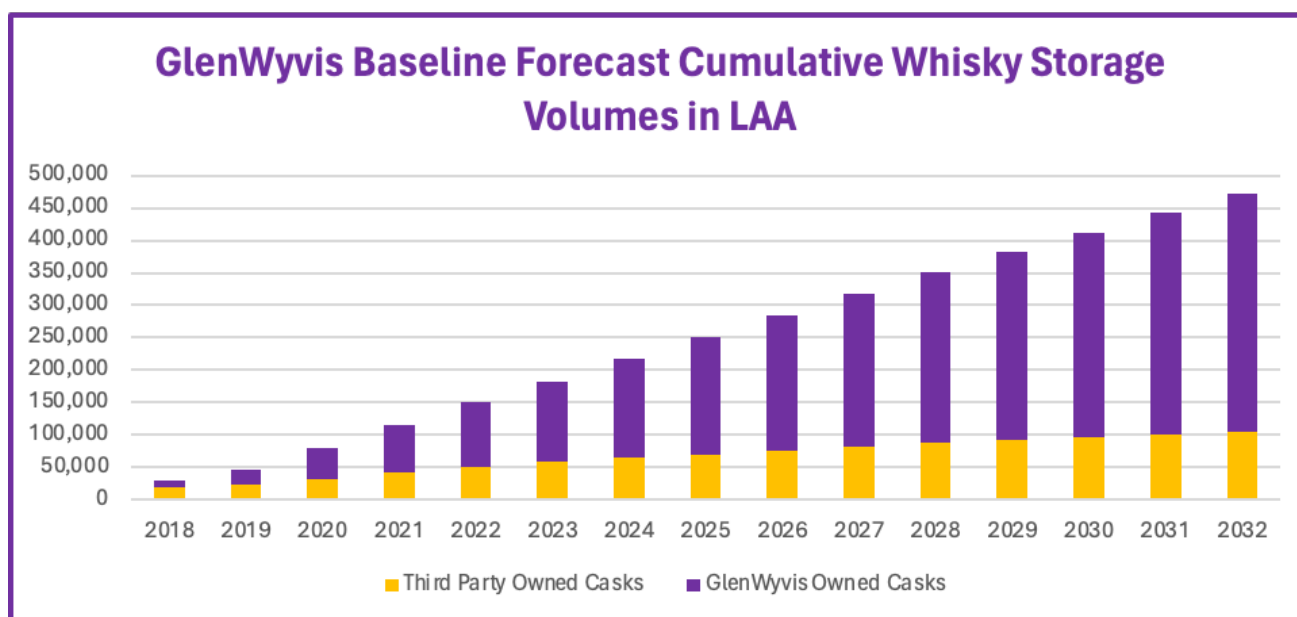


Figure 7 - - Forecast Baseline Cumulative Whisky Storage Volumes In LAA

In addition to the casks owned by GlenWyvis, we are obliged to provide storage for up to 10 years for the casks which were allocated as share rewards as well as for private and trade cask investors through our Cask Offers.<sup>8</sup>

We consider that it will be beneficial, and consistent with our values, to use local storage rather than to continue outsourcing. Knowing that we must obtain the necessary planning permission and other consents in addition to the construction lead time, we need to start the project for our next increment of warehousing to have the facility ready for operation in 2025.

## Recruitment

The distillery has recently undergone some restructuring. The status quo, for the reasons discussed below, was not sustainable or appropriate.

Effectively more than one director has had to act in an unpaid executive capacity, taking responsibility for tasks including those set out below. This was done in addition to the normal policymaking, governance, and supervisory roles of the Management Committee.

1. Interaction with our landlord.
2. Recruitment of new directors and staff.

<sup>8</sup> We expect that many investors may choose to bottle their casks before their whisky becomes ten years old (those owning the smaller firkins and quarter casks will discover that their spirit will mature more quickly due to the greater ratio of the contact surface area of the cask to its liquid contents). For those who elect to keep their casks longer, we shall introduce a storage, sampling and annual inspection charge which reflects the continuing costs to the distillery.



3. Appointment of professional advisers.
4. Review of annual accounts and working with our reporting accountants
5. Researching and writing the business plans.
6. Managing members' meetings.
7. Negotiating new tranches of funding including bank and commercial lending, grant applications.
8. Preparing the share offer
9. Establishing the members' and public bond offers.
10. Design, specification, and implementation of the new accounting system.

To address this issue the distillery entered into a consultancy agreement with Ms Meeghan Murdoch, who was elected to the Management Committee in June 2023. Meeghan has worked in many areas of the drinks industry. From buyer to importer and exporter, and from wine maker, brewer of sake and beer to distiller. She has run operations for two distilleries, one in London and one in Scotland and helped set up two bonded warehouses. Under the terms of the agreement Meeghan is performing the duties of a CEO. The agreement commenced on 1 November 2023 and is subject to review after six months. Meeghan is contracted to work on average three days/week.

We have also recruited a new stillroom operator to ensure that there is adequate vacation and illness cover, and to release the Distillery Manager to concentrate more of his time to overseeing sales and marketing and new product development. As both home and export sales increase, we need to put more staff resource into sales and marketing, especially since most events inevitably require weekend working. As a responsible employer, we also want to afford our distillery team opportunities to follow relevant vocational training and development, and to attain recognised industry qualifications.

Furthermore, as previously discussed, we plan to recruit, engage volunteers and use consultants to carry out tasks including these:

1. Oversee the training and development of the team.
2. Manage a full warehouse and bottling facility construction programme and associated reconfiguration.
3. Engage with our members and external organisations, including local community groups and funders.
4. Drive the team forward to success in all our markets to help GlenWyvis achieve its goals.

## Cost pressures

Due to the impact of the Russian invasion of Ukraine on grain prices, coupled with the cost of living crisis, we have seen high inflation increases in the costs of all raw materials and transportation, many in double-digit percentages. Malted barley, casks and glass have been particularly affected, owing to the energy used in their production. Suppliers and contractors are experiencing severe delays within their own logistics chains and critical spare parts from Europe can face lead times of 10-16 weeks. Wage rises have had to reflect the impact of general inflation. Our business plan has been based on the latest available pricing from our suppliers so that we avoid the worst surprises as costs escalate. Although the rate of inflation has decreased it is likely to remain high until 2025. The cost of borrowing is also considerably higher than before the spike in inflation.

## GlenWyvis funding requirement to support Baseline production

To continue with the baseline plan, we estimate that we need to raise an additional £3.1 million by 2032. That would allow us to grow the whisky stockpile from about £1.2 million to £4.7 million. In addition, we would need about £400,000 to build another warehouse or find affordable bonded storage to rent long-term.

## GlenWyvis forecast whisky production “Capacity Expansion”

Our commitment to members was to recover as much lost ground as possible against the projections made in the original share prospectus. The Management Committee acknowledges that the earliest opportunity to increase production is at the beginning of 2025, when we could move from five mashes to nine mashes per week, an increase of 80%. We consider that this increase in production is within our capability without significant investment in distilling plant and equipment. In other words, it can be achieved substantially by a change in shift patterns and longer working hours.

Under this scenario, from the beginning of 2025, the distillery will increase production to nine mashes a week as agreed in 2021. If we restrict the amount we allocate to cask and bottled sales to about 35% of production annually, this will give us about 561,354 LAA by the end of 2032. This compares with 367,474 LAA under the Baseline case.

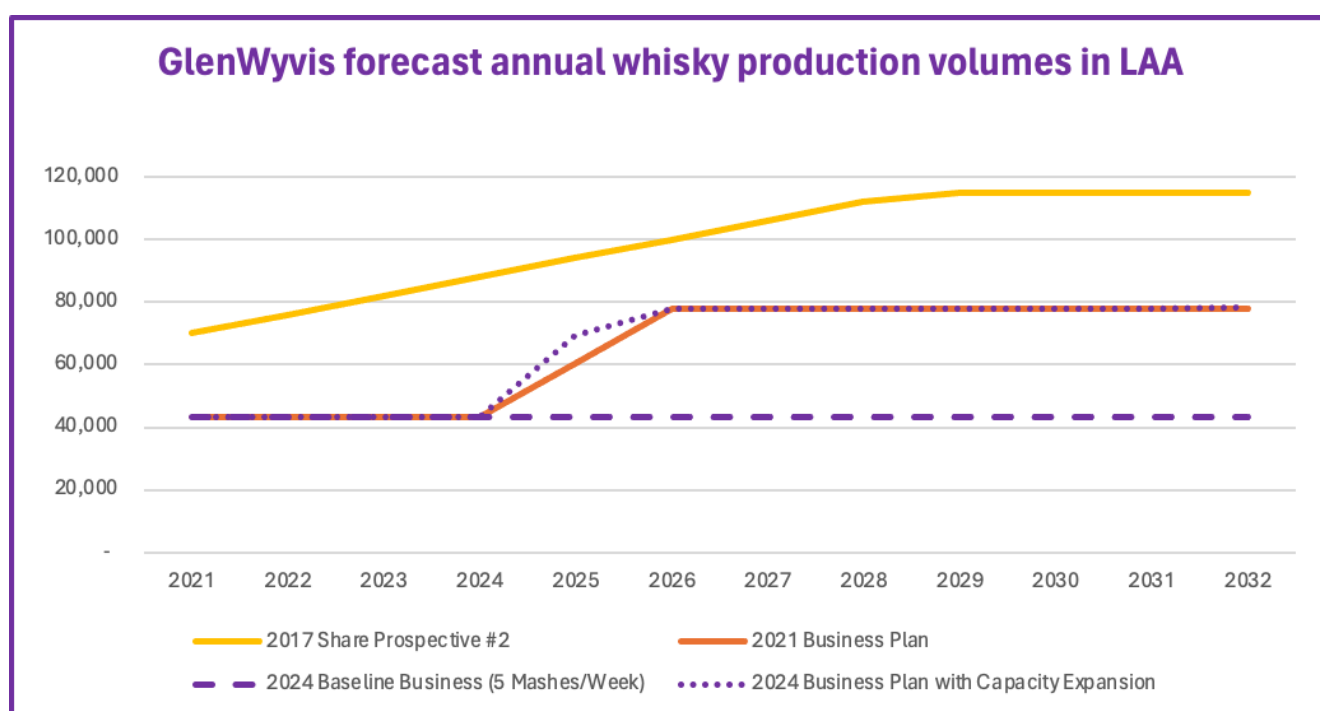


Figure 8 - - Forecast annual whisky production volumes in LAA

Figure 8 shows the impact of raising our production forecast - - from 43,130 LAA annually to 77,700 LAA with effect from the beginning of 2025. It allows for a launch curve in the first quarter while we build experience of the new working pattern and to iron out any issues which may arise. This will take us from five mashes per week to nine mashes per week for 46 weeks per year. Each mash cycle yields an average of 187 LAA. Therefore, an increase from 935 LAA a week from five mashes to 1,683 LAA when operating on nine mashes/week; an 80% increase.

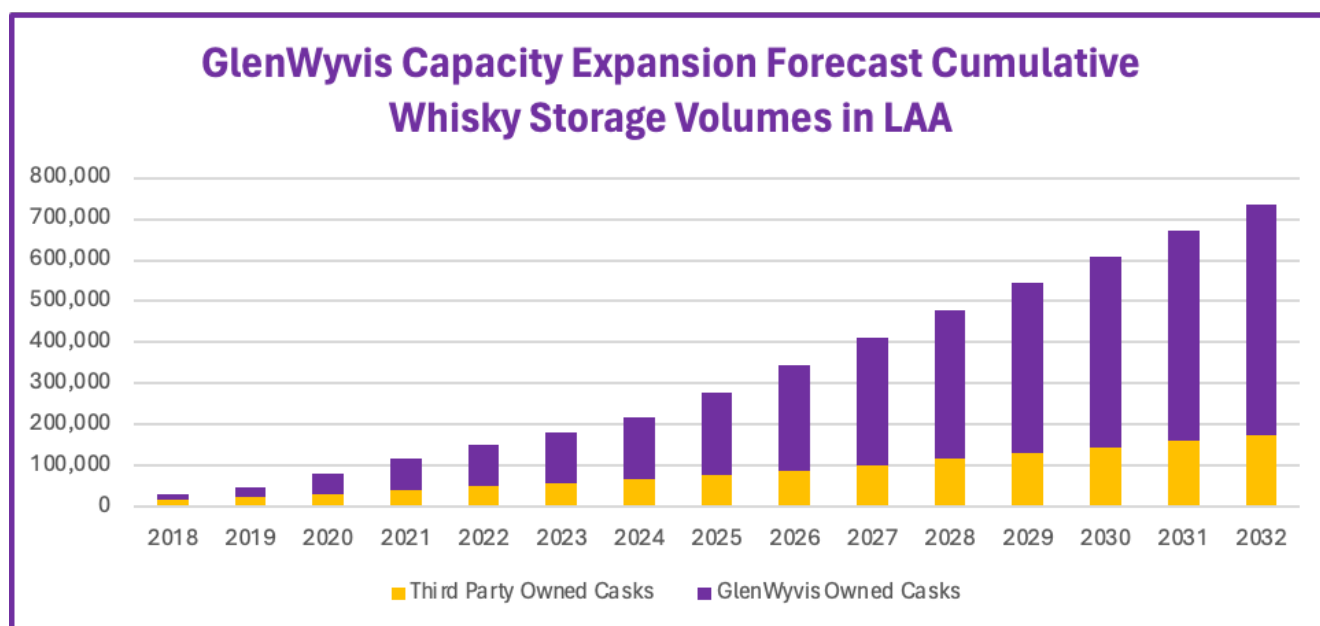


Figure 9 - - Forecast Capacity Expansion Cumulative Whisky Storage Volumes In LAA

Capacity Expansion increases our stockpile from 367,474 LAA in 2032 to 561,354 LAA, an increase of close to 53%, refer to Figure 9. Under this scenario, Capacity Expansion, our requirement for additional bonded warehousing almost doubles by 2032.

The Management Committee has decided to retain a high proportion of the early-vintage whisky (typically about 65%) so that we will have enough in the years from 2029 onwards to satisfy demand for GlenWyvis whisky aged 10 years and more. This is being done to capitalise on the premium price for older whiskies. We cannot sell the same whisky twice, so that places restrictions on the volume of whisky we can sell from the early distillation years 2018-2023. In the interim period, a limited quantity of this precious early whisky is available to private investors through our Cask Offer, some may be available to bulk trade customers, and some may be bottled for sale to our members and through specialist retail outlets in the UK and selected export markets.

Our whisky retention policy required careful thought. We will have 10-year-old whisky available for bottling from 2029. It is a fact of life that the older it becomes, the greater the ‘angels’ share’, or loss by evaporation. Figure 10 below represents what may be available. You will see that as time goes by the quantity of 2018 vintage whisky reduces by roughly 2% annually. In terms of standard 70cl bottles at a strength of 46% abv, 5,000 LAA should yield just over 10,000 bottles, which would be sufficient for a single release slightly larger than our Second Release in June 2022.

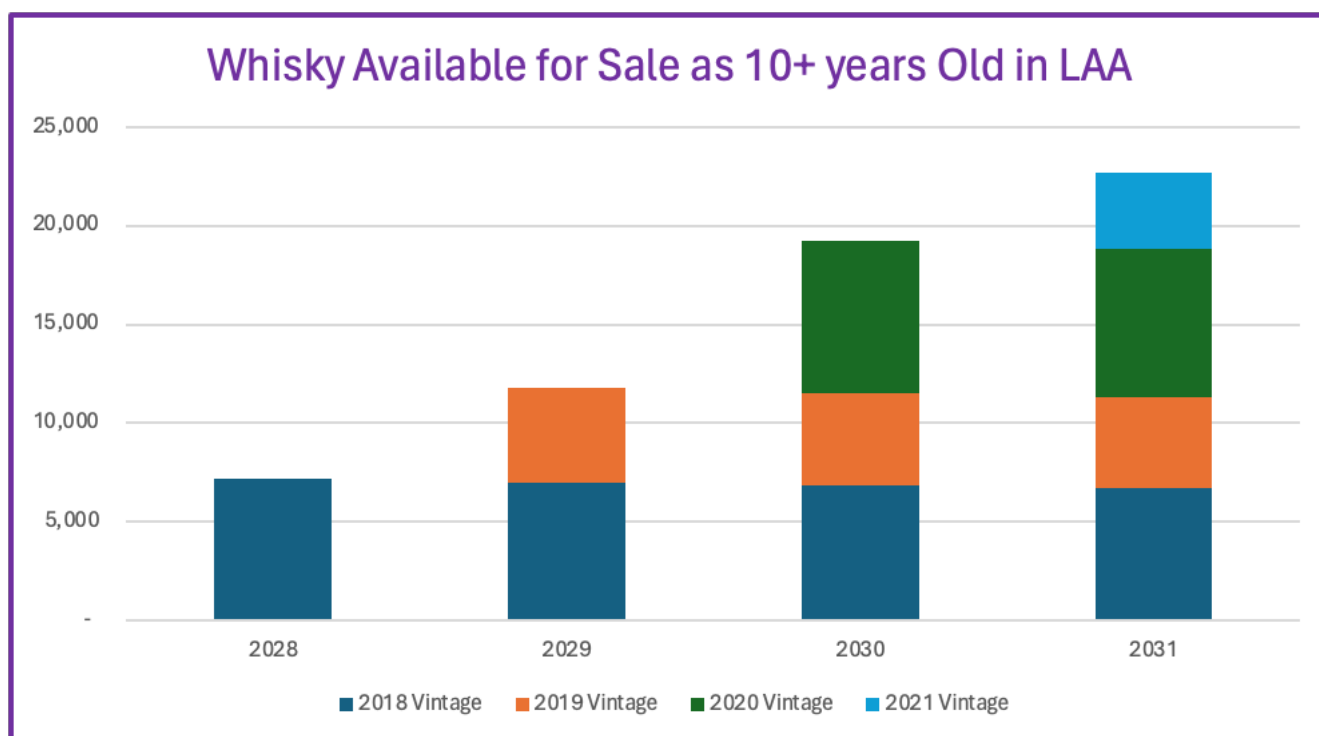


Figure 10 - - Baseline Forecast Ten-year-old Plus for Sale in LAA

We must carefully balance our stewardship of the maturing whisky against, changes in the market and the need to generate cash. We believe that the route to market through specialist retailers is key to the distillery's success - - GlenWyvis simply doesn't have deep enough pockets to fund the promotions and campaigns which supermarkets demand, nor can it make a realistic margin at the critical price points supermarkets set.

### Funding requirement to support expanded production from 2025

Increasing the distillery's capacity from 2025 will afford opportunities to increase sales from the baseline plan - - especially cask sales. We estimate that, instead of the £3.1 million by 2032 required by the baseline plan, we need to raise £3.5 million.

The Management Committee recommends that we engage a local developer to build a bonded warehouse, which would be funded by a commercial mortgage over a 15-20 year period. A further warehouse would be required later in the cycle - - probably by 2029-30 - - and there is sufficient space on the plot currently being considered to accommodate it.

Meanwhile, there are some infrastructure activities which need to be considered because they will require to be in place in advance of Capacity Expansion.

## Green Credentials

The distillery benefits from renewable generation (hydro, solar and wind) and heat from a biomass boiler. In anticipation of capacity expansion to nine mashes a week from 2025, a study has been commissioned to describe what impact that expansion will have on our energy demands.

## Existing Onsite Resources

GlenWyvis benefits from the availability of onsite energy generation - - owned by our landlord. Although these have been sufficient to meet our needs, Capacity Expansion will be at risk if action is not taken to establish more robust solutions.

### Electricity supply

The landlord owns renewable energy resources generated onsite from a combination of hydro, solar and wind facilities. Under the terms of both share prospectuses and the lease, the distillery has the benefit of free energy up to a total of 67,000 kWh annually, subject to 5,000 kWh always being available to the landlord. The distillery was also granted the right to connect to the grid and to lay cables over the landlord's surrounding property to facilitate this.

Clearly, these forms of renewable energy are dependent on weather conditions. When energy needs to be imported from the grid, the high-voltage input from the grid complements the renewable energy facilities and protects against loss of production.

GlenWyvis bought and paid for the high-voltage connection to the landlord's control box. Renewable energy is fed to the landlord or the distillery in line with demand, and when there is an excess of supply over demand it exports energy to the grid under the Feed-In Tariff scheme, generating income for the landlord.

### Biomass boiler

The biomass boiler and woodchip store were designed for more than nine mashes each week and therefore have adequate capacity to meet the demands of Capacity Expansion.

## Water supply

Under the terms of the distillery's lease, the distillery has non-exclusive access to water from the landlord's existing borehole, as well as the right to drill a further borehole should the need arise. During 2022, we lost fourteen days' production owing to a dry period that brought groundwater levels critically low around Scotland. Although not the only distillery to suffer shortages, GlenWyvis has a comparatively low demand. The distillery's highly efficient plant allows the recycling of process water three or four times over for various tasks. However, it makes sense for the distillery to establish an additional backup water source sufficient to cover for dry periods. When production expands to nine mashes a week, additional supplies will become essential.

## New, independent Renewable energy sources

Given the concerns discussed above, the Management Committee is actively pursuing opportunities to establish its own independent utility supplies as a safeguard against shortages when production is ramped up in 2025 under the Capacity Expansion scenario.

### Independent electricity supply

We expect that the distillery will require to install its own sources of renewable energy.<sup>9</sup> We want to retain our high-voltage grid connection and invest in battery storage to protect against loss of production when generation of renewable energy is temporarily inadequate to meet production demands. We anticipate that we shall need several months to evaluate this proposal properly, obtain the appropriate permissions and then install it. Therefore, it makes sense to begin the planning process early so that the power generation resources will be available in good time to achieve Capacity Expansion.

The Management Committee has commissioned expert help to determine how an independent grid connection can be established and routed directly to the distillery, how the sourcing of supply from the landlord's renewables can best be continued, and separately how the distillery might set up its own renewable energy generation equipment in support of Capacity Expansion in 2025 (which could foreseeably increase electricity demand by up to 80%). While production remains capped at five mashes a week, the distillery believes that its annual consumption is likely to be within the 67,000kWh available under the lease. Because there is variation between the timing of energy generation and distillery energy demand, it accepts that there will be times when energy needs to be imported from the grid. In addition, there will be times (such as holidays and weekends) when the energy generated will be exported to the grid because the distillery is silent and has minimal demand.

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<sup>9</sup> [Solar and wind generators, plus appropriate battery storage so that it can make the maximum use of power generated while the distillery demand is low - - at weekends, for example.](#)

The investment required to resolve this situation has not been established accurately. It is estimated to be up to £60,000. The Management Committee will pursue opportunities for grant funding or low-cost community loans to fund this proposal.

### Supplementary Water supply

To mitigate against the risk of recurrent water shortages, we have reviewed the options: firstly, of sinking a second borehole to provide backup and potentially additional capacity; and secondly, to evaluate the costs and benefits of a mains water connection to provide backup in dry summer months. There are inherent risks in sinking a new borehole: if it merely taps into the same underground reserves as the existing one, it may be less productive than expected; or the hole may be dry. We consider that the best way ahead, subject to geotechnical and hydrology input, is to commission the drilling of a new borehole and in addition to instal a mains water connection direct to the distillery as backup.

The exact investment required to resolve this situation has not been fully costed - - drilling a borehole is expected to be in the region of £15,000, but the cost of the related facilities, storage tanks and connection to existing distillery plumbing is dependent on the exact yield and location of the borehole in relation to our requirements. For the time being, we assume that the total costs will not exceed £40,000.

Meanwhile, we have received assurance from the water authority that the local mains water supply has adequate capacity to meet our needs, but a full connection survey would require our landlord's full cooperation.

### Effluent Disposal

The way in which the distillery was constructed means that effluent disposal doesn't match our environmental goals. We have engaged professional consultants to advise us on effluent disposal. At present, our effluent comprises distinct streams which are brought together in one tank. This is emptied on a regular basis and taken to an anaerobic digester (which, in turn generates green electricity) for appropriate safe disposal.

One of our significant regular expenses is the removal of effluent, which costs about £22,000 annually. We expect this to increase proportionately with Capacity Expansion in 2025 - - bringing it closer to £40,000 annually.



Studies to date have identified opportunities to manage our effluent collection and disposal differently, but so far, we have not identified a cost-effective or scalable solution. Our suppliers have reduced the number of trucks used to dispose of the effluent by using articulated vehicles. This has also generated savings of £18,000 annually<sup>10</sup>.

## Effluent Content

Our effluent is made up of three different waste streams:

- ☐ 'pot ale' which is the residue from the first distillation;
- ☐ 'spent lees' which is the residue from the second distillation and which may contain traces of copper from the stills as well as a heavy fusel oil residue, which are probably the most toxic and difficult to dispose of; and
- ☐ caustic solution used in the cleaning process.

These elements are run together, then stored in a large tank onsite. Because of the cross-contamination, there is no readily available method to safely dispose of the effluent, except through an anaerobic digester.

We discovered in 2023 that, on occasion, an effluent discharge stream that should have been gone to the effluent tank was being discharged to ground – this resulted from a flaw in the original construction and/or operating regime. This was a matter of great concern to the distillery. The discharge was immediately stopped. It is understood that any environmental damage was minor, no remedial works were necessary. Any environmental damage will have now healed. In lieu of a penalty, we have proposed to SEPA that we will contribute to local ecological causes through the GoodWill Fund to raise environmental awareness and contribute to schemes that will improve the local environment. We are also working to improve our understanding about all aspects of our operation to make further environmental impact improvements.

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<sup>10</sup> [Our suppliers of bulk malt and our duty-suspended haulage contractors, who take filled casks away to our bonded warehouse or to our bottlers, have already been using articulated vehicles since 2018.](#)

## Sales Outlook

### Annual sales revenue forecast

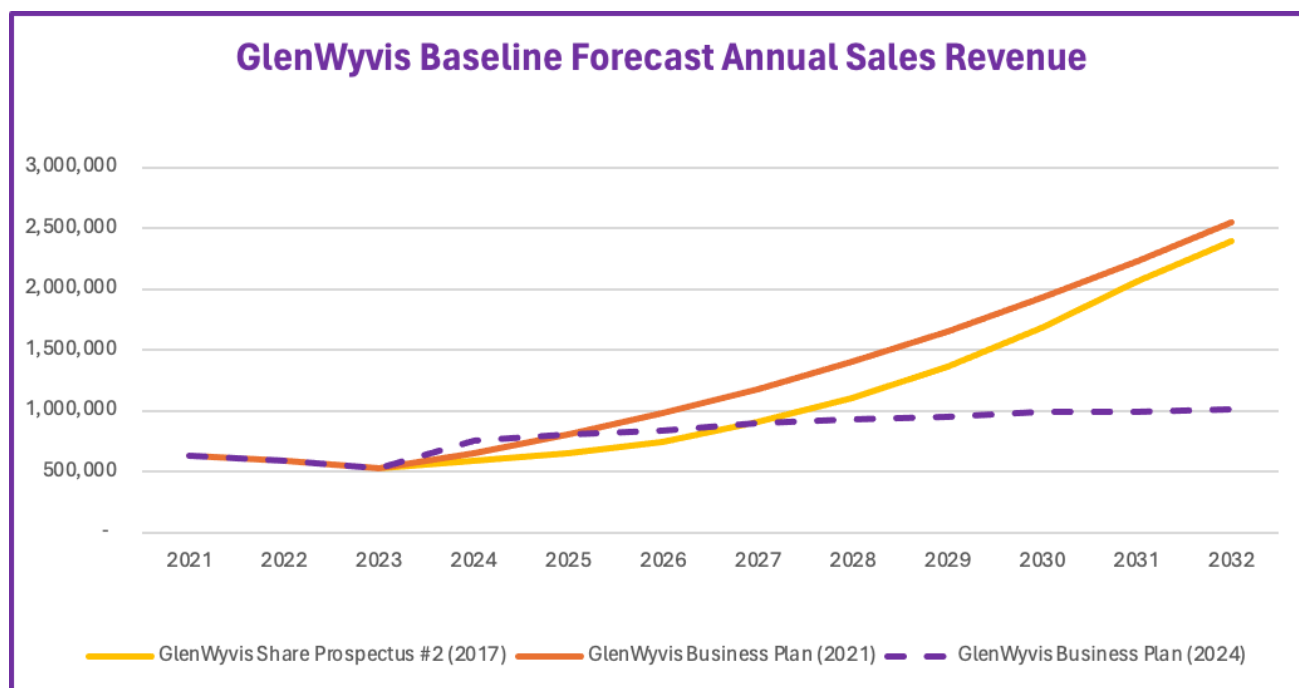


Figure 11 - - Baseline Forecast of Sales Revenue.

Our sales revenue forecast, Figure 11, is primarily determined by our whisky retention policy. Even if we expand production capacity in 2025, spirit distilled in that year will not mature for bottled sales until 2028 at the earliest, therefore, our revenue forecast will not show a significant uptick before 2029.

While we will continue to produce and sell GoodWill gin to satisfy demand, its margins are comparatively poor in today's overcrowded and highly competitive gin market. It is difficult for us to transform the economics of this product when we are unable to achieve the over-optimistic volume projections<sup>11</sup> claimed at the outset. GlenWyvis merchandise cannot play a meaningful role in the distillery's revenue calculations when there is no visitor centre to attract tourists and customers. Therefore, our forward revenue projections are much lower now than those on which the share prospectuses were based.

<sup>11</sup> [For example, in the original prospectus gin sales rose to £250,000 annually, but these are now expected to be less than £30,000 annually.](#)

## Profitability

We need to raise additional funds through a combination of new bonds and shares because even at five mashes a week (Baseline), the distillery does not have the capability to earn enough from sales to fund its stockpiling programme, cover its overheads and service its finance, as shown below.

Based on these core elements, the Management Committee has prepared a forecast of sales revenues and profits through to the end of 2032, refer to Figure 12.

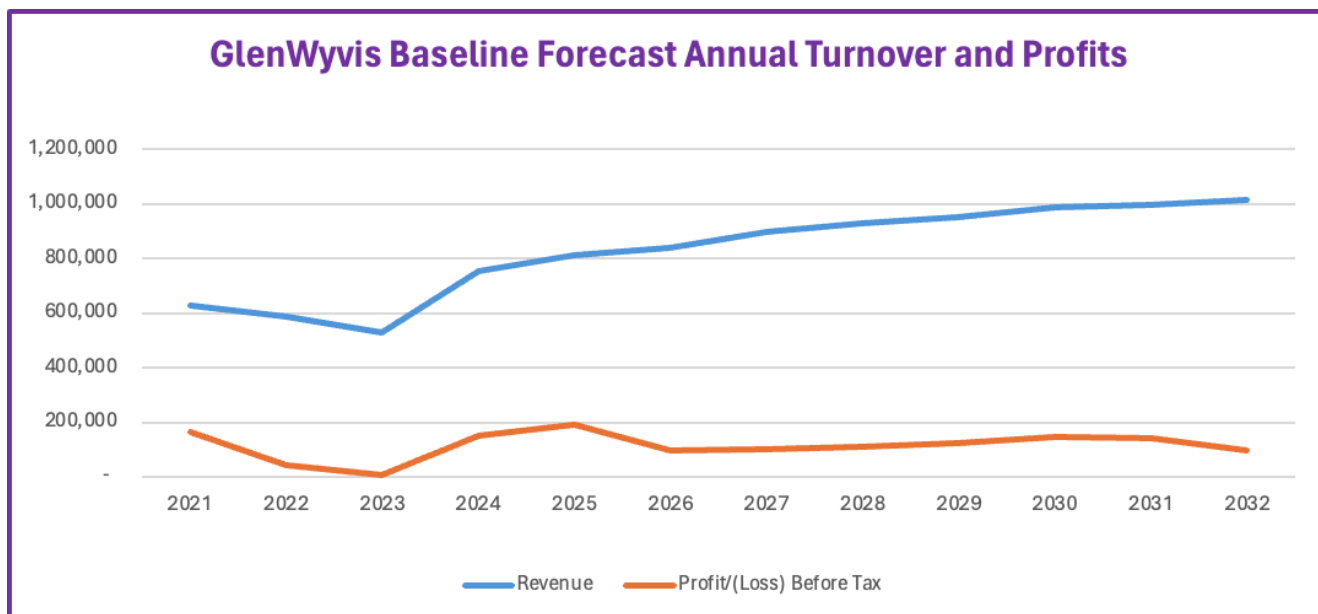


Figure 12 - - Baseline Forecast of Sales Revenue and Profits.

Because it is driven by the production forecast and our retention policy, there is little scope to generate the levels of revenue and profit from incremental sales upon which the previous business plan was founded. These lower forecasts are based on what we will be able to fund in upfront bottling costs and reasonably expect to sell with our limited staff and budget resources.

## Sales and Marketing Initiatives

During lockdown, several businesses in the hospitality industry suffered: many were obliged to close for extended periods; some lost a significant number of customers and staff; and all of them faced significant financial challenges. GlenWyvis continued to operate throughout and strengthened its online offering.

### Brand

We continue to develop our brand, which is fundamentally about raising monies to help people in our community. It is also about Dingwall, sustainable production, local history and culture. We handcraft whisky and gin using traditional methods which will, progressively, through annual and single cask releases tell the story of Dingwall and the local area. Our whiskies and gin are innovative and reflective of the Scottish Highlands. We are agile and experimental. We will seek to collaborate with investors and community to do good.

### Raising Awareness

The challenge now facing the distillery is to raise brand awareness, as well as giving people a compelling reason to choose GlenWyvis single malt and GoodWill gin through which they can help the distillery to raise funds for the benefit of its community. This message needs to be reinforced at all levels within the trade as well as with our members, especially those living in the vicinity of Dingwall.

Creating a visitor experience in Dingwall in conjunction with other local businesses will raise the distillery's profile significantly with the local community and visitors. Combining this with single cask bottling will create a stronger attraction. Also, we would have the opportunity to host events for our members and others, as a biproduct of which we would hope to gain publicity.

We have limited and temporary onsite bottling facilities. We are looking to create an improved facility in Dingwall which will allow us in addition to bottling our annual whisky releases, single casks, and gin to bottle individual member's single casks.

The GoodWill Fund has begun to fulfil one of our key aims, that of supporting the local community. It is an excellent vehicle for generating positive publicity and raising the profile of the distillery's gin and whisky brands. Our contribution has been recognised by Inverness Chamber of Commerce when the distillery was presented with the Community Engagement Award in 2023.

Our own feedback from stockists and customers at events suggests that there is more work to be done locally to promote both our products and our community involvement, including the GoodWill Fund. In a sense, we must '*own our own backyard*' first before expanding farther afield; but we must balance that with support for our international distributors. We also have opportunities to work with the on-trade to have promotions, and more special single cask bottlings.

We continue to build on our online social media presence with followings of over 10k on Facebook and 3.5k on X (formally known as Twitter). This is a great way to engage with our community and customers to promote the distillery's products and initiatives, including the support for the GoodWill Fund. Our distillery's website has been modernised and upgraded to enhance the online shopping experience for customers. We are confident that improved technology and navigation will lead to better online sales performance. There are more features to support our members and the resources available to the GoodWill Fund.

## Events

Attending events, such as all the premier local and national Whisky Shows, is a high priority in reaching out to existing and new customers, telling them about the brand and the community benefit. So too is sponsorship. Many of these shows involve collaboration with distributors who will then order our product and increase our reach.

Greater engagement with the local community, special release single casks, more focused advertising and better utilisation of our website traffic management should also extend our reach towards new customers.

## Voluntary Help

In our 2020 shareholder survey, one of the questions was directed at voluntary help from members. Over 100 respondents indicated a willingness to help with sales, events, blogs and tastings - - then Covid happened, and we couldn't take up these offers. However, we are now asking our investors once more to help promote GlenWyvis. A Volunteers Co-ordinator is in place to encourage and assist with offers of practical help at local events alongside GlenWyvis staff.

## Community Involvement

At the heart of the GlenWyvis' ethos is our desire to foster community involvement with the distillery. We want the distillery to be intrinsically connected with Dingwall and the Scottish Highlands. As already discussed, it is not possible to visit the distillery. However, we can connect to our community and visitors to the area in other ways. This can take many forms, including:

- providing a venue where other local businesses can showcase their produce, products and services on a shared-facility basis,
- creating new jobs whether part time or full time, and
- creating a visitor experience which will draw visitors to Dingwall's High Street and the local area.
- Drawing on our membership to recruit volunteer directors

The distillery is first and foremost a community-owned distillery. It was created through the vision of a local resident. Enthusiastic investors generously gave it financial support. If we count the support given by members living within 30 miles from the distillery, over a third of the share capital and nearly one-sixth of the bonds were provided by over 1,400 members; yet they feel it is remote from its community, partly because of its location and the difficulties of access to the site. It has created direct employment for five local people (on an equivalent full-time basis); its products have won awards and wide acclaim; and it has exported to Germany, Japan, New Zealand, and the Netherlands, with more export markets in the pipeline.

Creating a visitor experience should give local people the opportunity to share the facility and to provide an outlet for their talents.

The Management Committee understands there are good reasons why the planning authority did not approve the previous proposal for an onsite visitor centre, not least the steep access by a narrow, winding road which has no pavements, and its distance from the High Street. An earlier venture, 'Basecamp' in the High Street, illustrated some of the challenges faced by a standalone facility, particularly in keeping it staffed potentially for seven-day trading and able to support evening events.

Our immediate development proposals include a visitor experience that combines a presence on Dingwall's High Street with a local, well-established business. The long-term development plan, Vision 2030, produced by DCDC, has set out the parameters for encouraging inward investment to the town. GlenWyvis believes that its future development should be influenced in accordance with these guidelines and in collaboration with DCDC and other community groups.

The distillery is also effectively managed by its community - a volunteer Management Committee of 3-12 directors, responsible for the affairs of the Society. Directors are always members and can stand for election by the membership at the AGM. Several sub-committees deal with day-to-day business: currently a commercial committee that considers operational and commercial matters, a standards committee that reviews conduct of members (including directors), and a GoodWill committee that manages the GoodWill Fund. Members are encouraged to offer their services in a voluntary basis to work on one or other of the committees. Members can also review the minutes of the Management Committee meetings, which are published on the website, or request to join as an observer. It is also working on an online community that will allow for communication with and between all members. Fuller details can be found in the Rules of the Society.

## Community Outreach

During the planning of these facilities, the Management Committee will be open to consider whether to make provision in the design to support community outreach initiatives yet to be discussed and defined - - these could include the provision of facilities for meetings of clubs and societies and hosting some social events.

On a different level, GlenWyvis has benefitted from a great deal of advice and information received from people and organisations which have long established experience in the arena of community benefit societies. Consequently, we are willing to provide shared services, access to our accounting and management reporting systems on a cost-sharing basis to any other community distillery in the UK (although those producing small-volume white spirits such as gin, rum and vodka which have no long-term maturation requirements may require less complexity than we do).



## **Beauty Research**

*A Highlands natural skincare business has used the research expertise of Robert Gordon University (RGU) to infuse by-product of the whisky distillation business in its beauty products.*

*Thorough research and specialisation from RGU's School of Pharmacy and Life Sciences helped discover that the antioxidants extracted from whisky prove beneficial for skin rejuvenation and a natural ingredient to be added to ZAZ & CRUZ's luxury skincare line.*

*It's thought to be the first time that whisky by-product has been utilised to investigate the antioxidant capacity on cells.*

*The project came to fruition when Interface, who connect organisations with academia, met with Rebecca Hastings, the owner of ZAZA & CRUZ which was founded in 2013 and specialises in high-quality, natural ingredient skincare.*

*The independent business was launched from Inverness and successfully operates under the ethos of making customers feel confident in their skin with a unique and natural blend of ingredients that not only rejuvenate and moisturise but also shield against cellular damage and anti-ageing.*

*Having approached several whisky distilleries to no avail, it was one local to Rebecca, **GlenWyvis Distillery** in Dingwall, that gladly agreed to be part of the project and supply samples for testing.*

*Funded through an innovation voucher via the Scottish Funding Council, the research results found that placing the nutrients and polyphenols from whisky in skincare can help to boost the skin; fight free radical damage from the environment; reduce inflammation and puffiness; and calm redness in the skin. The innovative use of whisky extract was initially inspired by the beneficial effects on the skin that the sake yeast fermentation process was proven to have by a Japanese company in the 1970s. It was that which sparked a further conversation between Rebecca and representatives at Interface.*

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## The GoodWill Fund

The GoodWill Fund is a core function of GlenWyvis Community Benefit Society. There is a specific landing page <https://www.glenwyvis.com/the-goodwill-fund/> on our website for the exclusive use of the GoodWill Fund. Under the leadership of Dr Jock Ramsay, our volunteers have set out full terms of reference for the administration of applications to the GoodWill Fund for grants to local causes under our three beneficiary headings:

- 1) **Educational Element:** Support the learning needs of children with additional needs in Ross-shire.
- 2) **Cultural Element:** Provide education and information about the culture, history and society of Ross-Shire.
- 3) **Entrepreneurial Element:** Encourage economic activity in Dingwall and the four adjacent post code areas. We launched the scheme publicly in early January 2023.

In our first funding round in April 2023, we have distributed a total of just over £10,000. This has gone towards; supporting local children's educational needs, support for cultural and heritage organisations, and to help support business development in the area. The second round is in the process of distributing a further £20,000 in the coming weeks.

To date we have raised a total of over £45,600 for the Fund so far. In addition, we raised £9,000 for the Cornerstone charity at our 'Midsummer Night's Dram' event in June 2022. We are very proud of our achievements in this regard and are determined to do more.

## GoodWill Levy

The GoodWill Fund is derived from a 5% contribution from online sales. There is some concern that the contributions to the GoodWill Fund will be adversely impacted without adequate new investment in developing the business.

In the light of this, the Management Committee will also consider alternative proposals - - including an understanding of how important our members consider the community benefit to be, how we might increase the proportion of the levy or whether we should move to a share of profits by way of a community dividend.

## How Much Do We Need to Raise?

GlenWyvis needs to raise £1.25 million by 2032 to commit to and implement the Baseline plan at a constant production rate of five mashes per week. This is proposed to be funded by the issuance of £0.5 million in new shares and £0.75 million in two bond offers, refer to Figure 13.

Details of our profit forecasts for this scenario are shown in Appendix A. Figure 14 is a summary which shows our expected Baseline outcome at five mashes a week after the fundraising.

Forecast Income Statement for Year Ended 31 December Baseline - 5 Mashes Per Week									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Turnover	755,123	811,101	841,244	896,120	931,728	952,230	988,343	996,149	1,015,585
Gross Profit	403,651	454,600	447,217	491,376	500,368	510,249	528,240	536,032	536,222
Administrative expenses	-266,525	-266,745	-266,648	-266,648	-266,648	-266,648	-266,648	-266,685	-266,685
<b>Net Operating Profit</b>	<b>137,125</b>	<b>187,855</b>	<b>180,569</b>	<b>224,729</b>	<b>233,720</b>	<b>243,601</b>	<b>261,592</b>	<b>269,348</b>	<b>269,537</b>
Other Income (Expense)	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222
<b>Profit Before Taxation</b>	<b>147,347</b>	<b>198,077</b>	<b>190,791</b>	<b>234,951</b>	<b>243,942</b>	<b>253,823</b>	<b>271,814</b>	<b>279,570</b>	<b>279,759</b>

Figure 13 - - Baseline Forecast Income Statements

The Management Committee has constructed a forecast balance sheet as Figure 14 showing the projected growth in the whisky stockpile, as well as the increased share capital and debt funding.

Forecast Balance Sheet for Year Ended 31 December Baseline - 5 Mashes Per Week									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fixed Assets (Net)	2,548,727	2,504,215	2,463,267	2,415,820	2,365,790	2,317,014	2,260,073	2,199,515	2,151,222
Whisky Stockpile (at Cost)	1,478,902	1,877,705	2,246,981	2,624,026	3,013,692	3,428,219	3,846,546	4,268,971	4,668,758
Current Assets	741,767	467,701	285,023	303,504	307,985	310,643	324,530	343,313	367,243
Bank Overdraft	-	-	-	-	-	(173,105)	(399,339)	(711,517)	(1,037,122)
Current Liabilities	(159,752)	(155,268)	(159,927)	(161,207)	(160,892)	(160,844)	(160,729)	(181,083)	(212,907)
Long-Term Liabilities	(1,629,242)	(1,557,525)	(1,631,394)	(1,906,436)	(2,168,495)	(2,269,980)	(2,305,676)	(2,255,056)	(2,204,436)
<b>Total Assets</b>	<b>2,980,401</b>	<b>3,136,828</b>	<b>3,203,950</b>	<b>3,275,708</b>	<b>3,358,082</b>	<b>3,451,948</b>	<b>3,565,406</b>	<b>3,664,144</b>	<b>3,732,759</b>
Share Capital	4,078,800	4,037,150	3,995,900	3,955,100	3,914,700	3,874,700	3,835,100	3,795,900	3,757,100
Reserves	(1,098,399)	(900,323)	(791,951)	(679,393)	(556,619)	(422,753)	(269,695)	(131,757)	(24,342)
<b>Net Worth</b>	<b>2,980,401</b>	<b>3,136,827</b>	<b>3,203,949</b>	<b>3,275,707</b>	<b>3,358,081</b>	<b>3,451,947</b>	<b>3,565,405</b>	<b>3,664,143</b>	<b>3,732,758</b>

Figure 14 - - Baseline Forecast Balance Sheet

## GlenWyvis Distillery Baseline Cash Flow Forecast

Our cash flow forecast is based upon adding about £390,000 to the whisky stockpile every year through to 2032. Figure 18 demonstrates that, after fundraising, we shall remain cash positive until 2030. The cash flow assumes that we shall be able to rollover about 75% of the Series A 4% Members' Bonds as they mature in 2025-27 and similarly for Series B and C Members' Bonds when they reach maturity. We may need to issue further bonds to cover the projected shortfall in 2031-32 to maintain distilling operations at the level of 5 mashes a week.

Cash Flow Forecast Baseline - 5 Mashes per Week									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Opening Cash Balance	59,609	465,042	188,055	-	-	-	(177,953)	(404,187)	(716,364)
Cash Receipts	2,134,330	1,035,526	1,059,006	1,115,818	1,170,777	1,195,223	1,234,185	1,248,808	1,267,781
Cash Outflows	(1,427,366)	(1,312,512)	(1,376,606)	(1,435,333)	(1,483,403)	(1,525,228)	(1,546,683)	(1,560,985)	(1,593,387)
(Repayment)/Advances - RCF	(301,532)	-	129,544	319,514	312,626	152,052	86,263	-	-
<b>Total Assets</b>	<b>465,042</b>	<b>188,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,953)</b>	<b>(404,187)</b>	<b>(716,364)</b>	<b>(1,041,970)</b>

Figure 15 - - Baseline Cash Flow Forecast

In the near term, through to the end of 2025, our forecasts include commitments totalling £2 million, made up of the following.

- £1.1 million of stockpiling
- Recruitment and training costs of up to £400,000 to fund incremental resources.
- An estimated £100,000, including preparatory surveys and feasibility studies, to provide Security of supply of electricity and water ahead of the proposed production capacity increase in 2025.
- We estimate that the cost of raising new share capital, including the costs of professional fees, payment provider fees and shareholder incentives will be about £200,000.
- £175,000 in cumulative servicing costs for the new bond offers.

# Capacity Expansion

## Background

As previously discussed, in the 2021 business plan and under agreements with our landlord, the distillery will move to nine mashes a week from 2025.

This will lead to a doubling of our maturing spirit stockpile and warehouse space requirement by 2032.

At some point in the 2030s, we expect the total warehouse requirement will plateau as the 2025 production capacity increase works its way up through the vintages. There will come a point at which annual additions to the maturing stockpile will roughly balance annual releases for sales of bottled vintage whisky.

## New Warehousing Facility

We need to begin preparation for a projected new facility as soon as possible. The Management Committee is considering a proposal for a new facility, which has the capability to accommodate warehousing space on a site nearer to the centre of Dingwall than Upper Dochcarty. It offers adequate access and parking for heavy vehicles and delivery vans. The facility cost is considered to be in the region of £1 million, which may be capable of being financed over 15 - 20 years.

Experience tells us that there will be a lot to do in terms of obtaining planning approvals, building warrants and other permissions before going out to tender for costings and appointing contractors. The fees for these could run to £100,000.

The ideas are in the concept development stage and much more work needs to be done to bring forward a feasible plan, but first impressions are encouraging. The warehouse facility offers an area of 600 sqm, which is three times the footprint of our onsite warehouse and should accommodate roughly 240,000 LAA. There may be opportunity for the distillery to defray some of its costs by offering short-term warehousing to other small Highland distillers.

## Visitor Experience

The Management Committee together with DCDC and other stakeholders are working on creating a visitor experience comprising a presence on Dingwall's High Street which would link to the new warehousing and the distillery<sup>12</sup> amongst other Dingwall businesses and attractions.

GlenWyvis looks forward to working with community stakeholders to create an experience that will draw people to the High Street for the benefit of the community. We envisage a presence on the High Street where GlenWyvis and local businesses work collaboratively to provide a place where visitors can experience the best of Dingwall and the Black Isle.

Our development proposals include a visitor experience that combines a presence on Dingwall's High Street with an existing, well-regarded commercial enterprise. In collaboration with DCDC, a brand-new shop, already under construction and staffed and managed independently, will stock GlenWyvis as its exclusive liquor selection, and in turn, the distillery will have a location to direct members towards. There will also be a small gathering place for member events and tastings, which can be used for community events and classes when not in use.

As a collaborative venture, this first step requires no capital investment or staffing from the distillery, as the investment is being taken on by the shop owner. In exchange for representation, it is expected that GlenWyvis will lend support in navigating liquor licensing, organising events and supplying special, Dingwall-exclusive releases beyond its normal product range. This relationship will allow GlenWyvis a physical presence in Dingwall with limited commercial exposure, while still driving local job creation and rejuvenating a shop front. It will also provide the footfall and market research needed to grow and develop into something more bespoke in later years.

With building renovations nearly completed, we expect to begin kitting out and licensing in early 2024, with a view to open shortly after. With additional fundraising, we hope to invest more in the GlenWyvis member space here, with options for bottle-you-own cask experiences or digital multimedia presentations.

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<sup>12</sup>[The distillery site is two miles from Dingwall High Street, with a narrow road up a steep hill as its approach, and no pavement for safe pedestrian access.](#)

## Low-volume bottling facility

Creating a small bottling plant in Dingwall would allow GlenWyvis to be flexible enough to bottle investors' casks on maturity as well as much of its own gin and whisky. Our existing facilities are rudimentary and not suited to this. We believe that a better-equipped facility would provide us with the ability to bottle our gin, single cask offerings, and investor casks. In addition, it would enable us to create at least two incremental jobs in the local area.

Further study is required to assess fully the economic benefits of this proposal versus continuing to outsource bottling to established large-scale facilities in Scotland's central belt. Generally, large-scale bottling plants discourage handling firkins and quarters, which many of our private investors hold, because these small casks just increase the amount of manual handling the large-scale bottlers must do to support a bottling.

Given the recent growth in small craft distilleries in the Highlands, there may be opportunities to provide a bottling service to other companies and the Management Committee is mindful that this is a potential additional source of income.

## Financial Summary

Here is a summary of the outlook for the Capacity Expansion Plan:

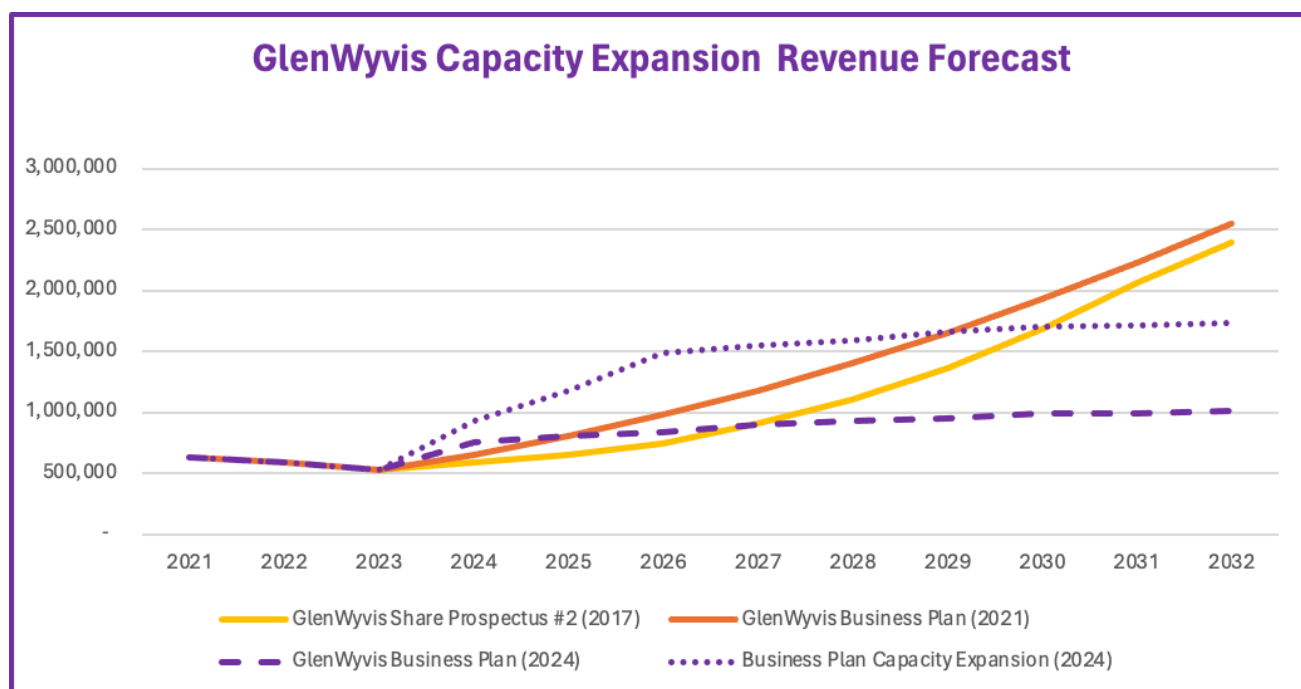


Figure 16 - - Capacity Expansion Sales Revenue Forecast

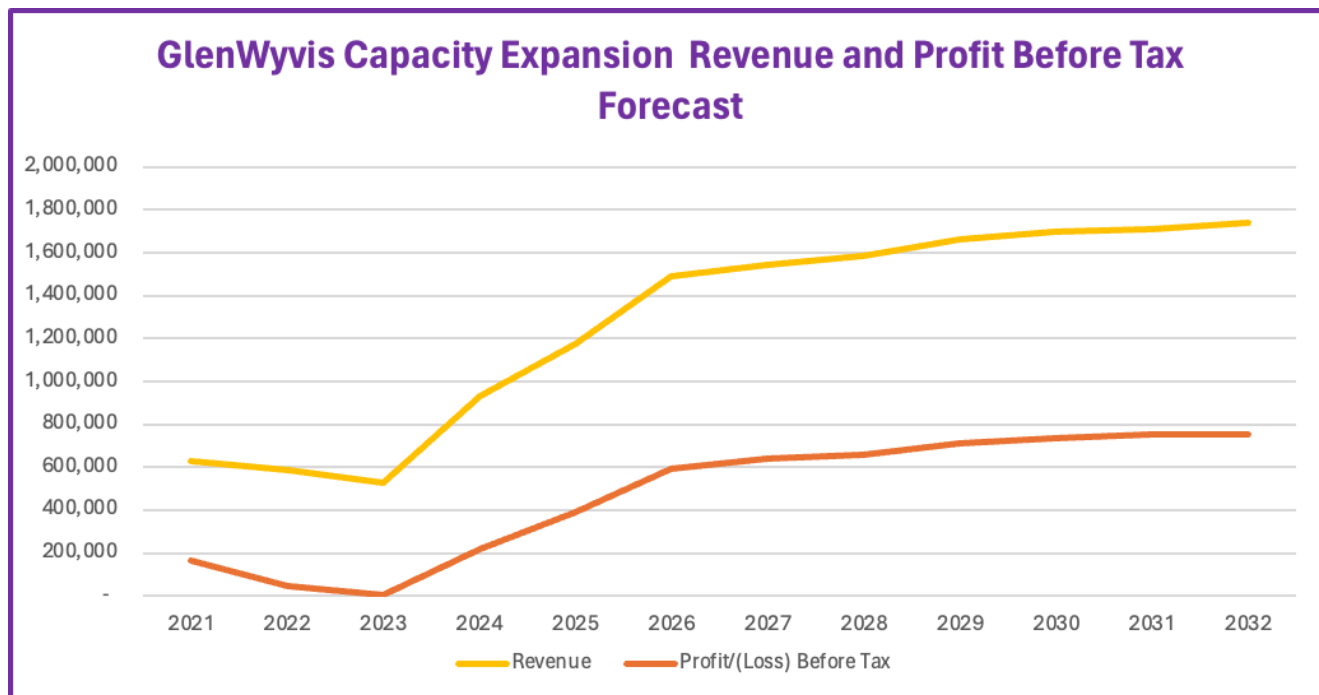


Figure 17 - - Capacity Expansion Plan Sales Revenue and Profits

Forecast Income Statement for Year Ended 31 December Capacity Expansion									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Turnover	933,275	1,177,635	1,488,548	1,546,743	1,585,935	1,660,618	1,700,909	1,713,225	1,737,532
Gross Profit	487,756	708,777	928,490	979,471	995,945	1,044,409	1,069,183	1,083,590	1,090,327
Administrative Expense	(276,638)	(305,238)	(318,276)	(317,188)	(316,010)	(314,734)	(313,353)	(311,893)	(310,273)
<b>Operating Profit</b>	<b>211,117</b>	<b>403,539</b>	<b>610,215</b>	<b>662,283</b>	<b>679,935</b>	<b>729,675</b>	<b>755,830</b>	<b>771,697</b>	<b>780,054</b>
Other Income (Expenses)	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222
<b>Profit Before Taxation</b>	<b>221,340</b>	<b>413,761</b>	<b>620,437</b>	<b>672,505</b>	<b>690,157</b>	<b>739,897</b>	<b>766,052</b>	<b>781,919</b>	<b>790,276</b>

Figure 18 - - Capacity Expansion Forecast Income Statements

Forecast Balance Sheet for Year Ended 31 December Capacity Expansion									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fixed Assets (Net)	2,691,227	3,571,086	3,448,686	3,319,788	3,188,307	3,058,079	2,919,686	2,777,676	2,647,802
Whisky Stockpile (at Cost)	1,423,209	1,935,520	2,427,070	2,914,347	3,393,205	3,855,607	4,309,018	4,756,518	5,178,536
Cash and Cash Equivalents	1,891,936	1,504,676	1,453,307	1,463,200	1,465,687	1,438,172	1,440,176	1,454,558	1,487,929
<b>Current Assets</b>	<b>276,556</b>	<b>291,251</b>	<b>309,768</b>	<b>321,533</b>	<b>315,955</b>	<b>314,186</b>	<b>314,283</b>	<b>317,722</b>	<b>323,435</b>
Current Liabilities	(294,292)	(340,845)	(306,812)	(354,807)	(448,055)	(460,471)	(466,822)	(467,550)	(470,599)
Long-Term Liabilities	(1,629,242)	(2,245,184)	(2,163,298)	(2,090,442)	(2,009,134)	(1,925,275)	(1,838,652)	(1,748,985)	(1,656,076)
<b>Total Assets</b>	<b>4,359,394</b>	<b>4,716,504</b>	<b>5,168,721</b>	<b>5,573,621</b>	<b>5,905,965</b>	<b>6,280,299</b>	<b>6,677,689</b>	<b>7,089,939</b>	<b>7,511,026</b>
Share Capital	5,383,800	5,327,150	5,271,050	5,215,550	5,160,600	5,106,200	5,052,300	4,998,950	4,946,150
Reserves	(1,024,407)	(610,647)	(102,330)	358,070	745,364	1,174,098	1,625,388	2,090,989	2,564,876
<b>Net Worth</b>	<b>4,359,393</b>	<b>4,716,503</b>	<b>5,168,720</b>	<b>5,573,620</b>	<b>5,905,964</b>	<b>6,280,298</b>	<b>6,677,688</b>	<b>7,089,939</b>	<b>7,511,026</b>

Figure 19 - - Capacity Expansion Plan Forecast Balance Sheets

	Cash Flow Forecast Capacity Expansion								
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Opening Cash Balance	59,609	1,887,089	1,499,829	1,448,460	1,458,353	1,460,840	1,433,325	1,435,329	1,449,711
Cash Receipts	3,752,210	2,276,079	1,785,510	1,808,030	1,864,975	1,940,202	1,983,689	2,001,356	2,023,961
Cash Outflows	(1,623,199)	(2,663,339)	(1,836,879)	(1,798,136)	(1,862,488)	(1,967,718)	(1,981,685)	(1,986,974)	(1,990,590)
(Repayment)/Advances - RCF	(301,532)	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,887,089</b>	<b>1,499,829</b>	<b>1,448,460</b>	<b>1,458,353</b>	<b>1,460,840</b>	<b>1,433,325</b>	<b>1,435,329</b>	<b>1,449,711</b>	<b>1,483,082</b>

Figure 20 - - Capacity Expansion Cash Flow Forecast

These tables demonstrate how the distillery can recover lost ground with an increase in production come 2025. This requires additional fundraising and the cooperation of our landlord, but we believe that these goals can be achieved with the support of our members.



## What is the Fundraising Plan?

GlenWyvis aims to raise £2.75 million by early 2027. If successful, this fundraising effort will enable the completion of all outlined goals (Baseline plus Capacity Expansion). The funding strategy involves issuing £2 million in new shares through a "Third Share Offer" and raising an additional £0.75 million in bonds.

### Members' Bonds

#### Why Members' Bonds?

*We believe that we should keep things 'in the family' as far as possible. We want all bondholders to have their interests closely aligned with those of our shareholders. Therefore, we have stipulated in the bond offer that it is only open to shareholders. If someone wants to invest in bonds, they must become members of the Society and we shall recommend that they apply for at least the minimum shareholding of £250 on their bond investment between the minimum £1,000 and £4,000; for £500 of shares for bond investments from £5,000 to £9,000; and for at least £1,000 of shares on bond investments of over £10,000.*

Series B and C Loan Notes, Members' Bonds, will be closed and replaced with new competitive offers to raise £0.75 million.

### New Shares

The Management Committee has authorised a Third Share Offer with the objective of raising £2 million<sup>13</sup> to ensure the growth of GlenWyvis and its ability to recover some of the lost ground since it was founded.

Working with Crowdfunder as our primary fundraising platform, the distillery plans a comprehensive marketing push to support its share offer. This includes press releases to traditional media, targeted posts on its own social media and, of course, engaging with our existing members across the world to spread the word.

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<sup>13</sup> £2.75 million is the total to achieve Capacity Expansion, £1.25 million for Baseline plus an additional £1.5 million to achieve Capacity Expansion.

Our media releases targeting mainstream media will focus primarily on GlenWyvis' unique selling points: being the world's first fully community owned distillery, one of the UK's largest registered Community Benefit Societies and operating a financially and environmentally sustainable distillery that benefits a fragile rural community. For specialist and drinks related press, we will highlight the history of GlenWyvis and the historic whisky making region of Ferintosh. Through it all, we also have one major selling point that didn't exist during our previous offers: bottled single malt scotch whisky. We expect sending out press and tasting packs will help us compensate for some of the site's access issues which prevent tours and press visits.

On social media, we have almost nine years of data and demographics to target and grow our target audience. A growing shift towards short form video and more personality-focused content allows us to engage our members, directors and staff in high-quality "meet the people behind GlenWyvis" video snippets.

We are also launching our third offer near to the second round of GoodWill Fund grants and our annual vintage whisky release. We plan to use both to increase awareness of our ongoing share offer, viewing membership as another product on offer whether we are at an industry event, trade show or retailer tasting.

## EIS Relief Availability

We remain in discussion with HMRC to confirm our eligibility for Enterprise Investment Scheme (EIS) tax relief at 30% for UK taxpayers on new shares issued. We are hopeful of a positive outcome, given that the first two share offers qualified. The Management Committee considers that the risk factors - - which HMRC use as criteria for eligibility - - have not changed significantly since then.

## Share and Bond Offer Costs

Based on experience, we expect the fundraising platform will charge at least 2.5% on the share capital raised through that route. Added to that will be 2.5% fees for payment providers. If we achieved our £2 million target, the costs would be £100,000. In addition, we expect that marketing through the offer period to keep the proposal visible and enticing could cost about £50,000.

We reviewed the timetables for our previous fundraisings. These are described in Appendix C. Share Offer #1 was open for 18 months; Share Offer #2 for 24 months; and Series A Members' Bond Offer was open for 12 months. In the absence of any better guidance, we have assumed that we will raise the share capital over a period of about 18 months.

## Share Rewards

Again, based on prior experience, we believe that share rewards will help investors to choose to invest in GlenWyvis - - even if their principal motivation is rather more altruistic.

Share Offer #1 gave investors the opportunity to obtain bottles of gin or whisky, distillery tours (subsequently withdrawn because planning consent had not been granted), helicopter tours and tastings, and T shirts. For those who invested £5,000 or more, there was a whisky cask the size of which was dependent on the level of investment.

Share Offer #2 gave investors bottles of gin and whisky plus GlenWyvis glasses. For those who invested £5,000 or more, there was a whisky cask the size of which was dependent on the level of investment. For Share Offer #3 we have followed similar principles and set out the benefits below.

Investment Level		Member's Benefits
A	£250-£450	<p>Membership of GlenWyvis Distillery gives you part ownership of a Highland single malt whisky distillery. The first community owned whisky distillery in the world.</p> <ul style="list-style-type: none"> <li>• A single vote in all Members' Meetings.</li> <li>• The right to subscribe for Members' Bonds.</li> <li>• The right to participate in the Members' Annual Meeting.</li> <li>• The right to elect directors.</li> <li>• The opportunity to become a Member of the Management Committee, subject to your being able to demonstrate appropriate skills and experience.</li> <li>• Entitlement to Members' discount for online purchases from the GlenWyvis website shop.</li> </ul>
B	£500-£950	All of A above, plus one 50cl bottle of a unique release of GoodWill cask-matured gin delivered in 2024.
C	£1000-£2450	All of A above, plus one 70cl bottle of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with two GlenWyvis whisky glasses
D	£2,500-£4,950	All of A above, plus three 70cl bottles of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with two GlenWyvis whisky glasses.
E	£5,000-£9950	All of A above, plus six 70cl bottles of a unique release of 2018 GlenWyvis cask-strength single cask whisky for delivery in 2025, along with six GlenWyvis whisky glasses.
F	£10,000-£19950	All of A above, plus one firkin cask of your choice from our single cask offers.
G	£20,000 and above	All of A above, plus one quarter cask of your choice from our single cask offers.

## Shares

Shares are not transferable, except on death or bankruptcy.

The shares in the Society are issued in accordance with the Rules. A copy of the Rules is available for inspection on the Society's website. These may be amended from time to time with the consent of members attending a Special Members Meeting. Every effort is made to ensure that all members can review and participate in this process by electronic means if they are unable to attend the physical meeting in Dingwall.

Shares are withdrawable under certain conditions at the sole discretion of the Management Committee, subject to the rules of the Society, including:

- Members must have held shares for a minimum of three years.
- Members must give three months' notice.
- The Management Committee may set a ceiling for total withdrawals in each financial year.
- Withdrawals must be funded from trading profits, reserves or new share capital raised from Members.
- The Society's policy on withdrawals deals with requests in the order in which they were received.

As a Community Benefit Society our shares will never go up in value, but they could have their value reduced to zero if GlenWyvis were to fail.

Share withdrawals can only be funded from trading profits, reserves or new capital issued. Please note that our accumulated reserves were £1.3 million negative at the end of 2023 - - as a result of the losses made in the difficult early years of the project - - and we shall need to show progress in repairing that position. If you withdraw your shares in the first three years, you may forfeit some parts of the rewards package as well as any tax relief.

When considering interest on member's shares, each year the distillery reviews its cashflow and budget. It must reserve enough to cover its running costs, as well as retain a reasonable contingency. It will then allocate the remaining profit between members' interest and the GoodWill Fund. No set percentage is included within the forecasts in these documents, however both baseline and expansion forecasts provide surplus from which to draw interest. The more successful the business becomes the more members and community benefit from profits. At maximum, annual interest shall not exceed 5% or 2% above the base rate of the Bank of England, whichever is the greater.

Membership of GlenWyvis is open to individuals, corporate bodies, voluntary organisations and public sector investors.

# Risk Assessment

## General

As GlenWyvis has been incorporated as a Community Benefit Society with limited liability, the liability of its members will be limited to the amount paid for their shares. However, before making any decision to subscribe for shares in GlenWyvis, you should carefully consider, together with all other information contained in this document, the specific risk factors described below which are material.

However, these risk factors are not set out in any order of priority and the list should not be regarded as exhaustive or a complete and comprehensive statement of all potential risks and uncertainties associated with the scheme. Additional risks and uncertainties that are not presently known or which are currently deemed immaterial may also have an adverse effect on operating results, financial condition, and prospects.

## Key Risks - - Financial Targets

### a. Share and bond offers attract insufficient funding

**Level - - High**

*Mitigation* - - in the present challenging economic climate, investors are careful where they put their money. The Management Committee has worked hard to emphasise the real community benefits which it can bring to Dingwall and the wider Ross-shire area; to make membership as attractive as possible; to price the bond interest competitively; and to pursue eligibility to available tax reliefs for UK taxpayers.

There is a natural breakpoint between continuation of production at the present rate of five mashes per week (conservative plan) and the expanded rate of nine mashes per week. The Management Committee recommends that the distillery proceeds to the higher production level but recognises that the distillery can only do so if it attracts enough investment. The Management Committee will carefully consider opportunities to fund expansion through lease versus buy options, or to raise funds from grants, low-cost loans, or from commercial funders at higher rates of interest to implement its plans.

**b. External disruptive factors**

**Level - -High**

*Mitigation* - - the Management Committee has robustly defended the interests of members in the face of existential threats, or when production or normal business activity has been disrupted - - whether by fire, water shortage, electricity supply issues, and landlord disputes. This may also impact on the following paragraph 'f'. The Management Committee will continue to seek ways to resolve these issues amicably, but if needs be it will seek the protection of its rights in law.

**c. Sales fall short of expectations either in volume or timing**

**Level - -Moderate**

*Mitigation* - - the Baseline, conservative, forecast is driven by limited production, which constrains product availability in the marketplace. International distributors are being recruited to manage distribution into export markets and resources are being added internally to develop and increase brand awareness through specialist whisky retailers in the domestic market.

**d. Forecast sales price is unachievable**

**Level - -Moderate**

*Mitigation* - - if funds permit, we will slow down sales to take advantage of any anticipated future rise. The market for craft distilled single malt whisky is currently vibrant, and we consider our prices to be well positioned when compared to the market.

**e. Gross margins come under pressure**

**Level - -Moderate**

*Mitigation* - - our accounting system has been completely overhauled and the discipline of monthly reviews of performance with the Commercial Committee mean that there is regular scrutiny of results to detect margin deterioration early and take appropriate corrective action either to reduce production costs or increase prices to recover target margins, or a combination of both.

**f. Administrative expenses increase**

**Level - -Moderate**

*Mitigation* - - when this happens, it is important to look for offsetting expense reductions in other activities, review opportunities to improve product margins or sell assets (such as cask inventory) to make up the forecast shortfall.

**g. Threats to GlenWyvis Distillery's 'going concern' status** **Level - - Moderate**

*Mitigation* - - The distillery's CEO and Management Committee are aware of the signs and symptoms of operational and financial distress and have several tools at their disposal to respond. The distillery has a growing whisky stock and a track record of selling bottled whisky and casks. Since March 2019, when GlenWyvis was in imminent danger of collapse, it has been actively managed. During the four audit cycles we have experienced since, the ability of GlenWyvis to assure its 'going concern' status has been robustly and professionally examined and tested.

**Key Risks - - Continuity of production**

**h. Staffing levels** **Level - - Low**

*Mitigation* - - The distillery requires at least one fully trained operator at all times with working knowledge of GlenWyvis-specific practices. We currently employ a distillery manager and two distillery operators who can run a full production day, and they alternate shifts and holidays to provide cover.

**i. Water** **Level - - Medium**

*Mitigation* - - GlenWyvis has historically faced water shortages from its onsite borehole during dry summer months, when the water table is at its lowest and both distillery and farm demand is at its highest. This has resulted in reduced production to preserve water or, in worst cases, complete shutdown. The distillery has commissioned expert help to assess the drilling prospects for a new borehole, as well as a back-up connection to mains water supply. The distillery proposes to use additional funding to secure a second borehole more suitable for increased production, with the option to use mains water as a backup.

**j. Compliance** **Level - - Medium**

*Mitigation* - - As the distillery's production, staff and exposure grow, its continuing requirement for legislative compliance will grow as well (including HSE, HMRC, HAACP, GDPR, SEPA), requiring increasingly more time and expertise.

The distillery proposes to continue training staff in all aspects, and to use additional funding to secure consultants who can ensure the business grows within its means.



**k. Supply chain****Level - - Medium**

*Mitigation* - - As with most small businesses, GlenWyvis relies on a complex supply chain of raw materials to produce both its spirit (barley, yeast, and casks) and its finished product (glass, cork, cartons, labour, and postage). Small volume orders often command higher pricing but, in times of supply chain crises, can also result in large delays or order shortfalls. The distillery aims to use additional funding to ensure it has adequate stocks and secure higher volume, longer-term contracts.

**l. Interruption of electricity from landlord's renewables****Level - - Medium**

*Mitigation* - - The Management Committee has commissioned an expert report on how to utilise its existing high-voltage connection to the grid to connect directly to the distillery, instead of the landlord's control box; and to retain the distillery's renewable power supply as granted under the original share prospectuses and the lease. It has also requested a feasibility study and costings to set up its own renewable energy supplies from solar and wind energy.

**m. Mechanical breakdown****Level - - Low**

*Mitigation* - - The distillery is modern and highly efficient, but at the expense of high inter- dependency. Many mechanical failures can result in loss of production or complete, temporary shutdown. An annual maintenance programme, primarily fulfilled by external, specialist contractors, exists and is expected to be refined as general wear-and-tear becomes more predictable. The distillery works with several local contractors for emergency breakdown repairs and proposes to use additional funding to expand its inventory of spares and to ensure adequate redundancy.

## Meet the GlenWyvis Team

### Distillery Team



#### **Meeghan Murdoch, Director and CEO**

Meeghan has worked in many areas of the drinks industry. From buyer to importer and exporter, and from wine maker, brewer of sake and beer to distiller, Meeghan has seen it all. She has run operations for two distilleries, one in London and one in Scotland and helped set up two bonded warehouses. Born in Montreal, Canada, Meeghan has a vast network of connections and believes her international experiences and language skills can help further the GlenWyvis brand.



#### **Matthew Farmer, Distillery Manager**

Matthew has been our distillery manager since September 2020, bringing with him over 10 years of distilling experience, mostly in the American whisk(e)y industry. Growing up in Argyll, Matthew moved back to Scotland with his wife and two young daughters during Covid to take a role at GlenWyvis. He currently enjoys not finishing his coffee at Frankie & Lola's and pointing at the giant fish in the botanic gardens.



#### **Craig MacRitchie, Production Manager**

Craig has been with GlenWyvis from the very start. Born and raised in Kiltarlity he originally worked at the whisky shop in Inverness before following in his grandfather's footsteps into the whisky industry. Craig works in production where he keeps a close eye on all our operations.



#### **Kevin Cameron-Ross, Operator**

Aberdeen-born, Kev has spent an enriching 18 years immersed in the captivating landscapes that define this remarkable region. His journey as a Distillery Operator at GlenWyvis stands as a testament to his unwavering passion for crafting exceptional spirits. Rooted in these experiences, Kev is uniquely positioned to bring in the true essence of the Highlands to each and every bottle.



**Gord Nisbet, Accounts**

Gord is a genuine bean counter! Early in his career he was sent to stocktake at a coffee wholesaler - - three days counting coffee beans. Since then, he has worked in many areas: construction, transportation and produce processing and distribution. In 2022, Gord returned from Canada to his roots in Inverness, where he now enjoys exploring the Highlands and new hobbies such as 3D printing and modelling.

## Committee Members and Volunteers



**Jan Thomson**, Standards Committee member

In June 2022 Jan was elected on to the Standards Committee of GlenWyvis. Before retiring Jan owned and operated a small hotel in Sutherland for 15 years, prior to that she progressed through sales and management finally running a UK company within Johnson & Johnson Healthcare. As a member, Jan is passionate about the ethics of Goodwill!



**Ann Mills-Duggan**, GoodWill Fund Committee member

Semi-retired, Ann has been working for a grant-giving organisation for the past 11 years and has wide experience of assessing and reviewing funding proposals. She has been a welcome addition to the GoodWill Fund committee.



**Frances Nixseaman**, GoodWill Fund Committee member

Frances lives near Dingwall and was elected on to the GoodWill Fund Committee in 2022. She has been a Children's Panel member, foster carer, youth worker and, after graduating, worked in several charities going into strategic development for childrens' services in Highland and overseas.

## Management Committee (Directors)



### **David McIntyre**, Chair

David was elected in June 2021 and elected to Chair in July 2023. David was born in Glasgow and lived there until moving to Kinlochewe in 2020. David is a chartered mechanical engineer and until 2022 a Partner in an international construction consultancy. In addition, to managing the technical services part of the business, David has been appointed many times as an expert witness in relation to complex multi-million dollar construction disputes.



### **Dickon Sandbach**, Treasurer and Chair of the Commercial Sub-Committee

Dickon was first elected as a director in 2019 and has been Treasurer since then. He moved to Kiltarlity, Inverness-shire in 2018, following his retirement as Senior Partner in a firm of Chartered Accountants. He has considerable experience working with and in businesses and charities.



### **David Allan**, Secretary and Chair of Standards Committee

David is a solicitor with fourteen years' experience in commercial and company law, supporting businesses both large and small, and is currently Legal Counsel for Gamma Telecom. David has been a director and Secretary of GlenWyvis since June 2021 and sits on the GlenWyvis Standards Committee.



### **Dr Jock Ramsay**, Director with responsibility for GoodWill Fund

Jock is a retired GP with 30 years of NHS service as a partner in Gairloch and as a Highland locum who enjoyed working in Dingwall. He has an interest in archaeology and is a keen metal detectorist. A member of GlenWyvis since its inception, he joined the Board in 2022, with responsibility for the GoodWill Fund



### **Andy Fisher**, Director and Chair of Standards Committee

Andy is the Managing Director and co-founder of Integra Well Solutions Limited and has a wide range of commercial experience covering all aspects of business. He is also a passionate and knowledgeable collector of whisky. Andy joined the Board in 2019 and chairs the Standards Committee.



**David Norcom, Director**

David is a US financier with extensive experience of the capital markets. He was a substantial contributor to the first share offer and owns several private casks of GlenWyvis. He will be advising the board on several aspects of future capital raising.



**Karl Falconer, Director**

Along with his wife, Karl runs a couple of local businesses in the Highlands. The first and main business is Highland Hog Roasts, an outdoor catering company founded 18 years ago. Karl also runs a small farm in Cannich where he rears livestock and tends to his herd of alpacas. Being a Highland business owner, Karl brings a diverse skill set to the table that will assist the distillery in growing and continuing to be in the hearts of the shareholders and the local community.



**Alasdair Hardman, Director**

Alasdair is a practicing advocate, specialising in work-related law. In earlier years, he was a solicitor, and then, after a year at London Business School, Managing Partner, before becoming Managing Director of a group of local newspapers near Glasgow. Since then, he has lived for many years in Easter Ross and Inverness-shire. He maintains his interest in business management and is fascinated by the world of whisky.



**Marnie Vincent, Minutes Secretary**

Marnie is the Minutes Secretary. When not otherwise engaged in doting on her new grandchildren - - who are the source of great joy - - she keeps members of the Management Committee in check and makes sure all papers are in order.

## **Advisers**

### **Accountants**

Azets Chartered Accountants, 10 Ardross Street, Inverness IV3 5NS.

### **Cask Audits**

Sanderson Weatherall, 6th Floor, Central Square, 29 Wellington Street, Leeds, Yorkshire, LS1 4DL

### **Bankers**

Handelsbanken, Camas House, Fairways Business Park, Inverness IV2 6AA Clydesdale Bank, First Floor, 30 St Vincent Place, Glasgow G1 2HL

### **Lawyers**

Wright, Johnston and MacKenzie, The Green House, Beechwood Park North, Inverness IV2 3BL

### **Human Resources and Employment Law**

Buchanan Shaw Consulting Limited, Ness Horizons Business Centre, Kintail House, Beechwood Business Park, Inverness IV2 3BW

### **Returning Officer and Community Benefit Society matters**

Dave Hollings, CMS Coop, 16-16 Victoria Buildings, Waterside, Darwen BB3 3PA

*Recommended by the Management Committee on 17 March 2024,*

*David McIntyre, Chairman*

## Appendix A

### Baseline Forecast

Income Statement and Balance Sheet, assuming five mashes per week to 2032

Forecast Income Statement for Year Ended 31 December Baseline - 5 Mashes Per Week									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
<i>Turnover</i>	755,123	811,101	841,244	896,120	931,728	952,230	988,343	996,149	1,015,585
<i>Gross Profit</i>	403,651	454,600	447,217	491,376	500,368	510,249	528,240	536,032	536,222
<i>Administrative expenses</i>	-266,525	-266,745	-266,648	-266,648	-266,648	-266,648	-266,648	-266,685	-266,685
<b><i>Net Operating Profit</i></b>	<b>137,125</b>	<b>187,855</b>	<b>180,569</b>	<b>224,729</b>	<b>233,720</b>	<b>243,601</b>	<b>261,592</b>	<b>269,348</b>	<b>269,537</b>
<i>Other Income (Expense)</i>	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222
<b><i>Profit Before Taxation</i></b>	<b>147,347</b>	<b>198,077</b>	<b>190,791</b>	<b>234,951</b>	<b>243,942</b>	<b>253,823</b>	<b>271,814</b>	<b>279,570</b>	<b>279,759</b>



**Forecast Balance Sheet for Year Ended 31 December**  
**Baseline - 5 Mashers Per Week**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<i>Fixed Assets (Net)</i>	2,548,727	2,504,215	2,463,267	2,415,820	2,365,790	2,317,014	2,260,073	2,199,515	2,151,222
<i>Whisky Stockpile (at Cost)</i>	1,478,902	1,877,705	2,246,981	2,624,026	3,013,692	3,428,219	3,846,546	4,268,971	4,668,758
<i>Current Assets</i>	741,767	467,701	285,023	303,504	307,985	310,643	324,530	343,313	367,243
<i>Bank Overdraft</i>	-	-	-	-	-	(173,105)	(399,339)	(711,517)	(1,037,122)
<i>Current Liabilities</i>	(159,752)	(155,268)	(159,927)	(161,207)	(160,892)	(160,844)	(160,729)	(181,083)	(212,907)
<i>Long-Term Liabilities</i>	(1,629,242)	(1,557,525)	(1,631,394)	(1,906,436)	(2,168,495)	(2,269,980)	(2,305,676)	(2,255,056)	(2,204,436)
<b>Total Assets</b>	<b>2,980,401</b>	<b>3,136,828</b>	<b>3,203,950</b>	<b>3,275,708</b>	<b>3,358,082</b>	<b>3,451,948</b>	<b>3,565,406</b>	<b>3,664,144</b>	<b>3,732,759</b>
<i>Share Capital</i>	4,078,800	4,037,150	3,995,900	3,955,100	3,914,700	3,874,700	3,835,100	3,795,900	3,757,100
<i>Reserves</i>	(1,098,399)	(900,323)	(791,951)	(679,393)	(556,619)	(422,753)	(269,695)	(131,757)	(24,342)
<b>Net Worth</b>	<b>2,980,401</b>	<b>3,136,827</b>	<b>3,203,949</b>	<b>3,275,707</b>	<b>3,358,081</b>	<b>3,451,947</b>	<b>3,565,405</b>	<b>3,664,143</b>	<b>3,732,758</b>

## Baseline Forecast

Cash Flow, before New Investment and assuming five mashes a week to 2032

Cash Flow Forecast Baseline - 5 Mashes per Week									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Opening Cash Balance	59,609	465,042	188,055	-	-	-	(177,953)	(404,187)	(716,364)
Cash Receipts	2,134,330	1,035,526	1,059,006	1,115,818	1,170,777	1,195,223	1,234,185	1,248,808	1,267,781
Cash Outflows	(1,427,366)	(1,312,512)	(1,376,606)	(1,435,333)	(1,483,403)	(1,525,228)	(1,546,683)	(1,560,985)	(1,593,387)
(Repayment)/Advances - RCF	(301,532)	-	129,544	319,514	312,626	152,052	86,263	-	-
<b>Total Assets</b>	<b>465,042</b>	<b>188,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(177,953)</b>	<b>(404,187)</b>	<b>(716,364)</b>	<b>(1,041,970)</b>

## Baseline forecast

Whisky Production Volumes (in LAA) assuming five mashes a week to 2032

	2024	2025	2026	2027	2028	2029	2030	2031	2032
2017 share prospectus #2	85,000	91,700	98,300	105,000	105,000	105,000			
2021 Business Plan	52,440	78,660	78,660	78,660	78,660	78,660			
2024 Baseline Business Plan	43,510	43,320	43,320	43,320	43,130	43,320	43,320	43,320	43,510

**Baseline forecast**  
**Whisky Storage Volumes (in LAA) assuming five mashes a week to 2032**

	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Thirty Party Casks</b>	64,524	70,524	76,524	82,524	88,524	92,524	96,524	100,524	104,524
<b>GlenWyvis Casks</b>	152,825	180,705	208,585	235,499	261,579	287,883	313,543	338,545	363,473
	217,349	251,229	285,109	318,023	350,103	380,407	410,067	439,068	467,997

**Baseline forecast**  
**Whisky available for sale as 10+ years old before any bottling (in LAA) assuming five mashes a week to 2032**

<b>10+ Year Old LLA available after 2% per year evaporation</b>									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>2018 Vintage</b>	-	-	-	-	-	7,150	7,007	6,867	6,730
<b>2019 Vintage</b>	-	-	-	-	-	-	4,762	4,667	4,573
<b>2020 Vintage</b>	-	-	-	-	-	-	-	7,675	7,521
<b>2021 Vintage</b>	-	-	-	-	-	-	-	-	3,877
	-	-	-	-	-	7,150	11,769	19,208	22,701

## Appendix B

### Capacity Expansion forecast

#### Income Statement and Balance Sheet with increase to nine mashes a week from 2025

Forecast Income Statement for Year Ended 31 December Capacity Expansion									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
<i>Turnover</i>	933,275	1,177,635	1,488,548	1,546,743	1,585,935	1,660,618	1,700,909	1,713,225	1,737,532
<i>Gross Profit</i>	487,756	708,777	928,490	979,471	995,945	1,044,409	1,069,183	1,083,590	1,090,327
<i>Administrative Expense</i>	(276,638)	(305,238)	(318,276)	(317,188)	(316,010)	(314,734)	(313,353)	(311,893)	(310,273)
<b>Operating Profit</b>	<b>211,117</b>	<b>403,539</b>	<b>610,215</b>	<b>662,283</b>	<b>679,935</b>	<b>729,675</b>	<b>755,830</b>	<b>771,697</b>	<b>780,054</b>
<i>Other Income (Expenses)</i>	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222	10,222
<b>Profit Before Taxation</b>	<b>221,340</b>	<b>413,761</b>	<b>620,437</b>	<b>672,505</b>	<b>690,157</b>	<b>739,897</b>	<b>766,052</b>	<b>781,919</b>	<b>790,276</b>

**Forecast Balance Sheet for Year Ended 31 December**  
**Capacity Expansion**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<i>Fixed Assets (Net)</i>	2,691,227	3,571,086	3,448,686	3,319,788	3,188,307	3,058,079	2,919,686	2,777,676	2,647,802
<i>Whisky Stockpile (at Cost)</i>	1,423,209	1,935,520	2,427,070	2,914,347	3,393,205	3,855,607	4,309,018	4,756,518	5,178,536
<i>Cash and Cash Equivalents</i>	1,891,936	1,504,676	1,453,307	1,463,200	1,465,687	1,438,172	1,440,176	1,454,558	1,487,929
<i>Current Assets</i>	276,556	291,251	309,768	321,533	315,955	314,186	314,283	317,722	323,435
<i>Current Liabilities</i>	(294,292)	(340,845)	(306,812)	(354,807)	(448,055)	(460,471)	(466,822)	(467,550)	(470,599)
<i>Long-Term Liabilities</i>	(1,629,242)	(2,245,184)	(2,163,298)	(2,090,442)	(2,009,134)	(1,925,275)	(1,838,652)	(1,748,985)	(1,656,076)
<b>Total Assets</b>	<b>4,359,394</b>	<b>4,716,504</b>	<b>5,168,721</b>	<b>5,573,621</b>	<b>5,905,965</b>	<b>6,280,299</b>	<b>6,677,689</b>	<b>7,089,939</b>	<b>7,511,026</b>
<i>Share Capital</i>	5,383,800	5,327,150	5,271,050	5,215,550	5,160,600	5,106,200	5,052,300	4,998,950	4,946,150
<i>Reservices</i>	(1,024,407)	(610,647)	(102,330)	358,070	745,364	1,174,098	1,625,388	2,090,989	2,564,876
<b>Net Worth</b>	<b>4,359,393</b>	<b>4,716,503</b>	<b>5,168,720</b>	<b>5,573,620</b>	<b>5,905,964</b>	<b>6,280,298</b>	<b>6,677,688</b>	<b>7,089,939</b>	<b>7,511,026</b>

**Capacity Expansion forecast**

**Cash Flow, before New Investment with increase to nine mashes a week from 2025**

Cash Flow Forecast Capacity Expansion									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
Opening Cash Balance	59,609	1,887,089	1,499,829	1,448,460	1,458,353	1,460,840	1,433,325	1,435,329	1,449,711
Cash Receipts	3,752,210	2,276,079	1,785,510	1,808,030	1,864,975	1,940,202	1,983,689	2,001,356	2,023,961
Cash Outflows	(1,623,199)	(2,663,339)	(1,836,879)	(1,798,136)	(1,862,488)	(1,967,718)	(1,981,685)	(1,986,974)	(1,990,590)
(Repayment)/Advances - RCF	(301,532)	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,887,089</b>	<b>1,499,829</b>	<b>1,448,460</b>	<b>1,458,353</b>	<b>1,460,840</b>	<b>1,433,325</b>	<b>1,435,329</b>	<b>1,449,711</b>	<b>1,483,082</b>

### Capacity Expansion forecast

Whisky Production Volumes (in LAA) with increase to nine mashes a week from 2025

	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>2017 share prospectus #2</b>	85,000	91,700	98,300	105,000	105,000	105,000			
<b>2021 Business Plan</b>	52,440	78,660	78,660	78,660	78,660	78,660			
<b>2024 Baseline Business Plan</b>	43,510	43,320	43,320	43,320	43,130	43,320	43,320	43,320	43,510
<b>2024 Capacity Expansion Business Plan</b>	43,510	69,350	77,900	77,900	77,710	77,900	77,900	77,900	78,280

### Capacity Expansion forecast

Whisky Storage Volumes (in LAA) with increase to nine mashes a week from 2025

	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Thirty Party Casks</b>	68,524	78,524	92,924	107,324	121,724	136,124	150,524	164,924	179,324
<b>GlenWyvis Casks</b>	148,825	198,735	252,795	305,889	358,149	408,633	458,473	507,655	556,953
	217,349	277,259	345,719	413,213	479,873	544,757	608,997	672,578	736,277

Capacity Expansion forecast  
 Whisky available for sale as 10+ years old  
 (before any bottling (in LAA) assuming nine mashes a week to 2032)

10+ Year Old LLA available after 2% per year evaporation									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
2018 Vintage	-	-	-	-	-	7,150	7,007	6,867	6,730
2019 Vintage	-	-	-	-	-	-	4,762	4,667	4,573
2020 Vintage	-	-	-	-	-	-	-	7,675	7,521
2021 Vintage	-	-	-	-	-	-	-	-	3,877
	-	-	-	-	-	7,150	11,769	19,208	22,701



## Appendix C

### Share Capital Movements, Members and Share Capital Share

<i>Financial year ended</i>	<i>30 Apr 17</i>	<i>30 Apr 18</i>	<i>30 Apr 19</i>	<i>30 Apr 20</i>	<i>31 Dec 20</i>	<i>31 Dec 21</i>	<i>31 Dec 22</i>
	Number of Members						
Members at the beginning of the year	0	2,145	3,063	3,626	3,633	3,627	3,624
Members joining	2,145	918	563	9	0	2	1
Members leaving	0	0	0	(2)	(6)	(5)	0
Members at the end of the year	2,145	3,063	3,626	3,633	3,627	3,624	3,625
From Audited Accounts	Invested Share Capital						
						£	£
Share capital at the beginning of the year	£ 0	£ 2,570,800	£ 3,214,050	£ 3,733,900	£ 3,754,650	3,744,400	3,741,550
Share capital added	2,570,800	643,250	519,850	21,500	0	500	250
Share capital withdrawn	0	0	0	(750)	(10,250)	(3,350)	(4,750)
Share capital at the end of the year	£ 2,570,800	£ 3,214,050	£ 3,733,900	£ 3,754,650	£ 3,744,400	3,741,550	3,737,050
Bondholders at the end of the year						78	87
Value of Bonds held at the end of the year						£ 350,000	£ 411,000

## Appendix D

### Detailed Cash Movement (Baseline) – 12 months

Item	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	2024	Jan 25	Feb 25	Mar 25
<b>Cash Inflows (Includes VAT where Applicable)</b>														
<b>Sales</b>														
Cash from Cask Sales	7,045	7,045	7,045	7,045	7,045	7,045	7,045	7,045	7,045	7,045	84,538	7,045	7,045	7,045
Cash from Whisky Sales	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	153,036	13,622	13,622	13,622
Cash from Gin Sales	708	708	708	708	708	708	708	708	708	708	8,501	650	650	650
Cash from Other Sales	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	24,900	2,171	2,171	2,171
Cash from Trade Receivables	46,803	46,803	46,803	46,803	46,803	46,803	46,803	46,803	46,803	46,803	561,631	49,315	49,315	49,315
<b>Cash from Sales</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>69,384</b>	<b>832,606</b>	<b>72,802</b>	<b>72,802</b>	<b>72,802</b>
<b>Other Activities</b>														
Cash from Biomass Grants	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	17,878	1,485	1,485	1,485
Cash from Bond Sales	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	750,000	8,563	8,563	8,563
Cash from Share Sales (Net sales less c	39,583	39,583	39,583	39,583	39,583	39,583	39,583	39,583	39,583	39,583	475,000	-	-	-
Cash from VAT Refunds	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,904	4,904	58,846	3,444	3,444	3,444
<b>Cash from Other Activities</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>108,477</b>	<b>1,301,725</b>	<b>13,491</b>	<b>13,491</b>	<b>13,491</b>
<b>Gross Cash Received</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>177,861</b>	<b>2,134,330</b>	<b>86,294</b>	<b>86,294</b>	<b>86,294</b>
<b>Cash Outflows (Includes VAT where applicable)</b>														
Cash used to pay bond Interest	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(52,263)	(6,222)	(6,222)	(6,222)
Cash used to pay bond redemptions	-	-	-	-	-	-	-	-	-	-	-	(11,417)	(11,417)	(11,417)
Cash used to redeem shares	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(37,000)	(3,471)	(3,471)	(3,471)
Cash used to pay labour, NIC, Pensions	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(22,270)	(267,238)	(22,382)	(22,382)	(22,382)
Cash used to pay long-term debt (Inter	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(146,832)	(2,320)	(2,320)	(2,320)
Cash used to pay RCF Fees/Interest	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(1,649)	(19,790)	(129)	(129)	(129)
Cash used to pay Trade payables	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(60,845)	(730,142)	(57,320)	(57,320)	(57,320)
Cash used to Purchase Fixed Assets	-	(40,000)	(25,825)	(10,000)	(10,000)	(25,825)	(10,000)	(10,000)	(15,825)	-	(163,300)	-	(15,825)	-
Cash used to pay for Goodwill funding	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(10,800)	(842)	(842)	(842)
<b>Gross Cash Expended</b>	<b>(105,339)</b>	<b>(145,339)</b>	<b>(131,164)</b>	<b>(115,339)</b>	<b>(115,339)</b>	<b>(131,164)</b>	<b>(115,339)</b>	<b>(115,339)</b>	<b>(121,164)</b>	<b>(105,339)</b>	<b>(1,427,366)</b>	<b>(104,101)</b>	<b>(119,926)</b>	<b>(104,101)</b>
<b>Cash Balances</b>														
Net Change in Cash	72,522	32,522	46,697	62,522	62,522	46,697	62,522	62,522	56,697	72,522	706,964	(17,807)	(33,632)	(17,807)
Opening Cash Balance	188,828	261,350	293,872	340,569	403,091	415,358	411,800	424,066	436,333	442,775	59,609	465,042	447,234	413,602
Cash balance before RCF	261,350	293,872	340,569	403,091	465,613	462,055	474,322	486,588	493,030	515,297		447,234	413,602	395,795
RCF Advance /(Repayment)	-	-	-	-	(50,255)	(50,255)	(50,255)	(50,255)	(50,255)	(50,255)	(301,532)	-	-	-
<b>Net Cash Balance</b>	<b>261,350</b>	<b>293,872</b>	<b>340,569</b>	<b>403,091</b>	<b>415,358</b>	<b>411,800</b>	<b>424,066</b>	<b>436,333</b>	<b>442,775</b>	<b>465,042</b>	<b>465,042</b>	<b>447,234</b>	<b>413,602</b>	<b>395,795</b>

## Detailed Cash Movement (Expansion) – 12 Months

Item	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	2024	Jan 25	Feb 25	Mar 25
<b>Cash Inflows (Includes VAT where Applicable)</b>																
<b>Sales</b>																
Cash from Cask Sales	11,741	11,741	11,741	11,741	11,741	11,741	11,741	11,741	11,741	11,741	11,741	11,741	140,896	11,741	11,741	11,741
Cash from Whisky Sales	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	12,753	153,036	13,622	13,622	13,622
Cash from Cask Buy Back Scheme Sale	4,188	4,188	4,188	4,188	4,188	4,188	4,188	4,188	4,188	4,188	4,188	4,188	50,260	4,105	4,105	4,105
Cash from Gin Sales	648	648	648	648	648	648	648	648	648	648	648	648	7,778	669	669	669
Cash from Other Sales	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	2,123	25,479	2,271	2,271	2,271
Cash from Trade Receivables	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	53,065	636,775	69,309	69,309	69,309
<b>Cash from Sales</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>84,519</b>	<b>1,014,224</b>	<b>105,384</b>	<b>105,384</b>	<b>105,384</b>
<b>Other Activities</b>																
Cash from Biomass Grants	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	17,878	2,303	2,303	2,303
Cash from Bond Sales	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	750,000	8,563	8,563	8,563
Cash from Share Sales (Net sales less c	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	158,333	1,900,000	-	-	-
Cash from VAT Refunds	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	5,842	70,108	15,091	15,091	15,091
<b>Cash from Other Activities</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>228,166</b>	<b>2,737,987</b>	<b>84,290</b>	<b>84,290</b>	<b>84,290</b>
<b>Gross Cash Received</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>312,684</b>	<b>3,752,210</b>	<b>189,673</b>	<b>189,673</b>	<b>189,673</b>
<b>Cash Outflows (Includes VAT where applicable)</b>																
Cash used to pay bond Interest	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(4,355)	(52,263)	(6,222)	(6,222)	(6,222)
Cash used to pay bond redemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,417)	(11,417)	(11,417)
Cash used to redeem shares	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(3,083)	(37,000)	(4,721)	(4,721)	(4,721)
Cash used to pay labour, NIC, Pensions	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(23,141)	(277,686)	(23,252)	(23,252)	(23,252)
Cash used to pay long-term debt (Inter	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(12,236)	(146,832)	(5,665)	(5,665)	(5,665)
Cash used to pay RCF Fees/Interest	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(1,647)	(19,769)	(137)	(137)	(137)
Cash used to pay Trade payables	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(41,296)	(495,548)	(80,873)	(80,873)	(80,873)
Cash used to purchase fixed assets	-	(15,825)	(120,000)	(50,000)	(35,825)	(20,000)	(130,000)	(35,825)	(20,000)	(20,000)	(135,825)	-	(583,300)	-	(115,825)	(100,000)
Cash used to pay for Goodwill funding	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(900)	(10,800)	(1,050)	(1,050)	(1,050)
<b>Gross Cash Expended</b>	<b>(86,658)</b>	<b>(102,483)</b>	<b>(206,658)</b>	<b>(136,658)</b>	<b>(122,483)</b>	<b>(106,658)</b>	<b>(216,658)</b>	<b>(122,483)</b>	<b>(106,658)</b>	<b>(106,658)</b>	<b>(222,483)</b>	<b>(86,658)</b>	<b>(1,623,199)</b>	<b>(133,337)</b>	<b>(249,162)</b>	<b>(233,337)</b>
<b>Cash Balances</b>																
Net Change in Cash	226,026	210,201	106,026	176,026	190,201	206,026	96,026	190,201	206,026	206,026	90,201	226,026	2,129,012	56,337	(59,488)	(43,663)
Opening Cash Balance	59,609	60,507	194,304	300,330	476,356	666,557	872,583	968,609	1,158,810	1,364,836	1,570,862	1,661,063	59,609	1,887,089	1,943,425	1,883,937
Cash balance before RCF	285,635	270,708	300,330	476,356	666,557	872,583	968,609	1,158,810	1,364,836	1,570,862	1,661,063	1,887,089		1,943,425	1,883,937	1,840,274
RCF Advance /(Repayment)	(225,128)	(76,404)	-	-	-	-	-	-	-	-	-	-	(301,532)	-	-	-
Net Cash Balance	60,507	194,304	300,330	476,356	666,557	872,583	968,609	1,158,810	1,364,836	1,570,862	1,661,063	1,887,089	1,887,089	1,943,425	1,883,937	1,840,274



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## GLENWYVIS

### DISTILLERY



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