

EDRINGTON



The Edrington Group Limited
Annual Report and Financial Statements
for the year ended 31 March 2025

COMPANY REGISTRATION
NO. SC036374



Contents

Annual Report*

Directors and Auditor	
Key Financial Highlights	
Chairman's Statement	
Chief Executive's Review	
Financial Review	
Corporate Governance	
Corporate Sustainability and Responsibility	
Directors' Report	
Independent Auditor's Report	

Financial Statements

1	Group Consolidated Income Statement	46
2	Group Statement of Comprehensive Income	47
4	Statement of Financial Position	48
6	Consolidated Statement of Changes in Equity	50
8	Company Statement of Changes in Equity	51
17	Group Cash Flow Statement	52
31	Accounting Policies	54
40	Notes to the Financial Statements	64
43		

* In the context of the Annual Report, the 'Company' or 'Edrington' refers collectively to The Edrington Group Limited, and its subsidiaries and joint venture undertakings. Differentiation is made between Company and consolidated group results in the financial statements and the related independent auditor's report.



Directors and Auditor

DIRECTORS

A G Cockburn, Chairman
SJ McCroskie, Chief Executive
P A Hyde
S Fitzgerald
K Torii
I P Boyadjian
C Rénier
E Cumming-Bruce
P Huyghues Despointes

SECRETARY

G J Murray

REGISTERED OFFICE

100 Queen Street
Glasgow
G1 3DN

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
G1 3BX

Key Financial Highlights

Core Revenue (£m)

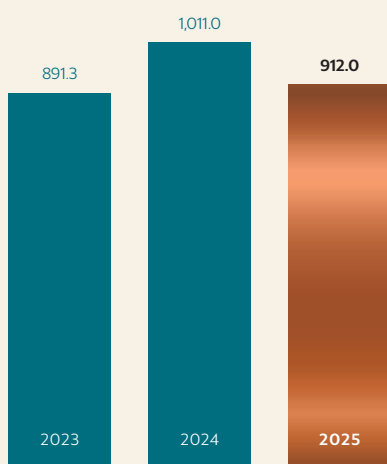
DESCRIPTION

Total revenue from our sales of continuing Edrington branded products on a constant currency basis.

ANALYSIS

Core Revenue fell by 10%, reflecting the reduction in consumer confidence and a more cautious approach to spending across our markets.

-10% vs. 2024



Brand Investment (£m)

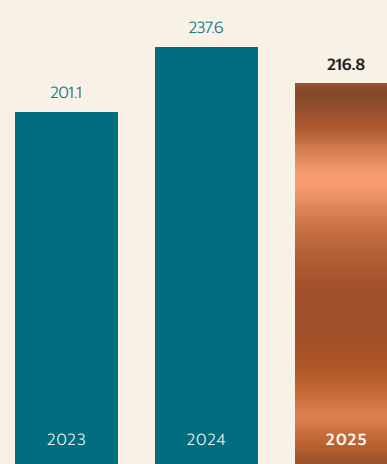
DESCRIPTION

Marketing expenditure on our core brands, on a constant currency basis.

ANALYSIS

Brand Investment reduced by 9% in line with the reduction in Core Revenue. Our re-investment ratio remained at market leading levels at 24% of Core Revenue.

-9% vs. 2024



Core Contribution (£m)

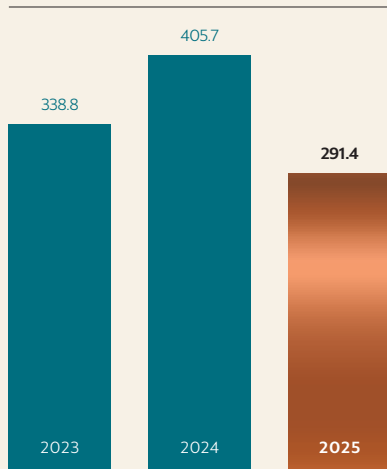
DESCRIPTION

Profits from our branded sales and distribution after the deduction of overheads on a constant currency basis.

ANALYSIS

Core Contribution shows a more substantial reduction than Core Revenue due to product cost inflation and an increase in our operating costs.

-28% vs. 2024



Earnings Before Interest and Tax (EBIT) (£m)

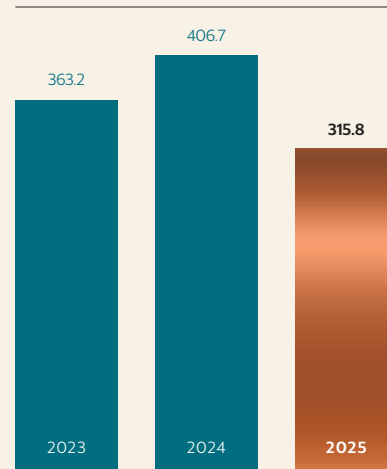
DESCRIPTION

EBIT is a measure of the profit generated by the business before the impact of interest, tax, minority interest charges and items deemed to be exceptional in nature.

ANALYSIS

EBIT fell by 22%, as the reduction in Core Contribution was partly offset by mature stock sales.

-22% vs. 2024



KEY FINANCIAL HIGHLIGHTS
(CONTINUED)

Free Cash Flow (£m)

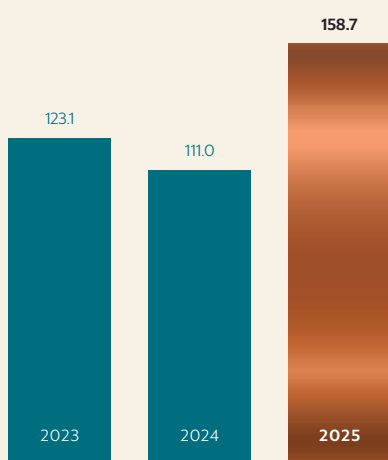
DESCRIPTION

Net cash flow excluding the movements in borrowings, shares, dividend payments, expansionary capital expenditure and exceptional items.

ANALYSIS

The improvement in free cash flow versus prior year reflects a reduction in cased goods stock and lower capital expenditure.

+43% vs. 2024



Net Debt/EBITDA

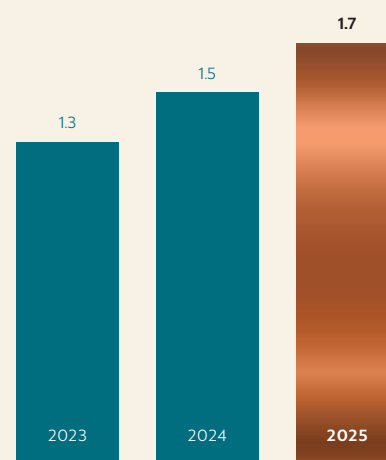
DESCRIPTION

The ratio of bank and private placement debt after the deduction of cash balances, to reported earnings before interest, tax, depreciation and amortisation.

ANALYSIS

Whilst our Net Debt has decreased from prior year, the ratio has increased by 11% as a result of our lower EBITDA.

+11% vs. 2024



Earnings per Share (p)

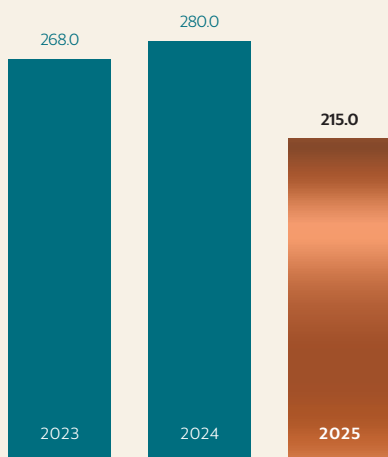
DESCRIPTION

Profit for the financial year attributable to the owner excluding exceptional items divided by the weighted average number of shares.

ANALYSIS

The earnings per share decreased by 23% as a result of the lower earnings. The number of shares in issue is unchanged.

-23% vs. 2024



Dividend per Share (p)

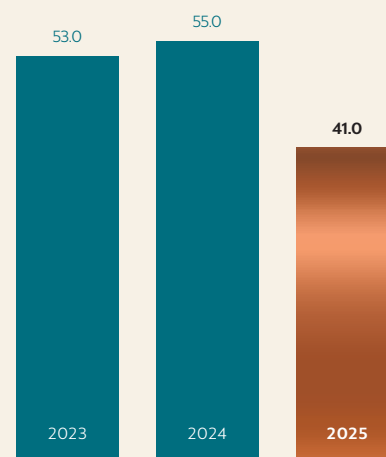
DESCRIPTION

The total dividend paid per share for the financial year.

ANALYSIS

The dividend has been reduced in line with the underlying profitability of the business.

-25% vs. 2024



Chairman's Statement

Dear Shareholder,

Welcome to Edrington's Annual Report for 2025.

I succeeded Crawford Gillies as Chair of Edrington on 1 April, 2025 and I would like to start by saying what a privilege it is to be involved with an organisation characterised by the tangible purpose of giving more as well as one with such a rich heritage, world class ultra-premium brands and unique culture, all underpinned by a highly professional and dedicated global workforce.

I would also like to express my gratitude to Crawford Gillies, for his surefooted leadership as Edrington Chair for eight years. It was a pleasure to serve on the Board with Crawford for the past four years.

Overview

After three years of significant growth, our 2025 results reflect the challenges facing the global spirits industry. It is a testament to the strength of our brands, the capabilities and focus of our people globally and our strong culture, that our core revenue and core contribution remain ahead of our pre-pandemic levels. This has been a resilient performance in a challenging economic climate. Nevertheless, consistent with many others in the industry, we have seen a material fall in revenue and profits during the year. Finding the right balance between investing for the long term and managing short term performance is challenging for all businesses in the sector and is likely to remain so for the foreseeable future, particularly given the increased uncertainty in global trade policy.

We continued to improve our performance from a sustainability perspective and achieved our emissions targets for the year.

Continued innovation

Despite the headwinds facing our industry, Edrington and our brands continued to innovate over the past 12 months. Once again, our brand teams, whisky makers and supply chain colleagues have ensured that the quality of our world-leading products and marketing campaigns continue to set the benchmark for our industry. To further sharpen our strategic focus on ultra-premium, we reached an agreement to sell The Famous Grouse and Naked Malt brands during this financial year.

Over the past 12 months, we continued to strengthen our ownership of every aspect of the sherry-seasoned oak cask supply chain that is so important to The Macallan. This is a critical long-term investment that gives us more control over sourcing both European and American oak for our sawmills and cooperages as well as the vineyards producing the grapes for the sherry both to season the casks and, also for high quality sherry brands such as Valdespino.

Looking at the year ahead

Edrington, like all international businesses, operates in a volatile geopolitical and economic environment. Put simply, the industry is characterised by fast-changing regulations and tariff and non-tariff barriers across all regions. However, I believe consumer appetite remains strong for the quality that epitomises our portfolio.

I am also confident that we have the right combination of an agile and talented leadership team and an engaged and skilled global workforce that will continue to adapt at pace and lean into these global challenges.

I know that in the year ahead the spirit of Giving More, that underpinning charitable ethos that we inherited from the Robertson sisters, will continue to support the communities that our people live and work in around the world.

**CHAIRMAN'S STATEMENT
(CONTINUED)****Dividend**

After several years of significant growth since Covid, current market conditions have led to a significant fall in profitability during this financial year. The outlook remains challenging given the well-documented changes to tariffs and resultant impact on the global macro environment. The Board understands the importance of the dividend for shareholders but in the light of the current situation, has decided to pay a final dividend of 22p per share for the year to March 2025, which together with the interim dividend of 19p per share results in a total dividend of 41p per share, a reduction of 25% from 2024.

Board

As we send our thanks to Crawford Gillies on his retirement as Chair, I would also like to welcome Patricia Huyghues Despointes and Edward Cumming-Bruce to the Board and look forward to working with them in the years ahead. I am sure that Edrington will benefit significantly from Patricia and Edward's experience as we continue to develop as a world leader in ultra-premium spirits.

Conclusion

Edrington is a unique and strong business, with a long track record of success. However, long term success is never achieved via a straight line and after several years of unprecedented growth, we must deal with a very challenging and uncertain market environment. I believe that we will continue to outperform the market in the long term given the strength and experience of our leadership team, our dedicated and highly skilled workforce, and the strength of our brands allied to the quality of our products, all brought together with our culture and ethos of giving more.

I would like to thank all our employees for their hard work and commitment to Edrington during what has been a very challenging year.



Angus Cockburn
Chairman

23 June 2025

Chief Executive's Review

My report last year highlighted the slower trading conditions we had been experiencing and our lower performance expectations for 2024/25.

In reality, and in common with most of the spirits industry, we have experienced a more challenging year than we expected at that time. With hindsight, the remarkable growth of the industry after the pandemic turned out to be temporary as consumers chose to spend accumulated savings on socialising with high quality spirits in bars, restaurants and at home. That boom ended during our last reporting period, and in this financial year we felt the full effects of a return to more normal consumption patterns. Our view is that negative trends were magnified by sharply declining consumer confidence around the world, mainly driven by economic concerns and a general sense of anxiety caused by conflicts and political uncertainty.

Performance

Our reported core revenue decline of 10% reflects these weaker consumer trends and the response by trade customers, which was to reduce their stocks. We saw performance hold up better at the lower price points, whilst sales of our top-end products slowed more sharply. We have been disciplined in ensuring trade stocks are at an appropriate level, and in avoiding commercial behaviour that could damage our long-term brand equity, even if this meant weaker short-term performance.

Core contribution is down 28% on last year as we did not reduce brand investment levels to the same extent as the drop in sales. We had already committed to a significant investment to mark The Macallan's 200th Anniversary with a year of events, campaigns and new product launches. In addition, although we had frozen recruitment since the start of the year, the effect of wage inflation resulted in a higher cost base, which has also adversely impacted profits.

Brands and Markets

The decline in core revenue was broadly consistent across markets, with a few notable exceptions such as the Dominican Republic, South Korea and Japan. We were pleased to see year on year growth of our core The Macallan expressions products in China, although business was weaker at the high end. New products launched to celebrate The Macallan's 200th anniversary performed well, including TIME:SPACE, which featured the world's oldest Single Malt Scotch Whisky.

We saw gains in value shares across several other key markets this year. The Macallan has grown demand for its core expressions, and we have recorded good progress in brand health data, which tracks consumer perception of our brands.

Brugal showed a resilient performance, especially in its home market, where it has continued to premiumise in recent years. Success in the Dominican Republic has formed a good base for growth in selected international cities for 1888 and Brugal's other ultra-premium expressions.

Our other single malts, Highland Park and The Glenrothes, have shown the most significant decline as a result of the global downturn, though we remain confident that both brands are well positioned when markets recover.

It is worth noting that even after this year's setback in performance, Edrington's core contribution is 38% above the level recorded immediately before the pandemic in 2019/20.

**CHIEF EXECUTIVE'S REVIEW
(CONTINUED)****Strategy**

I am pleased that we have continued to execute our business strategy effectively despite the hostile trading environment. It was with mixed feelings that we announced the sale of The Famous Grouse and Naked Malt brands during the year. We are proud that we have consistently out-performed the Blended Scotch market with The Famous Grouse and developed a much-loved brand. However, the sale reflects our choice to focus on the top-end of the market, where we are best placed to compete. Proceeds from the sale will allow the business to reduce borrowings, which is an advantage in uncertain times. We wish the purchaser, William Grant & Sons, well in their efforts to grow the brand in the future.

Other significant strategy developments included further investments in the sherry cask supply chain to secure the best quality casks in the industry. These underpin our liquid quality for the long term, a core competitive advantage for Edrington. We have also continued to invest in carbon reduction initiatives including significant redevelopment at our Highland Park distillery.

With strategic priorities including The Macallan's 200th anniversary and operational upgrades completed, investment levels in the coming year will be more selective, with ongoing review to ensure that these are aligned with business conditions.

People

As a result of lower levels of activity, especially in bottling, and the need to adjust the size of our business to reflect the lower level of income, it was necessary to make redundancies during the year. I can only apologise to those affected and express my gratitude for their contribution to Edrington.

I welcome Angus Cockburn as our new Chair and echo his gratitude to Crawford Gillies on his retirement from the role. On a personal level, I appreciate Crawford's support and positive challenge over the past eight years.

Outlook

The political and economic backdrop remains volatile which we expect will weigh on consumer sentiment in the coming year. We believe top line growth will be difficult to come by in this environment, although adjustments to overheads and Brand Investment will flow through so that core revenue and core contribution will be more closely aligned this year.

Edrington's strategic focus on ultra-premium spirits remains effective. We will continue to execute it in order to strengthen our brands and our business for the long-term benefit of our investors, our employees, and those who benefit from our own and our principal shareholder's charitable activities.

The challenges of the past year have placed exceptional demands on our employees around the world and I would like to thank them for the way they have responded, with commitment, resilience and agility.

**Scott McCroskie**

Chief Executive

23 June 2025

Financial Review

Statutory Key Performance Indicators

	2025	2024	vs. 2024
Revenue*	£1,068.7m	£1,219.4m	-12%
Earnings before interest and tax*	£299.1m	£402.6m	-26%
Profit before taxation*	£257.7m	£368.4m	-30%
Profit for the financial year attributable to owner	£113.9m	£164.0m	-31%
Total equity	£1,357.3m	£1,234.6m	+10%

Management Key Performance Indicators

	2025	2024	vs. 2024
Core revenue**	£912.0m	£1,011.0m	-10%
Brand investment**	£216.8m	£237.6m	-9%
Core contribution**	£291.4m	£405.7m	-28%
EBITDA (pre-exceptional)**	£351.9m	£445.0m	-21%
Earnings per share	£2.15	£2.80	-23%
Free cash flow**	£158.7m	£111.0m	+43%
Net debt/EBITDA	1.7	1.5	
Dividend per share	41.0p	55.0p	

CORE REVENUE

Total revenue from our sales of continuing Edrington branded products on a constant currency basis.

BRAND INVESTMENT

Marketing expenditure on our core brands on a constant currency basis.

CORE CONTRIBUTION

Profits from our branded sales and distribution after the deduction of overheads on a constant currency basis.

EBITDA (PRE-EXCEPTIONAL)

Earnings before the deduction of interest, tax, depreciation, amortisation and exceptional items.

EARNINGS PER SHARE

Profit for the financial year attributable to the owner excluding exceptionals items divided by the weighted average shares in issue during the year.

FREE CASH FLOW

Net cash flow excluding the movements in borrowings, shares, dividend payments, expansionary capital expenditure and exceptional items.

NET DEBT/EBITDA

The ratio of bank and private placement debt after deduction of cash balances, to reported earnings before interest, tax, depreciation and amortisation.

DIVIDEND PER SHARE

The total dividend paid per share for the financial year.

* Key performance indicators reported on continuing operations.

** A reconciliation of constant currency measures, free cash flow and EBITDA is provided at Note 34 to the accounts.

**FINANCIAL REVIEW
(CONTINUED)**

Group Financial Performance Overview

After a period of industry-leading growth, during which the size of the business has grown significantly, this has been a year in which we have experienced the full year impact of reduced consumer demand.

Our core revenue declined by -10% due to a reduction in consumer confidence and a more cautious approach to spending across almost all markets where we operate. The decline in core contribution of -28% is much higher than our decline in core revenue as both the cost of producing goods and our other operating costs continued to grow during the year. Pre-exceptional profit before tax was -26% less than last year whilst retained profit for the financial year, before exceptional items, declined by -24%.

During the year we announced the agreement to sell The Famous Grouse and Naked Malt brands to William Grant and Sons. The sale of these brands supports our strategy to focus on ultra-premium spirits. The transaction is subject to, among other things, obtaining the requisite regulatory approvals in the UK which was received on 6 March 2025. The sale is considered to be highly probable as at 31 March 2025 and it is expected to complete in the year ending 31 March 2026. Consequently, we are recording the net profit from these brands as discontinued operations in our income statement and the impacted assets were classified as held for sale on 31 March 2025.

Despite the decline in sales performance, we have delivered improved free cash flow due to a focus on reducing our stocks of finished goods and a reduction in capital investment. Our Balance Sheet will be strengthened further in the coming months as the proceeds from the sale of The Famous Grouse are used to reduce our level of debt.

Group Financial Performance (reported on a constant currency basis)

CORE REVENUE

Core revenue declined by -10% to £912m due to a lower volume of sales and an adverse product mix due to a greater decline in our higher priced products.

BRAND INVESTMENT

Brand investment is an essential element in building the long-term success of Edrington, and our brand equity scores continue to grow. Our total brand investment of £217m was down -9% on the previous year as we have scaled back the absolute level of spend to reflect market conditions and the reduction in core revenue, however our reinvestment ratio of 24% remains ahead of our industry peers.

CORE CONTRIBUTION

The core contribution margin percentage was lower than the prior year due to the adverse product mix and continued inflationary pressures in both our cost of production and our employment costs. The decline in core revenue of 10% combined with the reduced margin percentage resulted in a 28% decline in core contribution. During the year we have taken steps to align our cost base to the current size of the business including a reduction in headcount. The costs of this restructuring are included in these results, and the lower operating costs will benefit the following financial year.

The Macallan celebrated its 200th anniversary with a number of spectacular events and we saw excellent brand and commercial success for TIME:SPACE products released for this landmark occasion.

The Estate Brands business unit has been more acutely impacted by the market challenges, due to the smaller scale of these brands. We have recognised an impairment of brand values for both Wyoming Whiskey and The Glenrothes during the year. This reflects the impact of the current downturn in demand and a level of uncertainty with future performance.

The Brugal business unit has shown resilience in its core market of The Dominican Republic. The brand has built strong brand equity and benefitted from its excellent innovation pipeline with new expressions Doble and Triple Reserva.

At a regional level we experienced similar rates of decline across Americas, Asia Pacific, EMEA (Europe, Middle East, India and Africa) and Global Travel Retail. The Dominican Republic was our only region of growth reflecting the Brugal brand success in its home market.

FINANCIAL REVIEW
(CONTINUED)**Statutory results (reported at actual currency rates)**

Statutory group revenue fell by -12% to £1,069m. The rate of decline is slightly higher than our core revenue fall of -10% due to lower revenue from 3rd party products this year.

Pre-exceptional profit before tax fell by -26% to £274m with underlying business performance being further reduced by higher interest costs.

Profits attributable to Edrington shareholders (before exceptional items) decreased by -24% to £126m. The profit for the financial year after exceptional items fell by -31% to £114m.

EXCEPTIONAL ITEMS

The current year exceptional items largely reflect the recognition of an impairment on two of our brands, The Glenrothes and Wyoming Whiskey. This reflects the impact of the slowing consumer demand and uncertain economic environment on the forecasts for both brands.

In March 2024 it was announced that Edrington UK would exit the distribution of third-party products in the UK market, resulting in a material reduction in the size of this business. The restructuring costs were provided for within exceptional items in the prior year. In the current year we have recognised the release of a small portion of the prior year restructuring provision.

Statutory results table adjusted for non-recurring items

	2025	2024	vs. 2024
Profit for the financial year - pre-exceptional items	£126.1m	£166.3m	-24%
Exceptional items	(£16.7m)	(£4.1m)	
Non-controlling interest and taxation on exceptional items	£4.5m	£1.8m	
Profit for the financial year	£113.9m	£164.0m	-31%

INTEREST

Net finance charges, totalling £41m, largely comprised interest costs on funding from the Group bank and US private placement debt. The increase is driven by the higher average debt level year on year.

Constituent elements of the interest charge

	2025	2024
Finance income	£10.1m	£12.4m
Finance costs	(£48.8m)	(£44.2m)
Other finance costs	(£2.7m)	(£2.4m)
	(£41.1m)	(£34.2m)

**FINANCIAL REVIEW
(CONTINUED)****CASH FLOW AND FINANCIAL POSITION**

Our net debt at 31 March 2025 was £690m, a decrease of £77m from 31 March 2024.

Higher net cash from operating activities reflects the focus on working capital management during the year which has resulted in a net cash inflow from operations of £282m, a 17% increase from the previous year.

The Group is financed by both US private placement notes and bank debt. The consolidated group net debt to EBITDA ratio at 31 March 2025 was 1.7 times (2024: 1.5 times) and within the I887 Group, where the debt is principally held, we finished the year with a ratio of 2.2 times (2024: 2.1 times) which is comfortably within the limit of our debt covenants.

We maintained a robust financial position this year, total equity increased by £123m (10%) on the previous year. Total assets increased by £23m to £2,741m, primarily as a result of further investments in casks and maturing stock. Property, plant and equipment increased by £19m reflecting our cask purchases in the year. Inventories, of which maturing whisky stocks account for the majority of the value, decreased by £59m. This includes a transfer to assets held for sale of £97m in light of the sale of The Famous Grouse and Naked Malt brands. Maturing inventory, including amounts held for sale, has increased by £38.0m. Cash and other liquid resources increased by £60m during the year reflecting an improvement in the level of working capital in the business.

Total liabilities reduced by £99m to £1,384m, primarily reflecting our lower borrowings together with a reduction in trade and other payables.

POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group has obligations for three defined benefit pension schemes for employees. Two of these have been closed since 2014 and the third scheme has been closed since 2015. As at the 31 March 2025, the Group had a surplus of £4.1m in relation to the post-employment benefit obligations of these schemes, as calculated in accordance with accounting standards. This is a decrease of £3m from the £7m asset recognised on 31 March 2024.

The present value of the schemes' liabilities decreased by £32m, principally due to changes in the mortality and discount rate assumptions. Further deficit repair contributions of £18m were made in the year.

This surplus position reflects the required accounting treatment for the post-employment benefit obligations. On an actuarial basis we believe that the defined benefit schemes are in deficit, albeit two of the schemes (those closed since 2014) are now fully bought in.

DERIVATIVES AND FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange. The fair value of these instruments at 31 March 2025 is included in the Statement of Financial Position.

At the year-end there were assets of £13m (2024: £9m) and liabilities of £1m (2024: £1m), principally reflecting the fair value of forward and option foreign exchange contracts outstanding as at the 31 March 2025.

SUMMARY

Despite the significant reduction in profit this year we have managed our cash flow carefully in order to maintain a strong balance sheet which will be materially strengthened in the coming year when we complete the disposal of The Famous Grouse. We have also taken the difficult steps of restructuring the cost base. This positions the company well to navigate the uncertain environment whilst continuing to have confidence in the strength of our brands and the quality of our people to return the business to growth.

FINANCIAL REVIEW (CONTINUED)

Going Concern

To assess the appropriateness of adopting the going concern basis for the Group, the directors have reviewed the strategic and financial plan over the next three years. The underlying assumption continues to be that our operations, both in Scotland and Dominican Republic will remain open, and that our global supply chain continues to support the shipment of product to our markets.

The experience of the Covid-19 and recent market volatility has given us the confidence that we have the ability to adapt quickly and decisively. With the support of our multiple stakeholders, we have the potential to flex the level of dividends and investment to manage our liquidity.

Our updated three-year plan shows core contribution continuing at a level that is sustainable in the current economic environment.

The Group has reviewed a number of different scenarios of revenue decline, together with cost and cash savings, to assess the impact on the Group liquidity and our debt covenant conditions.

Based on a scenario showing a contribution decline of 10% from our plan, the business has the ability to remain within our lenders' covenant conditions through a reduction in the cost base and investment levels.

DEBT FACILITIES AND COVENANT TESTS

The scenario planning shows that there is adequate headroom within the debt facilities and that the covenant tests are met in each test period to 31 March 2027. The Group has two underlying financial covenants; one that measures net debt/EBITDA and the second EBITDA/net interest (banking covenant), EBIT/net interest (private placement covenant).

The results of these assessments were reviewed considering the financial position of the Group at 31 March 2025, the cost and cash mitigation measures available, and the access to ongoing funding facilities. Based on these assessments the Board has a reasonable expectation that the Group will be able to meet its financial obligations for the foreseeable future and has adequate resources to continue to operate for at least 12 months from the date of this annual report. The directors therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Principal Risks and Uncertainties

OUR APPROACH TO MANAGING RISK

The Board is responsible for risk management and the controls and compliance environment supported by the Executive Committee and the Audit Committee. The Audit Committee has direct oversight of the Group Risk Management Committee and the Assurance, Risk & Compliance functions.

Edrington acknowledges that risks are inherent in achieving our goals and ambitions and the Group's focus is on identifying, evaluating, and managing both financial and non-financial risks. It seeks to minimise exposure to unforeseen events and identified risks, allowing the business to concentrate on delivering its strategic objectives. During the year we have continued to embed the culture of risk management throughout the Group by actively promoting risk considerations through comprehensive reviews at a market, functional, and project level.

The Board regularly reviews the principal risks facing the Group, including those affecting its business model, future performance, reputation and solvency. A comprehensive review and assessment of principal risks was carried out in November 2024, allowing the Board to evaluate the Group's risk appetite and ensure significant risks facing the business are identified and adequately managed. This assessment includes a review of the impact and likelihood of each risk, along with the mitigating controls in place. This includes detailed scenario planning for specific risks. Given the dynamic nature of Edrington's operating environment and external factors, the review of principal risks is performed annually by both the Executive Committee and the Board, with specific risk reviews conducted quarterly at both the Audit Committee and the Group Risk Management Committee.

Risk categories are primarily macroeconomic or operational. Macroeconomic risks pertain to the external environment and international markets where Edrington operates, over which the Group has limited control. Operational risks are more internally focused, including issues like supply chain disruptions or failures in business technology.

Edrington's operating environment is constantly evolving so the Group remains vigilant to new and emerging risks, as well as previously downgraded risks that may re-emerge. These risks are assessed on a timely basis and appropriate actions are taken where possible to mitigate their impact on the business.

**FINANCIAL REVIEW
(CONTINUED)**

During the year the Audit Committee evaluated reports from internal audit teams and reviewed the actions in place to manage key strategic risks. This process has allowed the committee to assess the general control environment, identify control weaknesses and quantify the potential impact of associated risks.

The internal controls in place are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, providing reasonable assurance against material misstatement or loss. The system includes both financial and non-financial controls and is regularly reviewed to ensure it remains robust and integrated into business processes, enabling Edrington to continuously manage relevant business risks.

OUR PRINCIPAL RISKS

Whilst the overall level of risk in our operating environment continues to be extensive across the different geographies in which Edrington operates, there has not been a significant increase in risk exposure during the year.

As part of our annual review of risk exposure and evolving risks, we have updated our assessment of principal risks as follows:

- Given the progress made on further acquisitions in our sherry seasoned cask supply chain in Spain and the enhanced visibility and controls around this area the risk of the resilience of key raw materials has been reduced.
- The risk of the misuse of personal data has been removed as a principal risk due to improvements in our internal processes in managing this risk and the assessment of the size of the impact of an incident on the business.
- The risk relating to a Global Event disruption has decreased during the year as we continue our annual reviews and stress testing of potential disruptive events throughout the year.

The risk removed in the year will continue to be closely monitored as part of our standard risk management processes.

The table below outlines our latest assessment of the principal business risks, highlighting key risk drivers, risk outlooks and current mitigating actions. The developments section details the actions taken over the past year to effectively manage evolving key risks. These risks will continue to be closely monitored as part of our structured risk management processes.

FINANCIAL REVIEW
(CONTINUED)

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2024-2025
<p>Inter-state conflict & Protectionism</p> <p>RISK OUTLOOK: ↔</p> <p>Economic or political instability restricts market activity, affecting market access, demand or increased costs.</p>	<ul style="list-style-type: none"> • Continuous local and global monitoring of changes in economic, political and operational environments that could impact business performance. • Group level strategic analysis and scenario planning to support strategy delivery, risk management and minimise over-reliance on a single country or region. • Regular pricing, tax and customs reviews to enable a timely reaction to changes in legislation. 	<ul style="list-style-type: none"> • Scenario and contingency planning reviews have been performed based on current global events and potential international responses. • Consistent use of a screening tool to enable real-time monitoring of changes in sanctioned parties to ensure compliance with international regulations. • Alternative suppliers secured to mitigate the risk of supply chain disruption.
<p>Cyber Attack (significant incident)</p> <p>RISK OUTLOOK: ↔</p> <p>Continued development of cyber threats increases the risk of theft, failure or corruption of digital assets and/or key systems which could lead to business disruption, reputational damage and financial loss.</p>	<ul style="list-style-type: none"> • Group-wide cyber risk management processes and policies, including the restricted use of any generative AI systems. • Regular review of effectiveness measures including vulnerability management monitoring, penetration testing and testing measures. • Annual cyber security and incident management reviews performed. 	<ul style="list-style-type: none"> • New mandatory cyber awareness and training, and additional training targeted at those susceptible to phishing attacks. • Implementation of new / additional cyber security tools from Microsoft. • Ongoing implementation of the Operation Technology plan, with additional monitoring & security in place.
<p>Disruption to Key Supply Operations</p> <p>RISK OUTLOOK: ↔</p> <p>Our ability to maintain the continuity of our supply chain is hindered due to the availability of suitable raw materials, constraints in logistic operations and shipment of finished goods leading to revenue loss.</p>	<ul style="list-style-type: none"> • Proactive collaborative business forecasting provides insight into demand requirements that allow for real-time management of potential shortages and overall management of inventory levels across the group. • Ongoing relationship management of key vendors and continuous review of raw material quality and availability. • Ongoing review of stockholding levels of both raw materials and finished goods to mitigate the impact of disruption. 	<ul style="list-style-type: none"> • New maturation warehouse site completed and storing filled casks for maturation. • A risk-based value led approach to ensure the appropriate agreements for contingency bottling and dual supply have been put in place. • Review of purchase contracts for key raw materials and packaging to secure future requirements.

FINANCIAL REVIEW
(CONTINUED)

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2024-2025
<p>Resilience of Key Raw Materials</p> <p>RISK OUTLOOK: ↓</p> <p>Our ability to secure the appropriate quality and quantity of core raw materials due to environmental concerns, climate change and industry demands.</p>	<ul style="list-style-type: none"> We have established long term contracts with key raw material suppliers in line with projected manufacturing requirements. Strategic vertical acquisitions secure further direct access to key raw materials for the manufacture of our sherry seasoned casks. Ongoing reviews of the quality and sourcing of our raw materials are performed prior to manufacturing. 	<ul style="list-style-type: none"> Further investments in Spain to support the continuity of supply for our sherry and wood. Working with glass suppliers to encourage reductions in CO2 emissions by moving to greener fuel options. Ongoing assessments of increasing recyclable and recycled materials where possible.
<p>Tightened restrictions on alcohol sales</p> <p>RISK OUTLOOK: ↔</p> <p>Tighter restrictions on alcohol promotion, sales and/or consumption may limit market access resulting in loss of revenue.</p>	<ul style="list-style-type: none"> Membership of national and international organisations that work to encourage the responsible promotion and consumption of alcohol and reduce alcohol-related harms. Annual review of our policies, communications, and requirements, including Code of Conduct and Marketing Code. Edrington's policies and campaigns are reviewed annually by the Marketing Code Committee. 	<ul style="list-style-type: none"> We continue to partner with relevant organisations, including the Scotch Whisky Association, World Spirits Alliance, and other trade organisations, to monitor potential restrictions. Continued reviews of restrictions across all geographies are performed to enable proactive monitoring of any changes.
<p>Counterfeit Products & Brand Protection (significant incident)</p> <p>RISK OUTLOOK: ↔</p> <p>Ineffective or inadequate protection of intellectual property rights, resulting in reputational damage, an increase in counterfeit goods and a decline in sales volumes and/or market share.</p>	<ul style="list-style-type: none"> Ongoing monitoring of the principal exposures of our brands. Brand security education, surveillance and enforcement activities are performed to identify and address any potential counterfeit and/or refilling operations. Ongoing monitoring of global trademark applications, opposing those that infringe our rights and seeking the revocation of those that infringe our rights. 	<ul style="list-style-type: none"> Ongoing developments in the detection, monitoring and reporting on counterfeit products. Joined Alliance Against Counterfeit Spirits (AACS) in APAC and West Africa to work more closely with peer brands on investigations, raids and government lobbying. Replacement of existing product security features to industry leading technology.

**FINANCIAL REVIEW
(CONTINUED)**

Risk and Risk Impact	Risk Mitigating Actions	Developments in 2024-2025
<p>Sustainability: Regulatory Compliance & Adverse Weather</p> <p>RISK OUTLOOK: ↔</p> <p>Global warming results in adverse weather conditions, increased risk of wildfire, flooding, sea level rises or other events that cause significant operational disruption.</p> <p>Increased regulatory requirements for environmental reporting and greater expectations for businesses to reduce contributions to climate change increases costs and complexity in operations and could lead to reputational impacts for any misleading information published.</p>	<ul style="list-style-type: none"> Sustainability related KPIs have been defined and assigned across the different Business Units to ensure requirements are built into their strategic objectives. Sustainability risk assessments are reviewed regularly to ensure risks are managed at both a local and Group level. Risk registers are in place for key raw materials and are reviewed in line with the broader sustainability risk review process. LRQA audits every site every 2 years as well as 2 yearly internal audits. 	<ul style="list-style-type: none"> Regulation tracking is now in place and coordinated with the business for action planning. Formalisation of set processes to embed best practice across the business and ensure that sustainability is part of the Edrington DNA. Clear KPIs in place to manage all aspects of the environmental sustainability strategy including a public commitment of Net Zero by 2045. Detailed review of the ongoing supply of water performed with a focus on the south of Spain and sherry production.
<p>Global Event Disruption</p> <p>RISK OUTLOOK: ↓</p> <p>A new global event that results in government-imposed restrictions to travel, trading, and human interaction, which could have a negative effect on business operations, trading, or logistic activities.</p>	<ul style="list-style-type: none"> Scenario planning carried out to ensure business continuity plans remain relevant and supportive of our operations. 	<ul style="list-style-type: none"> Continued monitoring. Annual reviews and stress testing of potential disruptive events performed during the year. Crisis Management training completed during the year.

RISK OUTLOOK LEGEND FROM PRIOR YEAR:

- ↑ Increased
- ↔ Stayed the Same
- ↓ Reduced

Approved and signed on behalf of the Board.



Paul A Hyde
Chief Financial and Commercial Officer
23 June 2025

Corporate Governance

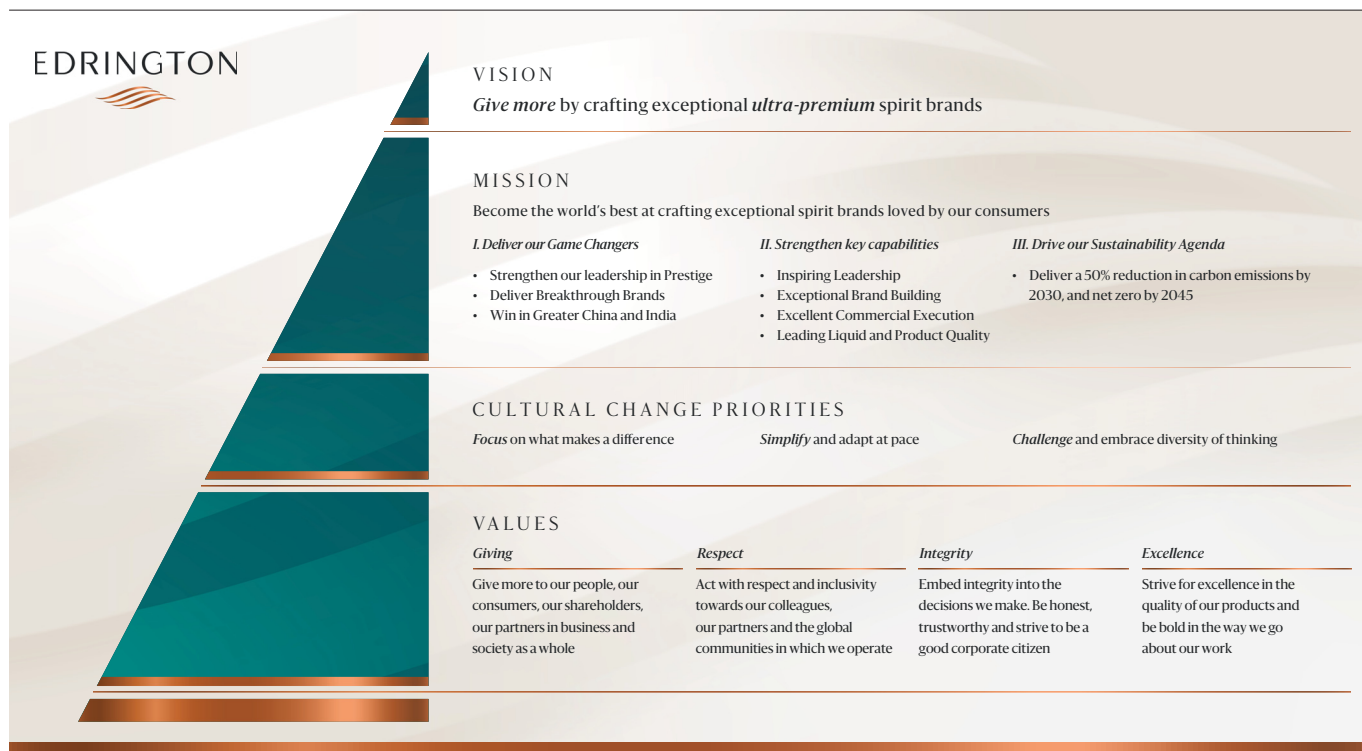
As a private business, Edrington is not required to follow the UK Corporate Governance Code. It is, however, committed to the highest standards of both governance and corporate citizenship, and therefore voluntarily observes those elements of governance and disclosure that are appropriate and add value both to the organisation and its stakeholders.

Wates Principles

The Board continues to adopt and apply many of the Wates Corporate Governance Principles for Large Private Companies (the 'Wates Principles') and this section outlines how Edrington has incorporated these Principles into its business operations.

Principle 1 – Purpose and Leadership

Edrington has a well-developed and defined purpose and strategy. Our vision, as set out in the Edrington strategy, is to **"give more by crafting exceptional ultra-premium spirit brands"**.



The Board fosters effective stakeholder relationships aligned to the Company's purpose. Further details on stakeholder engagement are included in the Section 172(1) Statement in this section of the Annual Report.

Strategy and values are consistently articulated throughout the business through a range of communication channels and events. These include our Edrington Leadership

Conference, townhall meetings, 'Your Voice' meetings with employee representatives and the annual Edrington Year in Review, which is led by members of the executive team. Business performance is shared quarterly through performance updates supplemented by the Balanced Scorecard, which incorporates key financial and non-financial metrics that are important in achieving our strategic goals, including measures relating to diversity

CORPORATE GOVERNANCE (CONTINUED)

and inclusion, sustainability and our 'Game Changer' strategic targets. Together, this framework of communication enables employees to understand financial and strategic plans and to ask questions of senior management.

The Board considers Edrington's culture as a significant strategic advantage. Edrington conducts an independent employee engagement survey every year to monitor culture and take account of the views of the workforce. The most recent survey, in March 2025, resulted in an Edrington engagement score of 74%. The leadership team assesses the results of the engagement survey and forms an action plan for improvements which is shared with the Board. There is also regular engagement with recognised trade union partners through partnership meetings and with employee representatives through the Your Voice forums in all regions.

Edrington considers that it has in place workforce policies and practices that are consistent with its values and with the long-term sustainable success of the business. The organisation has established and transparent policies in relation to raising concerns about misconduct and unethical practices which are regularly communicated through employee training. Through its Speaking Up Policy, Edrington enables employees to raise matters of concern anonymously relating to the interests of others, or the interests of the Company.

Principle 2 – Board Composition

At 31 March 2024, the Board comprised the former Chairman, three executive directors and four non-executive directors. Catherine Rénier was appointed as a non-executive director on 1 June 2024 and Alice Avis MBE retired as a non-executive director on 2 September 2024. The former Chairman, Crawford Gillies, retired on 1 April 2025 with Angus Cockburn being appointed as Chairman on 1 April 2025. Edward Cumming-Bruce and Patricia Huyghues Despointes were appointed as non-executive directors on 1 April 2025. As at the date of this report, the Board comprised the Chairman, three executive directors and four non-executive directors. The Board is supported by the Company Secretary.

The Board believes that its composition – its size, mix of expertise and balance of executive and non-executive directors – is appropriate and that it has a suitable balance

of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. A biography of each director can be found on the Group's website at www.edrington.com/en/edrington-leadership.

Edward Cumming-Bruce is the Senior Director and is appointed on behalf of The Robertson Trust. Kengo Torii is appointed on behalf of Suntory UK Holdings Limited. Angus Cockburn, Stefanie Fitzgerald, Catherine Rénier and Patricia Huyghues Despointes are considered by the Board to be independent directors.

The Board's process on nominations is undertaken by the Nomination Committee and includes assessing the composition of the Board and its governance structures as well as considering appointments and succession planning. Further information on the Nomination Committee and other Board Committees is set out in the "Board Committees" section below.

EVALUATION OF EFFECTIVENESS

On an annual basis, each director is asked to complete an evaluation on Board structure, the governance process, strategy and leadership, before conducting a one-to-one interview with the Chairman. Based on his findings, the Chairman prepares a report on the overall effectiveness of the Board, which is then discussed by the Board and any recommendations arising from it are implemented.

In addition to the overall Board effectiveness reviews, the individual performance of executive directors is monitored in the Group's performance appraisal programme and by the Remuneration Committee. Furthermore, the Senior Director seeks feedback on the Chairman annually from both the non-executive and executive directors.

The training needs of the Board and its committees are regularly reviewed. Emphasis is placed on ensuring that directors are aware of proposed legislative changes in areas such as remuneration, corporate governance (including directors' duties), financial reporting and sector specific issues. All directors are also encouraged to visit the Group's operating locations and we were delighted to welcome our Board to The Glenrothes Distillery and operational sites in Jerez de la Frontera in the year.

The Board is able to approve potential conflicts of interest within the director group. Directors are required to inform the Board of any actual or potential conflicts which may arise with their other professional or personal interests.

**CORPORATE GOVERNANCE
(CONTINUED)****Principle 3 – Director Responsibilities**

The Board is collectively responsible for the long-term success of the Group. The Chairman is responsible for ensuring that the Board is effective and is led in the appropriate way. The offices of Chairman and Chief Executive are separate and distinct with the division of responsibilities between them clearly established.

The Board, which meets at least five times a year, has responsibility for defining and executing the Group's strategy, for reviewing trading performance and funding levels, assessing acquisitions and disposals, changes to the structure of the business and overall corporate governance issues. The Board also approves the Group's budget together with its annual report and financial statements. The Board retains overall responsibility for the Group's systems of internal control, including the financial controls designed to give reasonable assurance against material financial misstatement or loss.

The Board believes the financial controls in place, together with the Edrington values and code of conduct, allow it to meet its responsibility for the integrity and accuracy of the Group's accounting records, and to provide timely and accurate financial information to enable it to discharge its duties.

The directors attend all Board and relevant committee meetings. If directors are unable to attend meetings in person, by telephone or video conference they are given the opportunity to be consulted and to comment in advance of the meeting. Board papers are circulated at least five working days prior to each Board or committee meeting to ensure that directors have sufficient time to review them before the meeting and the chair ensures that sufficient time is made available for meaningful discussion. Documentation includes detailed reports on current trading and full papers on matters where the Board is required to give its approval.

Day to day management and control of the business is delegated to the executive directors and they routinely meet together and with other senior managers as required. Where necessary and appropriate, ad hoc committees of the Board are appointed to deal with known matters which require attention between scheduled Board meetings.

All directors have a responsibility to ensure that the strategies proposed by the executive directors are properly considered and challenged, and that the performance of the Group is consistently monitored.

The Board has delegated certain responsibilities to established committees, details of which are set out in the "Board Committees" section below.

Principle 4 – Opportunity and Risk

The Board promotes the long-term sustainable success of the Group by considering and assessing how the Group creates and preserves value over the long-term. The Group works to a five-year strategy cycle and the Board holds a two-day strategy session each year.

A dedicated Strategy team, reporting to the Chief Financial and Commercial Officer, assists in the identification of future opportunities for innovation and entrepreneurship. The Strategy team provides regular updates to the Board and significant opportunities are considered and approved at Board level.

The responsibility for risk management and internal control systems resides with the Board, with a framework to support the process for identifying, evaluating, and managing financial and non-financial risks. The Board regularly reviews the principal risks facing the Group including those that would impact its business model, future performance, and solvency. To assist with this, the Board, carries out annual reviews of key strategic risks, emerging risks and the effectiveness of risk mitigating actions. Further details of the most recent review are set out on pages 14-16 of the Strategic Report. These reviews allow the Board to assess the Group's risk appetite, ensure that the nature and extent of the significant risks facing the business are identified and adequately managed. These reviews consider both the likelihood and impact of the relevant risks and ultimately determine which risks will be included on the principal risk register.

The Group Risk Management Committee maintains the principal risk register and provides scoring on these risks. New and emerging risks are identified in several ways – through the Board directly, through the Group Risk Management Committee, or in a "bottom-up" process by the relevant Business Units presenting to the Group Risk Management Committee in scheduled reviews. The Audit Committee is responsible for the direct oversight of the Group Risk Management Committee and the Assurance, Risk and Controls functions. The Group Risk Management Committee reports to the Audit Committee and the Audit Committee chair attends at least one Group Risk Management Committee meeting per annum.

The Board, through delegation to the Audit Committee, the Group Risk Management Committee, and the Assurance, Risk & Controls function has established an internal control framework with clearly defined roles and responsibilities for those involved. Internal controls are assessed and reviewed on an annual basis and required action plans to address any control gaps are monitored on a quarterly basis.

**CORPORATE GOVERNANCE
(CONTINUED)**

Principle 5 – Remuneration

Details of the Company's remuneration policy are set out in the Remuneration Committee section on page 26.

Directors' remuneration, which is determined by the Remuneration Committee, is benchmarked triennially with the assistance of independent specialist consultants.

Edrington reports gender pay statistics annually and has in place a series of improvement actions and targets to ensure demonstrable progress towards our commitment of narrowing the gender pay gap. Our most recent gender pay gap report was published in February 2025, reflecting the snapshot date of 5 April 2024. The mean gender pay gap increased slightly from 7.5% in the prior year to 7.7% but the median pay gap reduced from 1.4% in the prior year to 1.1%. These results maintain our positive momentum over recent years. Our gender pay report, which explains these results in detail, is published on the Edrington website.

Principle 6 – Stakeholder Relationship and Engagement

The Board fosters effective stakeholder relationships aligned to the Company's purpose. Further details on stakeholder engagement are set out in the Section 172(l) Statement.

This Board considers how the Group's activities may impact current and future stakeholders as well as the environment. Further detail on Edrington's sustainability strategy is included in the Corporate Sustainability and Responsibility section on pages 31-39.

The Group maintains a website (www.edrington.com) to provide up-to-date, detailed information on the Group's values as well as its operations and brands, including sections on news and business performance. All significant Group announcements are available on this site, as are the annual financial reports. The Group's corporate affairs team manages external communications and can be reached at corporate.communications@edrington.com.

Section 172(l) Statement

The Board's priority is to ensure that the directors have acted both individually and collectively in the way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members with

regards to all its stakeholders and to the matters set out in paragraphs a-f of Section 172(l) of the Companies Act 2006. You can read more on how the Board have regard to the matters set out in paragraphs a-f of Section 172(l) in the following sections of this annual report:

- (a) the likely consequence of any decision in the long term
WATES PRINCIPLES – PAGES 17-20
- (b) the interests of the company's employees
WATES PRINCIPLES – PAGES 17-20
STAKEHOLDER ENGAGEMENT – PAGES 20-25
- (c) the need to foster the company's business relationships with suppliers, customers and others
STAKEHOLDER ENGAGEMENT – PAGES 20-25
- (d) the impact of the company's operations on the community and the environment
STAKEHOLDER ENGAGEMENT – PAGES 20-25
- (e) the desirability of the company maintaining a reputation for high standards of business conduct
CORPORATE SUSTAINABILITY AND RESPONSIBILITY – PAGES 31-39
- (f) the need to act fairly as between members of the company
STAKEHOLDER ENGAGEMENT – PAGES 20-25

Stakeholder Engagement

Effective engagement with our key stakeholders is critical to the long-term success of the organisation. Dialogue with stakeholders helps the Board to understand the effects of company policies and practices, predict future developments and trends, and align strategy.

The table below sets out our key stakeholders, how we engaged with them during the year and, where relevant, the impact of that engagement on the strategy and the principal decisions taken during the year. The Board recognise that stakeholder engagement takes place at both the operational day-to-day level within the business and at a Board level. In all cases, the level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decision-making throughout the year. The Board uses its regular meetings as a mechanism to address and meet its obligations under Section 172(l) of the Companies Act 2006.

CORPORATE GOVERNANCE
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p>Shareholders</p>	<p>The Company's principal shareholder is The Robertson Trust (the "Trust") and representatives from the Trust and the Company meet regularly and where practicable prior to Edrington Board meetings, through the Trust's Investor Relations Committee (the "IRC"). The IRC is the principal forum through which the Trust manages its investment in the Company, monitors the Company's performance and allows the exchange of ideas, providing an effective and meaningful engagement forum. The Chief Executive and Chief Financial and Commercial Officer present Edrington's strategic plan annually, and at each meeting will provide an update on the performance and progress of the business. The Board and our Executive Committee also meets formally with the Trust on an annual basis to report on financial performance, strategic development, and business outlook with the Audit, Remuneration and Nomination Committees reporting to the Trust on their respective activities.</p> <p>The Company maintains regular dialogue with employee shareholders through a variety of mechanisms (please see "Employees" below for more detail on engagement with employees more generally).</p> <p>The Company also recognises the importance of maintaining communication and dialogue with its other shareholders, including non-employee shareholders. The Company held a shareholder event in January 2025 at which the Chief Executive and Chief Financial and Commercial Officer updated shareholders on business strategy and performance and at which shareholders were invited to ask questions. The Company also maintains a regular dialogue with Suntory UK Holdings Limited.</p> <p>The Company has an electronic Share Portal platform which allows shareholders to submit electronic requests to buy or sell Edrington 'B' ordinary shares in the internal market and acts as a communication platform. Each shareholder receives access to an electronic copy of the Group's annual report and audited financial statements, together with an unaudited interim financial report.</p>	<p>The Chief Executive and Chief Financial and Commercial Officer brief the Board on discussions with shareholders and the views are considered in the decision-making of the Board.</p> <p>The Board is aware that the priorities and strategic imperatives of shareholders will not all be the same. For instance, some shareholders may prioritise dividends, whereas others (particularly some employee or ex-employee minority holders of 'B' ordinary shares) may prioritise share liquidity. The Board aims to understand the views of shareholders and to act fairly between members of the Company.</p> <p>In addition, we were pleased to issue an interim dividend of 19p per share in December 2024 and to declare a final dividend of 22p to be paid in July 2025.</p>

CORPORATE GOVERNANCE
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p>Employees</p>	<p>The Group is committed to engaging employees at all levels regarding matters which affect them and the performance of the Group. The Board takes its responsibilities to hear and understand our employees' voices seriously and firmly believes that good corporate governance is underpinned by Board members meaningfully engaging with stakeholders, including the employees.</p> <p>Eligible employees can request to buy or sell Edrington 'B' ordinary shares in the internal market. Employees in the UK are also given the opportunity to participate in share ownership as part of approved incentive and savings schemes.</p> <p>Edrington has in place an employee engagement survey which runs every two years, with pulse surveys operating at intervals in between. Our annual engagement score for 2025 is 74%, just behind the top quartile benchmark of 78%. We have maintained an impressive participation rate, with 92% of us sharing our views on working at Edrington.</p> <p>All employees are invited to attend an annual Year in Review event delivered by a member of the senior management team. These events held around the world, allow employees the opportunity to understand detailed financial and strategic plans for the performance year and beyond, and to ask questions of senior management. In addition there are regular townhall sessions where members of the executive team host an interactive session encouraging questions, thoughts and opinions from the workforce.</p> <p>Executives and senior management at Edrington undertake learning and engagement sessions aimed at fostering constructive and trusting relationships between executives and employees. Regular video interviews with executives and senior management are shared to provide employees with further insight into company's operations, performance and priorities throughout the year.</p> <p>The Group continues to progress its diversity, equity, and inclusion (DE&I) strategy with a global DE&I working group of DE&I champions representing each of our Business Units and regions and the global chairs of our Balance, Kick-start and Pride employee networks. The working group provides employees at all levels within the organisation an opportunity to input and feedback on our DE&I strategy and actions.</p>	<p>A report from the Group HR Director is submitted at each Board meeting and the results of employee engagement surveys are also presented to the Board.</p> <p>Our Your Voice forums operates across the Group with attendees appointed to represent a cross-section of employees in the business. The Chief Executive and Global HR Director attend each meeting in the UK, and one meeting regionally each year. The purpose of the forum is to support meaningful engagement and two-way communication with employees on topics that matter most to our people such as organisational changes, sustainability, ways of working, learning and reward.</p> <p>Engagement with our trade union partners, through monthly partnership meetings, ensures that we have regular dialogue on important matters, such as improving our places of work, employee safety and shift working.</p>

CORPORATE GOVERNANCE
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
Joint Venture Partners and Co-Investors	<p>Regular interaction with our joint venture partners and co-investors takes place in several different forums. For instance, there are four Board meetings per year for Highland Distillers Group Limited and The 1887 Company Limited at which directors appointed by our partner William Grant & Sons are present.</p> <p>Similarly, there are two Board meetings of The Macallan Distillers Limited per year at which directors appointed by our partner Suntory are present.</p> <p>Board meetings are also held with our partners in respect of our joint venture distribution entities and our investments in Grupo Estévez, Tevasa Forestal Group, No. 3 London Dry Gin, Wyoming Whiskey and Coopers Oak.</p> <p>A Brugal & Co SA annual general meeting is held each year to which the minority holders of Brugal & Co SA are invited and at which they can ask questions of the Brugal & Co SA Board.</p>	<p>The Chief Executive and Chief Financial and Commercial Officer brief the Board on discussions with joint venture partners and co-investors and their views are considered in the decision-making of the Board.</p>
Customers	<p>We have regular engagement with our customers through face-to-face or virtual meetings, conferences, and events. Quarterly and annual performance reviews are generally held by Edrington's commercial teams with our distributors, allowing for structured feedback from our distributors.</p>	<p>Customers and channels are reviewed in annual Performance and Strategy Reviews, which are attended by, among others, the Chief Executive, the Chief Financial and Commercial Officer, and relevant business unit and commercial teams. Engagement with customers informs discussion at these Performance and Strategy Reviews.</p> <p>During the year we engage with certain key customers on new product development and launches.</p>

CORPORATE GOVERNANCE
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
<p>Suppliers</p>	<p>We have regular engagement with our suppliers through face-to-face or virtual meetings, conferences, and events.</p> <p>The Company has formal quarterly reviews with key suppliers, which involve senior management and cover quality, service, commercials, innovation, key business updates, strategic reviews and our vendor rating scores.</p> <p>Ensuring supplier resilience is a key focus, with a resilience programme established. Key suppliers are proactively engaged to ensure sufficient stocks of key components, given the current supply chain risks highlighted around global uncertainty.</p> <p>Partnering with suppliers to deliver the Edrington Net Zero commitment has been a priority focus.</p>	<p>Updates on significant supply chain activities and issues are provided to Board meetings and are considered and discussed by the directors.</p> <p>Engagement with key suppliers during the year informed the Board's discussions and decisions regarding the annual budgeting and long-term strategic planning processes for the Group.</p> <p>The supplier resilience programme has been shared with the Board, highlighting the key focus areas, for both short and long term.</p> <p>Our Supplier Engagement Program was launched during the year. This aims to align our suppliers with carbon reduction targets which will enable annual tracking through structured data collection. This will provide greater visibility of our emissions and actionable strategies going forward.</p>
<p>Trade Associations</p>	<p>Edrington is an active member of the Scotch Whisky Association (SWA). The SWA is governed by a Council of 16 members, elected at its Annual General Meeting, on which both our Chief Executive and Chief Financial and Commercial Officer serve.</p> <p>At the international level, Edrington is a member of the World Spirits Alliance (WSA), Distilled Spirits Council of the United States (DISCUS), the Dominican Rum producers' association (ADOPRON), and the Asia Pacific International Spirits and Wine Alliance (APISWA).</p> <p>Edrington's Corporate Affairs team regularly engages and participates in the work of these trade bodies on pertinent matters, including understanding potential changes to the regulatory framework, promoting the responsible consumption of alcohol and advancing industry standards.</p>	<p>Where relevant, updates on engagement with the SWA, ADOPRON, DISCUS, WSA and APISWA are provided to the Board by the Chief Executive or Chief Financial and Commercial Officer.</p>

CORPORATE GOVERNANCE
(CONTINUED)

Key Stakeholder	Principal Methods of Engagement	How this Stakeholder Group Influenced Board / committee discussions and decisions
Pension Trustees	<p>The Group operates three principal pension schemes based on final pensionable salary in respect of Edrington Group, Highland Distillers, and Edrington UK. There are also several schemes within the Group based on defined contributions. The assets of the schemes are held separately from those of the Group.</p> <p>There is regular interaction between the chair of the pension trustees in respect of the Edrington Group, Highland Distillers and Edrington UK defined benefit schemes and Edrington's Chief Financial and Commercial Officer and Group Company Secretary.</p> <p>Route map meetings are also held twice annually with the pension trustees of the Edrington Group and Highland Distillers schemes, including attendance from the Chief Financial and Commercial Officer among others.</p>	<p>The Chief Financial and Commercial Officer and Group Company Secretary brief the Board on the views of the pension trustees on matters of relevance.</p> <p>In the year a final buy-in was completed for the Edrington Distillers scheme thus reducing the risk exposure for the Group.</p>
Lenders	<p>Our Treasury team is in regular contact with our banking partners and Private Placement note holders. Annual review meetings are held with our lenders where business performance, future plans and strategy are presented to our lenders and they have the opportunity to ask questions and give their views to management with the Chief Financial and Commercial Officer or Group Finance and Strategy Director in attendance. In addition, regular updates on performances are shared with our lenders.</p>	<p>The Company's lenders give their views on key areas of financial risk management strategy. These are regularly discussed by the Treasury Committee and additionally the Chief Financial and Commercial Officer briefs the Board on the views of the Company's lenders.</p>
HM Revenue & Customs	<p>Edrington aims to develop and maintain professional working relationships with HM Revenue & Customs. Regular dialogue is maintained with our relationship manager, with real time sharing of business developments. Every three years the business has a Business Risk Review with HM Revenue & Customs. The Chief Financial and Commercial Officer, Group Finance and Strategy Director and Head of Group Tax, among others are all closely involved with HMRC engagement.</p>	<p>The Chief Financial and Commercial Officer briefs the Board on tax matters such as updates to the tax strategy and policies and tax developments such as tariffs and Pillar 2.</p>
Government and Regulatory Bodies	<p>Edrington is committed to working constructively with all government and regulatory bodies across our office locations.</p> <p>Through our trade and industry association membership, executive directors and members of the Corporate Affairs team, among others, maintain open and positive dialogue with this group of stakeholders, building trust and reputation.</p>	<p>The Company aims to comply with all laws and regulations wherever it operates, and we actively monitor changes to these requirements.</p> <p>The Chief Executive, Chief Financial and Commercial Officer and Company Secretary brief the Board on the impact of relevant regulatory changes; this is assessed and considered when making decisions.</p>

CORPORATE GOVERNANCE
(CONTINUED)**Board Committees**

In discharging its governance responsibilities, the Board has established committees to provide oversight and guidance in certain areas on its behalf. Four principal committees report directly to the Board and are supported by a number of advisory committees as detailed below. Each committee is governed by terms of reference, or similar mandates, which define their purpose, duties and interaction with the Board, Company or other committees.

NOMINATION COMMITTEE

The Nomination Committee is chaired by the Chairman and meets at least twice per year to assess the composition of the Board and its governance structures as well as considering Board appointments and both senior executive and non-executive succession planning.

The committee is responsible for leading the process for new appointments to the Board and ensuring that these appointments bring the required skills, knowledge, experience and diversity to the Board. As part of this, the committee reviews the structure, size and composition of the Board to ensure it is made up of the right people to direct the Group in the successful execution of its strategy. The committee is also responsible for formulating succession plans for both executive and non-executive directors, as well as reviewing the overall talent and succession plans for Edrington's leadership group.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Stefanie Fitzgerald and meets at least twice per year.

Together with the committee, the Board determines directors' remuneration policy with reference to an external triennial benchmarking review prepared with the assistance of independent specialist consultants. In addition, the committee recommends and monitors the level and structure of remuneration for senior management and reviews reward initiatives and development programmes for all Edrington wholly owned businesses.

The principles of Edrington's executive remuneration strategy, frameworks and programmes are designed to:

- Apply a pay for performance philosophy that directly links executive reward to the achievement of individual results and the strategic goals and performance of Edrington;
- Align remuneration to business outcomes that deliver value to shareholders;

- Balance incentives appropriately to reward superior performance in the short term and sustained performance over the long term;
- Drive a performance culture by setting challenging objectives and rewarding individual performance;
- Be transparent, consistent and fair; and
- Ensure remuneration is globally aligned but with local flexibility, where required, to be competitive in the relevant employment marketplace.

AUDIT COMMITTEE

The Audit Committee, chaired by Patricia Huyghues Despointes, meets at least three times a year. The meetings are with the external auditors and senior members of the management team and finance function to discuss audit planning, review statutory accounts and address issues arising from the audit. It also considers the ongoing independence of the auditors and the effectiveness of the audit process. The conclusions of the committee are reported to the Board before the Board approves the annual results. The opportunity is taken for the committee to discuss matters with the auditors without management present through private sessions annually along with meetings outside of the audit committee. The committee also addresses risk management and internal controls, where they receive presentations from senior members of the management team and finance function and approve risk management plans going forward.

Financial statements and audit

The Audit Committee has reviewed the plan presented by the external auditors and agreed on the scope of the audit work. During the audit process, the committee kept under review the consistency of accounting policies on a year-to-year basis and across the Group, and the methods used to account for significant or unusual transactions. During the year the committee reviewed the accounting treatment for the acquisitions of Tevasa Forestal Group and the planned disposal of The Famous Grouse and Naked Malt brands. They also invited key regions and functions of the business to attend to give the committee updates on their respective areas.

The financial statements were reviewed by the committee in detail prior to their submission to the Board. Following the audit, the committee discussed the issues arising and any matters the auditors wished to discuss. The committee also assessed the effectiveness of the audit process through discussion with the auditors.

CORPORATE GOVERNANCE
(CONTINUED)*External auditor*

Deloitte LLP continued their appointment as auditors, and during the year, the Audit Committee monitored the relationship with the auditors and assessed their performance, cost-effectiveness, objectivity and independence. The committee will assess the effectiveness of Deloitte LLP's appointment in relation to the 2025 audit in October 2025. The Board is satisfied that the auditors are independent of the Group and that best practice is being observed.

Deloitte LLP regularly report to the committee to confirm compliance with their own policies, procedures and ethical standards in relation to auditor objectivity and independence. The Audit Committee has established a policy in relation to the use of statutory auditors for non-audit work and will award work to the firm which provides the best commercial solution with reference to the skills, expertise and suitability of the firm.

The Chief Financial and Commercial Officer may approve specific engagements up to £25,000 cumulatively and the Chairman of the Audit Committee may approve specific engagements up to £50,000. Fees in excess of £50,000 are subject to approval of the full committee.

SHARES COMMITTEE

The Shares Committee is chaired by the Chairman and meets on an ad hoc basis as required by the chair.

The committee considers and makes recommendations to the Board regarding the appointment of the independent valuers of the 'B' ordinary shares of the Company. The committee is also responsible for a number of matters related to trading in the Company's 'B' ordinary shares, including considering monthly trading requests and the registration of any transfers pursuant to such requests having regard to the Company's share trading protocol. The committee also considers requests for clearance to deal by restricted persons under the Company's share dealing code, and makes determinations on whether particular facts, matters or circumstances constitute inside information for the purposes of the Company's share dealing code.

Further information on the committees and other advisory sub-committees established by the Board are set out below.

Committee	Members	Remit
Nomination Committee	Angus Cockburn <i>(chair from 1 April 2025)</i>	<ul style="list-style-type: none"> reviews structure, size and composition of Board recommends appointments and considers succession planning
	Crawford Gillies <i>(chair until 1 April 2025 – retired as chair and member 1 April 2025)</i>	
	Alice Avis MBE <i>(retired 2 September 2024)</i>	
	Stefanie Fitzgerald	
	Scott McCroskie	
	Catherine Rénier	
	Edward Cumming-Bruce <i>(appointed 1 April 2025)</i>	
	Patricia Huyghues Despointes <i>(appointed 1 April 2025)</i>	

CORPORATE GOVERNANCE
(CONTINUED)

Committee	Members	Remit
Remuneration Committee	<p>Stefanie Fitzgerald <i>(chair – appointed 2 September 2025)</i></p> <p>Alice Avis MBE <i>(chair until 2 September 2025 – retired as chair and member 2 September 2025)</i></p> <p>Angus Cockburn</p> <p>Crawford Gillies <i>(retired 1 April 2025)</i></p> <p>Edward Cumming-Bruce <i>(appointed 1 April 2025)</i></p> <p>Patricia Huyghues Despointes <i>(appointed 1 April 2025)</i></p>	<ul style="list-style-type: none"> • sets remuneration policy • sets executive director remuneration and incentives • approves annual performance objectives • approves granting of long-term incentives
Audit Committee	<p>Patricia Huyghues Despointes <i>(chair – appointed 1 April 2025)</i></p> <p>Angus Cockburn <i>(chair until 1 April 2025 and continuing as a member)</i></p> <p>Stefanie Fitzgerald</p> <p>Kengo Torii</p> <p>Edward Cumming-Bruce <i>(appointed 1 April 2025)</i></p>	<ul style="list-style-type: none"> • reviews and monitors financial results and reporting • approves audit planning • monitors internal financial controls • oversees external audit relationships • considers auditor appointment • reviews audit effectiveness • oversees risk management
Shares Committee	<p>Angus Cockburn <i>(chair from 1 April 2025)</i></p> <p>Crawford Gillies <i>(chair until 1 April 2025 – retired as chair and member 1 April 2025)</i></p> <p>Stefanie Fitzgerald <i>(appointed 1 April 2025)</i></p> <p>Scott McCroskie</p> <p>Paul Hyde</p>	<ul style="list-style-type: none"> • considers and makes recommendations to the Board regarding the appointment, reappointment or dismissal of the independent valuers of the ordinary 'B' shares in the Company • considers and, if thought fit, approves shares trading requests in respect of 'B' ordinary shares and any transfers pursuant to such requests having regard to the Company's share trading protocol • considers and, if thought fit, approves requests for clearance to deal by restricted persons in terms of the Company's share dealing code

CORPORATE GOVERNANCE
(CONTINUED)

The advisory sub-committees established by the Board, whose remits are outlined below, comprise certain executive directors and senior members of the Edrington management team:

Committee	Chairman	Remit
Capital Expenditure Committee	Luis Garrido <i>(Managing Director of Global Supply Chain)</i>	<ul style="list-style-type: none"> develops five-year capital expenditure plan ensures evaluation of business cases and that resources are allocated on an appropriate basis ensures risks and interdependencies are clearly understood manages liquidity requirements and post evaluation reviews
Sustainability and Responsibility Steering Group	Victoria Hollywood <i>(Head of Sustainability)</i>	<ul style="list-style-type: none"> ensures Edrington conducts business in a socially responsible and ethical way setting and adhering to industry standards on responsible consumption of alcohol identification and monitoring of performance against targets on environmental sustainability in conjunction with The Trust and Edrington's network of Trust Ambassadors, ensures the business supports local communities in which it operates
Marketing Code Committee	Stefanie Fitzgerald <i>(from 2 September 2024)</i> Alice Avis MBE <i>(retired 2 September 2024)</i>	<ul style="list-style-type: none"> sets marketing policy in compliance with industry standards to ensure responsible marketing practice reviews marketing practice on an annual basis and maintains processes for complying with marketing code prospectively
Group Risk Management Committee	Lindsay Campbell <i>(Group Finance, Strategy and IT Director)</i>	<ul style="list-style-type: none"> identifies and evaluates principal risks reviews the adequacy of risk management processes recommends improvements in risk management processes reports material findings to the Audit Committee





CORPORATE GOVERNANCE
(CONTINUED)

Committee	Chairman	Remit
Treasury Committee	Paul Hyde	<ul style="list-style-type: none"> • ensures compliance with the terms of Group borrowing facilities • minimises financial risk arising from exposure to fluctuations in foreign exchange rates, interest rates, liquidity and counterparty risk • determines hedging policy on interest rates and currency • approves significant decisions on commercial credit limits • monitors and approves cash signing authority in the Company
IT Steering Committee	Euan Fraser <i>(Director of Business Technology)</i>	<ul style="list-style-type: none"> • ensures that the technology strategic plan aligns with business priorities and return on investment • approves proposed technology projects, and scrutinises ongoing activity • audits completed projects to ascertain effectiveness • oversees cyber security management and monitors cyber security improvements

Corporate Sustainability and Responsibility

Edrington aims to contribute positively to the communities where we live and work, and sustain the environment upon which we all depend.

We have developed our Sustainability and Responsibility framework to establish priorities and track progress. This framework targets four areas that help Edrington deliver on its strategy and become a more sustainable and responsible business.

 <p>GIVING MORE TO OUR COMMUNITIES</p>	 <p>ENGAGING GREAT PEOPLE</p>	 <p>PROMOTING RESPONSIBLE CONSUMPTION</p>	 <p>PROTECTING THE ENVIRONMENT</p>
<p>Focus Areas</p>	<p>Focus Areas</p>	<p>Focus Areas</p>	<p>Focus Areas</p>
<p>Support colleague fundraising</p>	<p>Champion development</p>	<p>Responsible brand communication</p>	<p>Reduce carbon emissions</p>
<p>Give More globally</p>	<p>Promote Diversity, Equity and Inclusion</p>	<p>Work in partnership</p>	<p>Sustain wood</p>
<p>Inspire volunteering</p>	<p>Employee engagement</p>	<p>Educate our People</p>	<p>Protect water</p>
<p>Key Objectives</p>	<p>Key Objectives</p>	<p>Key Objectives</p>	<p>Key Objectives</p>
<p>Contribute up to 1% of EBIT to Giving More initiatives around the world.</p>	<p>Increase female representation in senior leadership.</p>	<p>Enable our people to be alcohol responsibility ambassadors with year-round education and support.</p>	<p>Net Zero by 2045</p>
<p>Double-match all colleague-initiated charitable fundraising.</p>	<p>95% of colleagues to have development plans.</p>	<p>Commit to the Edrington Marketing Code with training for colleagues and adherence in our communications.</p>	<p>Trace oak supply to the region of origin by 2030.</p>
<p>Inspire people to use their four days' paid leave for Giving More activities.</p>	<p>Drive top quartile levels of engagement.</p>	<p>Partner with leading responsible organisations to help people make positive choices about alcohol.</p>	<p>Replenish 100% of production water consumption in the Dominican Republic by 2030.</p>
	<p>Provide support and engage in wellbeing activities.</p>	<p>Ensure all our brands packaging carries responsibility advice.</p>	<p>Increase the biodiversity units at The Macallan and The Glenrothes sites by 10% by 2030.</p>
			<p>Increase the percentage of paper and board secondary packaging made from recycled material to 75% by 2030.</p>

Edrington has appointed a senior leader to drive the delivery of each area and its associated objectives. Together they form the Sustainability & Responsibility Steering Committee coordinated by the Director of Sustainability, who reports to the Chief Executive.

**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

Giving More

Giving More is one of Edrington's four core values, and it is integrated into the company's history and ownership model through The Robertson Trust.

The Robertson Trust has grown to become Scotland's largest private grant-making charitable trust. Since its inception, the Trust has donated £396m to a wide range of charitable organisations across Scotland, supporting its mission to fund, support and champion those seeking solutions to poverty and trauma.

In the current and prior year Edrington has triple-matched funds raised by colleagues, so £1 of funds raised becomes £4 when received by the charity. As a result, Edrington donated £4.2m to charities around the world in 2025.

In Scotland, where it operates, The Robertson Trust joins Edrington in matching colleagues' charitable donations to qualifying UK charities.

In addition to charitable funding, Edrington provides colleagues with four days of paid leave to volunteer in their local community. The company encourages its workforce to dedicate this time to the causes that matter most to them. This year 29% of total Giving More days were used by colleagues.

Engaging Great People

Edrington's culture is what makes us different from everybody else. Our ambition is to cultivate an environment where colleagues can be themselves and are motivated to give their best. As part of our wider people strategy, we focus on colleague development, engagement, diversity, equity and inclusion (DE&I), and wellbeing.

We are committed to investing in the growth and development of internal talent. We encourage all colleagues to drive their own development and have extensive resources and tools to support them. 98% of colleagues have a personal development plan in place, exceeding our target of 95%. During quarterly Continuous Performance Management conversations with their line managers, these plans are revisited throughout the year.

Aligned to Edrington's Strategy, we have created a roadmap to strengthen our leadership capabilities and guide colleagues through formal leadership development. 117 senior leaders have participated in our new leadership development programme, 'Spirit of Leadership'. Building on this success, we will roll out two new leadership development programmes for our front-line and mid-managers this year.

Edrington's annual engagement score for 2025 is 74%, just behind the top quartile benchmark of 78%. We have maintained our impressive participation rate, with 92% of colleagues sharing their views on working at Edrington. The engagement survey is a vital listening mechanism for us. Each year, the results are analysed to understand the feedback colleagues have shared, and this is used to inform local action plans. Our focus for these plans will be to enable a route back to top quartile levels of engagement, which we had achieved in the past two previous years.

Edrington continues progressing its DE&I strategy through global and local actions, each centred around three focus areas: culture and engagement, education and awareness and impactful interventions. 81% of colleagues feel that we have a work environment that is open and accepts individual differences. Based on colleague feedback, we have expanded our demographic areas (gender, ethnicity, cultural heritage, LGBTQI+ and disability) of focus within our strategy to include age and socioeconomic background.

Our global wellbeing framework supports health, wealth, and happiness to create a space where colleagues can live well and perform at their best. Led by our network wellbeing representatives across Edrington, activities and sessions to encourage choices that promote a well-rounded life take place throughout the year. Underpinning this, Edrington continues to provide all colleagues and their families with access to free and confidential support through its Employee Assistance Programme.

Promoting Responsible Consumption

A healthy population and a relationship of trust with consumers are intrinsic to our business' success. Edrington is committed to promoting the responsible consumption of its brands for adults who choose to drink alcohol and considers that both the industry and our organisation have a vital role to play in encouraging and assisting consumers in making healthy choices about alcohol.

Edrington's responsibility begins with ensuring that our brands are distilled, packaged and promoted to a consistently high standard everywhere in the world. 96% of people in eligible roles completed our Marketing Code training, a fundamental element of ensuring our people understand the requirements for promoting responsible consumption. The company's previous target of ensuring that all our brands' packaging carries responsibility advice by 2025 has been updated to become a continuing commitment for all new packaging.

CORPORATE SUSTAINABILITY AND RESPONSIBILITY (CONTINUED)

In our policies and training, Edrington is clear that no one is ever required to drink alcohol as part of their role. We enable our people to be ambassadors for alcohol responsibility through a year-round programme of events and training. Confidential advice and support are available to colleagues and their immediate family through the Employee Assistance Programme.

Within local markets, Edrington works with and funds organisations, including Drinkaware and the Community Alcohol Partnership, that support responsible consumption and work to reduce the harms associated with alcohol misuse.

Protecting the Environment

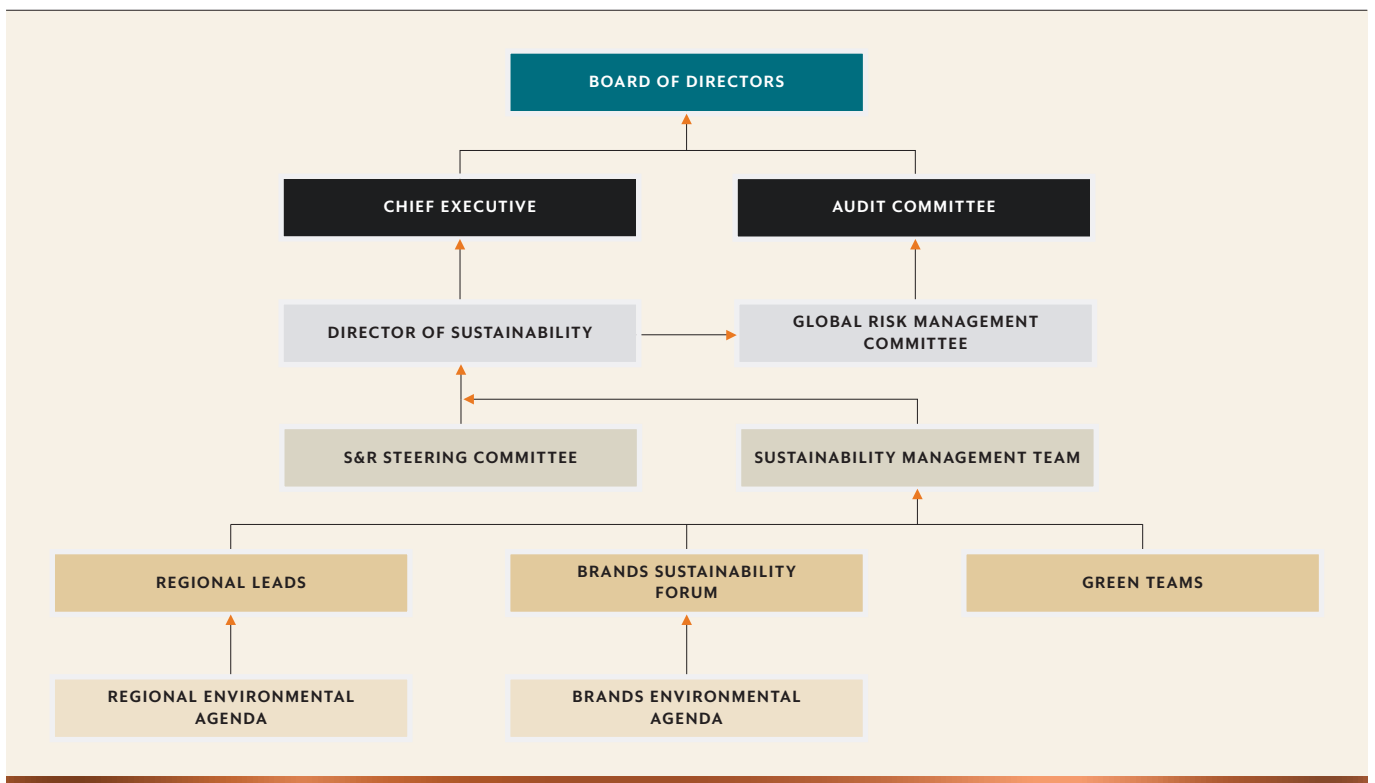
Edrington has continued to drive its sustainability strategy in the past year with further progress toward our Net Zero target. This includes a suite of energy efficiency upgrades to The Highland Park Distillery. These upgrades include implementation of a new heat recovery system, mash house upgrades, and modernisation of key equipment to reduce energy and water consumption. In March, The Macallan Estate began receiving electricity from a new solar farm which has been implemented to deliver renewable electricity to the estate and support further decarbonisation. These are just a few of Edrington’s latest initiatives designed to create a more sustainable future.

Edrington has continued to report annually through the Carbon Disclosure Project (CDP) and has retained a B rating in the climate change category. For the first year Edrington also disclosed under the water and forestry categories achieving a B rating in both, an excellent result for the initial submission.

This report summarises our progress against the requirements of the UK Climate-related Financial Disclosure (CFD) regulations, which adopt the pillars of the Taskforce for Climate-related Financial Disclosures (TCFD) framework: Governance, Strategy, Risk Management, and Metrics and Targets, detailing how we are identifying and managing climate risks in Edrington today, and how we plan to integrate this further over the coming years. The climate-related financial disclosures made by Edrington also comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategy Report) (Climate-related Financial Disclosure) Regulations 2022.

Governance

Appropriate governance for sustainability, including climate-related risk, is critical in enabling the success of the Group. The governance structure details the principal responsibilities and reporting lines relevant to the identification, consideration and management of climate risks and opportunities.



**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

The Board of Directors is ultimately responsible for the global strategy on climate-related issues with executive control assigned to the Chief Executive.

The Board meets five times a year and each board report includes a dedicated section covering environmental sustainability strategy, as well as an update on key projects and activities. The Director of Sustainability updated the Board twice in the year; these sessions focused on progress against targets and the future sustainability strategy.

The Chief Executive's board-level responsibility for climate-related topics covers oversight of disclosure projects such as internal climate risk assessments, participation in the Carbon Disclosure Project (CDP), CFD reporting and all other climate-related matters and issues.

Within the Executive Committee each member is responsible for climate-related issues in their section of the business. These roles include the three brand Business Unit Managing Directors, the Managing Director of Global Supply Chain, the Global HR Director, and the Chief Financial and Commercial Officer.

The Director of Sustainability reports on climate-related action and progress to the Chief Executive. This role is responsible for implementing the Group Environmental Sustainability Strategy, supporting the Business Unit and Functional Managing Directors in setting more specific, aligned strategies and leading the Sustainability & Responsibility (S&R) Steering Committee in shaping the Group S&R strategy and managing compliance across the four pillars.

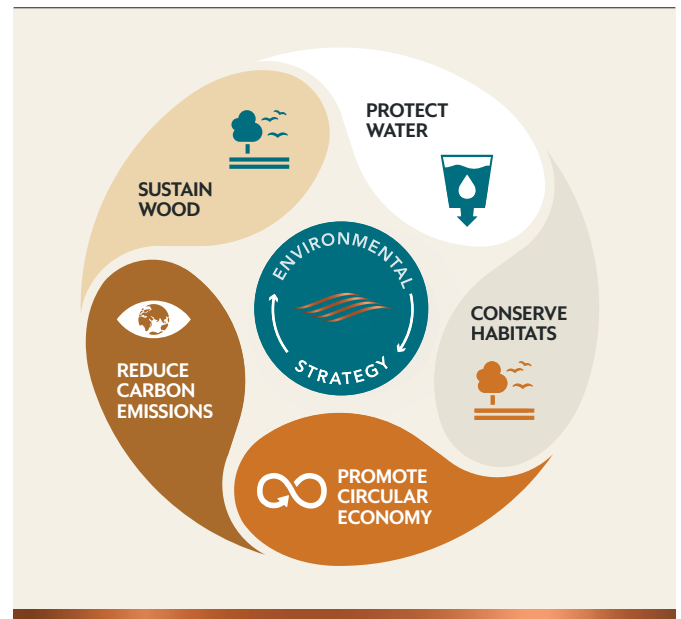
The Sustainability Management Team report to the Director of Sustainability. This team is responsible for the ongoing work on sustainability at Edrington; engaging with teams across all functions to ensure that Edrington's Global Environmental Sustainability Strategy is cascaded throughout the business and delivered.

Strategy

Edrington's strategy emphasises sustainability as one part of the mission contributing to the vision of *"Give more by crafting exceptional ultra-premium spirit brands"*.

The environmental strategy is fully embedded within the business and the Sustainability Management Team leads progress towards achieving our objectives.

The strategy for climate-related risks builds on our corporate strategy for sustainability. Edrington has set a science-based target to achieve Net Zero by 2045 with a near-term target of a 50% reduction in emissions by 2030. Our ambitions for tackling climate-related matters and plans for increasing business resilience will be implemented through our sustainability strategies.



**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

Scenario Analysis

Edrington has used scenario analysis to assess the climate-related risks to the business, focusing on the business as a whole and key raw material supply chains. We have determined the levels of physical climate-related risk under 2°C and 4°C scenarios for short-, medium- and long-term planning by identifying the respective trends up until the 2030s and 2050s. These assumptions have been selected in line with TCFD guidance to utilise a range of scenarios that provide a reasonable diversity of potential future climate states against which to assess our risks.

The climate-related scenario analysis and risk assessments were completed in February 2023 with analysis for operations in Wyoming and Jerez completed in June 2024. These were conducted in accordance with our corporate risk assessment methodology to allow integrated consideration of climate risks within our overall risk management processes.

Scenario Context

Best Case Climate Scenario

PHYSICAL

Representative Concentration Pathway 4.5 – assumes the employment of a range of technologies and strategies to reduce greenhouse gas emissions stabilising global average temperature risk to 2°C by 2100.

Worst Case Climate Scenario

Representative Concentration Pathway 8.5 – assumes greenhouse gas emissions continue to grow unmitigated leading to a best estimate global average temperature risk of 4°C by 2100.

TRANSITION

Sustainable Development Scenario – assumes a forward looking approach, integrating announced pledges from business and governing bodies.

Stated Policy Scenario – reflecting the impact of existing policy frameworks from business and governing bodies.

Due to the nature of this assessment, publicly available climate information has been extracted from a range of sources, coupled with model intercomparison to inform the analysis. This was then categorised in line with our corporate risk categories to rate the likelihood and magnitude of the climate risks.

The output from the scenario analysis has been integrated into our decision-making, focusing on the medium- and long-term effects on business resilience. The key risks are mapped to our focus goals as detailed within the Risk Management section.

Risk Management

PRINCIPAL RISKS AND UNCERTAINTIES

Our climate-related risks are assessed in line with our corporate risk management processes, as detailed in the principal risks and uncertainties section on page 12. They are linked to our goals and strategic objectives. To manage our principal risks, we have developed KPIs that relate to each of

the five pillars of our Environmental Sustainability Strategy: reduce carbon emissions, sustain wood, protect water, enhance biodiversity, and promote the circular economy. Ensuring that these are aligned with our strategy focuses our attention on more effective outcomes.

OVERVIEW OF OUR PROCESS AND IDENTIFICATION OF RISKS

The outcome from the climate-related risk and opportunity assessment has been integrated into the Sustainability Risk Assessment (SRA), which is reviewed and updated by the Sustainability team in conjunction with the assurance and risk team bi-annually.

EVALUATION AND MANAGEMENT OF RISKS

The leads for each relevant operation within Edrington are responsible for producing the wider risk assessment for their individual operational units. An annual session is held to identify, reassess, discuss, and update sustainability and climate-related risks. The priority risks, those rated as 'serious' and 'high', in the SRA, are determined using a significance criterion of likelihood versus consequence.

**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

Metrics & Targets

The table below provides details of Edrington's substantive climate-related risks, and the mitigating actions arising from consideration of the primary goals in the Environmental Sustainability Strategy.

RAW MATERIAL SCARCITY - PHYSICAL & TRANSITIONAL

MEDIUM TO LONG TERM RISK

The risk that the supply of key raw materials oak, barley, sherry, molasses and water, will be constrained due to natural events caused by climate change, leading to effects on supply, production, and distribution.

Key Focus Area	Metric	Target	Current
Sustain Wood	% traced in Europe	Trace oak supply to region of origin in Europe by 2025.	100%

Strategic Response

Following further climate scenario analysis focused on our supply chain, Edrington has developed an individual risk register for each of the raw materials identified as being of medium or high risk to climate-related events. Each register contains clearly defined mitigating actions with a key owner from the related Business Unit.

In the reporting year Edrington achieved the target of 100% traceability to the region of origin for our European oak supply and beyond to the forest of origin for oak procured through our own operations. Ensuring that we have full traceability of our oak supply and continuing to develop strong relationships with oak suppliers will help identify potential supply chain issues early and allow time to react accordingly.

RESTRICTIONS IN USE OF KEY RAW MATERIALS - PHYSICAL & TRANSITIONAL

MEDIUM TO LONG TERM RISK

The risk that our operating practices are not in line with our environmental commitments, leading to major environment damage or regulatory requirements restricting or eliminating the use of key materials:

- Peat: this would significantly hinder our ability to produce certain brands.
- Water: which would impact our business continuity.

Key Focus Area	Metric	Target	Current
Protect Water	Litres of water per litre of alcohol produced (l/lpa) (average across all production sites)	Manage process water use annually to 12.5-25l/lpa across production sites per the Scotch Whisky Association (SWA) guidance.	15.18 l/lpa
Enhance Biodiversity	Re-certification achieved	Annual re-certification of Hobbister peatland to the 'Responsibly Managed Peatlands Standard.'	Certification achieved

Strategic Response

This year, Edrington achieved the annual re-certification of the Responsibly Managed Peatlands standard for Hobbister Moor after initially attaining this two years ahead of plan in 2023. In addition to managing process water use in line with SWA guidance, we are also continuing work on our water replenishment project, where we aim to replenish 100% of production water consumption in the Dominican Republic by 2030.

**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

NET ZERO - TRANSITIONAL

MEDIUM TO LONG TERM RISK

There is a risk that our commitment to Net Zero by 2045 will not be met because of a lack of access to green energy, increased costs, third-party non-compliance, incompatibility with our environmental requirements, or changes in legislation on carbon emissions classification.

Key Focus Area	Metric	Target	Current
Reduce Carbon Emissions	tCO ₂ e (location-based)	Reduce Scope 1 & 2 emissions by 50% by 2030 in line with our Net Zero commitment.	-11%
	kg CO ₂ e/10a	Reduce location-based intensity by 50% by 2030 (vs 19-20).	+2%

Strategic Response

In 2024/25 Edrington reduced annual CO₂e location-based emissions for scopes 1 and 2 compared to the previous year. Edrington have continued to drive carbon reductions by implementing energy efficiency upgrades at The Glenrothes and Highland Park distilleries, and at The Macallan Estate through increased biomass steam import and the introduction of an on-site solar array. This has been supported by good energy management practices on sites through continuous monitoring, targeting and reporting of energy. Lower production volumes in the reporting year have resulted in an increase of location-based intensity versus baseline. In the reporting year, upgrades were implemented at Highland Park Distillery, leading to a temporary pause in operations that contributed to emissions reduction. While we anticipate a partial return of these emissions next year, the removal of coke from the distilling process, combined with improved energy efficiency from the heat recovery system and other upgrades, will result in a net reduction compared to previous years.

Additional details on our emissions results are presented in the section below.

REGULATORY COMPLIANCE - TRANSITIONAL

MEDIUM TO LONG TERM RISK

There is a risk that an inability to comply with environmental requirements or commitments could lead to a loss of license to operate.

Strategic Response

To stay current with environmental regulatory changes, we work with our partners and trade associations and maintain a dialogue with government and regulatory schemes. Edrington also has an internal regulation tracker based on a third-party horizon scan to engage and inform key stakeholders across the business.

As a result of our risk review process this year, Edrington downgraded the risk of a shortage of environmentally compliant packaging material, including glass, wood, paper and cardboard, from significant to moderate due to increased regulation around sustainable packaging. This change is due to our diverse supplier base, strong supplier relationships, and a positive future view of our packaging

requirements. We now consider both the likelihood and impact of this risk as moderate.

Edrington remains committed to reducing the environmental impact of our packaging and will continue to pursue our packaging targets as part of our Environmental Sustainability Strategy.

**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

Opportunities

Edrington has now identified climate opportunities and created an opportunities register. The definition and classification of opportunities was developed based on our approach to classification of business risk and are determined using a significance criterion of likelihood versus impact. The priority opportunities are those rated as 'significant' or 'gamechanger'. The opportunities register will now be incorporated into the bi-annual risk review where it will continue to be evaluated and actioned.

Examples of opportunities that Edrington have implemented in the reporting year include the use of lower-emissions sources of energy such as solar at The Macallan, the use of new technologies such as the heat recovery system at Highland Park, and the re-use of distillery by-products which we currently use to produce green energy, animal feed and fertiliser across all our distilleries.

Streamlined Energy and Carbon Reporting

The table below reports scope 1 and 2 emissions from our businesses where Edrington has operational control, including our operations in the Dominican Republic, the USA, and Spain. Our scope 2 emissions are reported in line with the Greenhouse Gas Protocol Corporate Standard for the financial year.

REPORTED EMISSIONS	2024/25 (tCO₂e)	2023/24 (tCO₂e)	Change vs PY
Scope 1	3,247	9,175	-65%
Scope 2	4,764	4,121	16%
Total Scope 1 & 2	8,011	13,296	-40%
SCOPE 1 & 2 BY TYPE			
Gas	958	1,314	-27%
Electricity	4,764	4,121	16%
Company Vehicles	1,772	1,937	-9%
Total (Gas, Electricity + Company Vehicles)	7,494	7,372	2%
Overseas Offices	470	657	-29%
Other (Thermal Fuels)	47	5,267	-99%
Total Scope 1 & 2	8,011	13,296	-40%
INTENSITY RATIO			
Distillery Production (LOA'000)	28,808	34,560	-17%
Intensity Metric (kgtCO₂e/LOA)	0.260	0.213	22%

**CORPORATE SUSTAINABILITY
AND RESPONSIBILITY
(CONTINUED)**

ENERGY CONSUMPTION	2024/25 (MWh)	2023/24 (MWh)
Scope 1	54,822	95,522
Scope 2	59,226	55,856
Total Scope 1&2	114,048	151,378
SCOPE 1 & 2 BY TYPE		
Gas	52,905	72,327
Electricity	15,910	17,076
Company Vehicles	1,294	1,327
Other (Thermal Fuels)	43,939	60,648
Total	114,048	151,378

* Calculated as (1)X1000/(2)

Methodology

The emissions and conversion factors used in the calculation come from DESNZ 2024, and where this is not possible, other government or internationally recognised body factors have been utilised.

Directors' Report

The directors present the audited financial statements for the year ended 31 March 2025.

Results for the year

The Company's financial results, which are detailed in the income statement, cover the year to 31 March 2025.

An interim dividend of 19.0p per share was declared in November and paid in December 2024 (2024: 19.0p per share). The directors have agreed a final dividend of 22.0p (2024: 36.0p per share). The aggregate dividends recognised in the year amounted to £31.0m (2024: £31.6m).

Revenue for the year amounted to £1,068.7m (2024: £1,219.4m restated) resulting in a profit before tax (pre-exceptional) of £274.4m (2024: £372.5m restated) and overall profit for the financial year (pre-exceptional) of £237.3m (2024: £314.8m). Exceptional items total a cost of £12.2m (2024: cost £2.3m) (after taxation and minority interest), and lead to a profit for the year, attributable to Edrington shareholders, of £113.9m (2024: £164.0m).

A detailed review of the Company's business strategy along with associated risks and uncertainties is included within the Strategic Report.

Future developments

This is detailed within the strategic report within the "Going Concern" section on page 12 and the "Outlook" section on page 7.

Directors

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

C S Gillies (*resigned 1 April 2025*)

S J McCroskie

P A Hyde

A G Cockburn

A M C Avis MBE (*resigned 2 September 2024*)

S Fitzgerald

K Torii

I P Boyadjian

C Rénier (*appointed 1 June 2024*)

Edward Cumming-Bruce (*appointed 1 April 2025*)

Patricia Huyghues Despointes (*appointed 1 April 2025*)

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and profit or loss of the Company for that period.

**DIRECTORS' REPORT
(CONTINUED)**

In preparing the parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State where applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements, International Accounting Standard I requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

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

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

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

The Company's Articles of Association provide for the indemnification of its Directors to the extent permitted by the Companies Act 2006 and other applicable legislation, out of the assets of the Company, in the event that they incur certain expenses in connection with the execution of their duties.

Employee share schemes

The Company operates two share schemes for eligible employees in the United Kingdom.

The ShareSave Scheme is an annual scheme enabling eligible employees to save for a three-year period to buy Edrington 'B' Ordinary Shares at 80% of the market price. The scheme has been approved by HM Revenue and Customs. The Company charges the fair value of the option at the date of grant to the income statement over the vesting period of the scheme.

The ShareReward Scheme allows Edrington 'B' Ordinary Shares to be awarded annually to eligible employees of the Company. The employee's entitlement to receive shares is dependent on the growth in the Company's core contribution in the year, exceeding a pre-determined growth rate. The scheme has been approved by HM Revenue and Customs. The Company charges the annual fair value of this scheme to the income statement if the performance criteria have been met.

The ShareReward Scheme was active in both the year ended 31 March 2024 and 31 March 2025.

**DIRECTORS' REPORT
(CONTINUED)****Executive incentive plans**

An Annual Incentive Plan rewards executive directors and senior executives based on the Company's financial results and the executives' individual performance against business objectives.

The Annual Incentive Plan was active in both the year ended 31 March 2024 and 31 March 2025, further details within Note 5 of the financial statements.

The Long-Term Incentive Plan rewards senior executives based on the Company's performance over a three-year period, by awarding a cash incentive. The Company charges any associated costs to the income statement over the period of the plan. The financial performance conditions, which represents 60% of the award, requires fully meet threshold performance in respect of the three-year period ended 31 March 2025.

Energy and Carbon Reporting

Reporting of the Group's energy consumption is detailed within the Corporate Sustainability and Responsibility report on pages 38-39.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Engagement

A summary of how the Company engages with its employees is detailed within the "Stakeholder Engagement" section within the Corporate Governance report.

Business Relationships

Fostering business relationships with our suppliers, customers and lenders is key to the success of the business. Further details of our engagement with our business partners are outlined within the "Stakeholder Engagement" section within the Corporate Governance report.

Corporate Governance

The group has voluntarily adopted and is complying with the Wates Corporate Governance principles for Large Private Companies. Further detail on the compliance with each of the principles is detailed within the Corporate Governance report on pages 17-20.

Financial Instruments

The Group's financial risk management objectives and policies, including the policy for hedge accounting and liquidity risk are detailed with the "Accounting Policies" section and in notes 18 and 19 of the Notes to the Financial Statements.

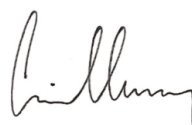
Going Concern

The Company has carried out assessments of the future trading performance and cash flows with sensitivities completed to reflect the current uncertain environment and is discussed on page 12 of the Strategic Report. The results of these assessments were reviewed considering the financial position of the Group at 31 March 2025, the cost and cash mitigation measures available to it, and the access to ongoing funding facilities. Based on these assessments the Board and directors have a reasonable expectation that the Group will be able to meet its financial obligations for the foreseeable future and have adequate resources to continue to operate for at least 12 months from the date of this annual report. The directors therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Auditors

As auditors are now deemed, under Section 487(2) of the Companies Act 2006, to be reappointed automatically, Deloitte LLP, having expressed their willingness, will continue as statutory auditors.

Approved and signed on behalf of the Board



Gavin Murray
Group Company Secretary

23 June 2025

Independent Auditor's Report

To the members of The Edrington Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- the financial statements of The Edrington Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the group cash flow statement;
- the material accounting policy information and statement of accounting policies; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessment of financing facilities including nature of facilities, repayment terms and covenants
- linkage to business model and medium-term risks
- assessment of assumptions used in the forecasts
- sensitivity analysis
- assessment of sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Revenue recognition, specifically in relation to the recording of sales around the year end, the elimination of intra Group trading and the consistency and accuracy of the treatment of price promotions. Our audit procedures to address these risks included, but were not limited to, substantive detailed testing on pre and post year end revenue transactions, intra Group eliminations on consolidation and on price promotions and their application and treatment across the Group.

**INDEPENDENT AUDITOR'S REPORT
(CONTINUED)**

- Accruals, specifically in relation to the completeness, existence, valuation and allocation of advertising & promotion and selling cost accruals. Our audit procedures to address this risk included, but were not limited to, substantive detailed testing, including testing historical accuracy of accruals, recalculation of the year-end accruals balances with agreement to contracts and post year end invoices.
- Maturing inventory, specifically in relation to existence of inventory. Our audit procedures to address this risk included, but were not limited to, attendance at and re-performance of inventory counts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

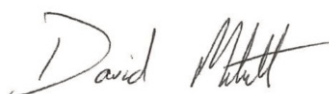
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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


David Mitchell CA

(Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Glasgow, UK

23 June 2025

Group Consolidated Income Statement

year ended 31 March 2025

	Note	Pre-Exceptional 2025 £m	Exceptional (Note 2) 2025 £m	2025 £m	Restated Pre-Exceptional* (Note 35) 2024 £m	Exceptional (Note 2) 2024 £m	Restated Total* (Note 35) 2024 £m
Revenue	1	1,068.7	-	1,068.7	1,219.4	-	1,219.4
Cost of sales		(708.2)	-	(708.2)	(764.6)	-	(764.6)
Gross profit		360.5	-	360.5	454.8	-	454.8
Other administration costs		(47.3)	(16.7)	(64.0)	(53.1)	(4.1)	(57.2)
Group operating profit		313.2	(16.7)	296.5	401.7	(4.1)	397.6
Share of profit in joint ventures	12	2.6	-	2.6	5.0	-	5.0
Earnings before interest and tax		315.8	(16.7)	299.1	406.7	(4.1)	402.6
Finance income	3	10.1	-	10.1	12.4	-	12.4
Finance costs	3	(48.8)	-	(48.8)	(44.2)	-	(44.2)
Other finance costs	3	(2.7)	-	(2.7)	(2.4)	-	(2.4)
Profit before taxation	4	274.4	(16.7)	257.7	372.5	(4.1)	368.4
Taxation	6	(65.4)	2.8	(62.6)	(87.4)	0.9	(86.5)
Profit after taxation from continuing operations		209.0	(13.9)	195.1	285.1	(3.2)	281.9
Profit for the year from discontinued operations	7	28.3	-	28.3	29.7	-	29.7
Profit for the financial year		237.3	(13.9)	223.4	314.8	(3.2)	311.6
Attributable to non-controlling interests		(111.2)	1.7	(109.5)	(148.5)	0.9	(147.6)
Profit for the financial year attributable to owner		126.1	(12.2)	113.9	166.3	(2.3)	164.0

All the activities of the Group are classed as continuing other than those identified in note 7.

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

*The prior year results have been restated as a result of the requirement under IFRS 5 to disclose prior year comparative figures for discontinued operations. Further details are provided in Note 35.

Group Statement of Comprehensive Income

year ended 31 March 2025

	2025 £m	2024 £m
Profit for the year attributable to owner	113.9	164.0
Profit for the year attributable to non-controlling interests	109.5	147.6
	223.4	311.6
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial (loss)/gain on pension schemes net of non-controlling interests		
Group	(13.3)	(17.6)
Associates and joint ventures	(0.5)	0.2
Non-controlling interests	(6.2)	(5.8)
Movement in deferred tax on pension schemes		
Group	3.7	4.4
Non-controlling interests	1.2	1.4
Revaluation reserve movement	0.2	0.2
Movement in financial instruments taken straight to reserves		
Group	(2.5)	(0.3)
Non-controlling interests	2.5	0.3
Other movements in joint ventures		
Group	0.1	-
Items that will be or have been reclassified to profit or loss		
Exchange differences on foreign operations		
Subsidiaries and associates	(8.4)	(15.3)
Joint ventures	(0.6)	-
Non-controlling interests	(5.2)	(0.7)
Exchange difference on foreign dividend	0.2	(0.4)
Net investment hedge	(0.1)	-
Movement on deferred tax taken straight to reserves		
Group	(2.8)	-
Non-controlling interests	(0.3)	-
Share based payment movements		
Group	1.1	(1.3)
Non-controlling interests	(2.4)	1.3
Cash flow hedge reserve movement	4.9	0.3
Other comprehensive loss attributable to parent	(18.0)	(29.8)
Other comprehensive loss attributable to non-controlling interest	(10.4)	(3.5)
Total other comprehensive loss for the year	(28.4)	(33.3)
Total comprehensive income for the year, net of tax	195.0	278.3
Attributable to parent	95.9	134.2
Attributable to non-controlling interest	99.1	144.1
Total	195.0	278.3

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

Statement of Financial Position

as at 31 March 2025

	Note	Company		Group	
		2025 £m	2024 £m	2025 £m	2024 £m
Non-current assets					
Intangible assets	9	-	-	359.7	411.8
Property, plant and equipment	10	-	-	697.9	679.0
Right-of-use assets	11	-	-	27.8	26.4
Investment in subsidiary undertakings	12	316.0	343.7	-	-
Investment in joint ventures	12	-	-	78.4	68.6
Investments in other interests	12	-	-	0.4	0.4
Derivative financial instruments	20	-	-	3.2	2.7
Deferred tax asset	21	-	-	59.5	87.9
Pension and other employment assets	27	-	-	2.5	4.7
Non-current assets		316.0	343.7	1,229.4	1,281.5
Current assets					
Inventories	13	-	-	883.6	942.9
Trade and other receivables	15	52.1	24.8	219.2	296.7
Current tax assets	15	-	-	20.1	3.9
Assets held for sale	14	-	-	133.2	0.4
Derivative financial instruments	20	-	-	9.7	6.0
Cash and liquid resources		70.0	84.1	245.9	186.3
Current assets		122.1	108.9	1,511.7	1,436.2
Total assets		438.1	452.6	2,741.1	2,717.7

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
(CONTINUED)

	Note	2025 £m	Company 2024 £m	2025 £m	Group 2024 £m
Equity and liabilities					
Equity					
Share capital	22	5.9	5.9	5.9	5.9
Share premium		0.5	0.5	0.5	0.5
Other reserves	23	3.1	8.7	87.9	79.6
Retained earnings		420.4	430.0	680.1	635.9
Cash flow hedge reserve	24	-	-	5.5	0.6
Equity attributable to owners of the parent		429.9	445.1	779.9	722.5
Non-controlling interests	12	-	-	577.4	512.1
Equity		429.9	445.1	1,357.3	1,234.6
Non-current liabilities					
Borrowings	17	-	-	736.4	860.7
Lease liabilities	30	-	-	23.2	22.4
Deferred tax liabilities	21	4.9	4.2	211.6	219.4
Derivative financial instruments	20	-	-	-	0.4
Other liabilities	16	-	-	1.0	4.9
Deferred consideration	16	-	-	1.7	2.2
Non-current liabilities		4.9	4.2	973.9	1,110.0
Current liabilities					
Trade and other payables	16	1.9	2.5	47.6	72.1
Borrowings	17	-	-	167.6	62.1
Lease liabilities	30	-	-	8.9	8.2
Derivative financial instruments	20	-	-	0.6	0.9
Current tax liabilities	16	1.3	0.3	16.3	17.2
Other liabilities and provisions	16	0.1	0.5	168.9	212.6
Current liabilities		3.3	3.3	409.9	373.1
Total liabilities		8.2	7.5	1,383.8	1,483.1
Total equity and liabilities		438.1	452.6	2,741.1	2,717.7

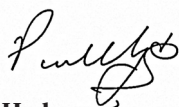
In the year to 31 March 2025 The Edrington Group Company made a profit of £22.7m (2024: £194.6m). The Group has taken the exemption from the requirement to publish a separate income statement for the parent company as set out in Section 408 of the Companies Act.

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

The consolidated financial statements of The Edrington Group Limited (registered number SC036374) were approved by the Board of directors and signed on behalf of the Board:



S McCroskie
Director
23 June 2025



P A Hyde
Director
23 June 2025

Consolidated Statement of Changes in Equity

year ended 31 March 2025

GROUP

	Note	Share capital £m	Share premium £m	Other reserves (Note 23) £m	Retained earnings £m	Cash flow hedge reserve £m	Total attributable to owners of parent £m	Non- controlling interests £m	Total equity £m
Balance at 1 April 2024		5.9	0.5	79.6	635.9	0.6	722.5	512.1	1,234.6
Dividends		-	-	-	(32.2)	-	(32.2)	(35.1)	(67.3)
Share based payments	26	-	-	(5.6)	-	-	(5.6)	-	(5.6)
Employee Benefit Trust share movements		-	-	-	0.8	-	0.8	-	0.8
Merger reserve		-	-	14.1	(15.4)	-	(1.3)	1.3	-
Transaction with owners		-	-	8.5	(46.8)	-	(38.3)	(33.8)	(72.1)
Profit for the year		-	-	-	113.9	-	113.9	109.5	223.4
Other comprehensive loss		-	-	-	(22.9)	-	(22.9)	(10.4)	(33.3)
Cash flow hedge reserve	24	-	-	-	-	4.9	4.9	-	4.9
Revaluation reserve		-	-	(0.2)	-	-	(0.2)	-	(0.2)
Total comprehensive income/(loss) for the year		-	-	(0.2)	91.0	4.9	95.7	99.1	194.8
Balance at 31 March 2025		5.9	0.5	87.9	680.1	5.5	779.9	577.4	1,357.3
Balance at 1 April 2023		6.0	0.5	75.9	648.8	0.3	731.5	483.9	1,215.4
Adjustments from other reserves		-	-	-	(0.3)	-	(0.3)	-	(0.3)
Adjusted balance at 1 April 2023		6.0	0.5	75.9	648.5	0.3	731.2	483.9	1,215.1
Dividends		-	-	-	(32.9)	-	(32.9)	(115.9)	(148.8)
Share based payments	26	-	-	3.8	-	-	3.8	-	3.8
Buy back of shares		(0.1)	-	0.1	(80.0)	-	(80.0)	-	(80.0)
Employee Benefit Trust share movements		-	-	-	(33.6)	-	(33.6)	-	(33.6)
Transaction with owners		(0.1)	-	3.9	(146.5)	-	(142.7)	(115.9)	(258.6)
Profit for the year		-	-	-	164.0	-	164.0	147.6	311.6
Other comprehensive loss		-	-	-	(30.1)	-	(30.1)	(3.5)	(33.6)
Cash flow hedge reserve	24	-	-	-	-	0.3	0.3	-	0.3
Revaluation reserve		-	-	(0.2)	-	-	(0.2)	-	(0.2)
Total comprehensive income/(loss) for the year		-	-	(0.2)	133.9	0.3	134.0	144.1	278.1
Balance at 31 March 2024		5.9	0.5	79.6	635.9	0.6	722.5	512.1	1,234.6

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

Company Statement of Changes in Equity

year ended 31 March 2025

COMPANY

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Liability for share-based payments £m	Retained earnings £m	Total equity £m
Balance at 1 April 2024		5.9	0.5	1.7	7.0	430.0	445.1
Dividends		-	-	-	-	(32.3)	(32.3)
Share based payments	26	-	-	-	(5.6)	-	(5.6)
Transactions with owners		-	-	-	(5.6)	(32.3)	(37.9)
Profit for the year		-	-	-	-	22.7	22.7
Total comprehensive income for the year		-	-	-	-	22.7	22.7
Balance at 31 March 2025		5.9	0.5	1.7	14	420.4	429.9
Balance at 1 April 2023		6.0	0.5	1.6	3.2	348.4	359.7
Dividends		-	-	-	-	(33.0)	(33.0)
Share based payments	26	-	-	-	3.8	-	3.8
Buybacks of own shares		(0.1)	-	0.1	-	(80.0)	(80.0)
Transactions with owners		(0.1)	-	0.1	3.8	(113.0)	(109.2)
Profit for the year		-	-	-	-	194.6	194.6
Total comprehensive income for the year		-	-	-	-	194.6	194.6
Balance at 31 March 2024		5.9	0.5	1.7	7.0	430.0	445.1

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements.

Group Cash Flow Statement

year ended 31 March 2025

	Note	2025 £m	2024 £m
Operating activities			
Operating profit from:			
Continuing operations		296.5	397.6
Discontinued operations	7	37.3	38.5
Adjustments for:			
Depreciation of property, plant and equipment	4	22.5	26.4
Depreciation of right of use assets	11	9.7	8.4
Amortisation of intangible assets	9	3.9	3.5
Gain on sale of fixed assets		0.7	-
Non-cash impairment		17.5	-
Operating cash flows before movements in working capital		388.1	474.4
Increase in inventories		(27.5)	(89.0)
Decrease/(increase) in receivables		73.1	(21.5)
Decrease in payables		(74.8)	(24.8)
Employer pension contributions paid	27	(18.2)	(5.9)
Other non-cash movements		(2.3)	2.1
Cash generated by operations		338.4	335.3
Tax on profit paid		(56.2)	(94.2)
Net cash from operating activities		282.2	241.1
Investing activities			
Dividends received from joint venture undertakings		0.8	2.5
Interest received		9.8	10.7
Purchase of property, plant and equipment	10	(85.4)	(90.2)
Purchase of intangible assets	9	(2.0)	(1.7)
Sale of property, plant and equipment		0.9	0.7
Disposal of investment		1.0	1.0
Investment in joint venture	12	(8.3)	(1.0)
Acquisition of subsidiary	32	-	(6.4)
Net cash used in investing activities		(83.2)	(84.4)

**GROUP CASH FLOW STATEMENT
(CONTINUED)**

	Note	2025 £m	2024 £m
Financing activities			
Interest paid		(51.3)	(45.4)
Net proceeds from EBT share transactions		0.8	(33.6)
Purchase of own shares	23	-	(80.0)
Repayment of lease liabilities	25	(10.7)	(8.3)
Equity dividends paid		(32.2)	(32.9)
Dividends paid to non-controlling interests in subsidiaries		(29.1)	(115.9)
Drawdown of revolving credit facilities	25	197.2	706.8
Repayment of revolving credit facilities	25	(322.0)	(610.5)
Repayment of other loans	25	(10.0)	(7.3)
Drawdown of other loans	25	100.0	-
Net cash used in financing activities		(157.3)	(227.1)
Net increase/(decrease) in cash and liquid resources		41.7	(70.4)
Cash and liquid resources at beginning of year		181.1	252.4
Effect of foreign exchange rate changes		1.0	(0.9)
Cash and liquid resources at end of year	25	223.8	181.1

Cashflows of discontinued operations are shown in note 7.

The notes and accounting policies on pages 54 to 112 form an integral part of these financial statements

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

Basis of preparation

The Edrington Group Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in Scotland. The address of the Company's registered office is shown on page 1.

The principal activities and nature of the operations of the Company and its subsidiaries (the Group) are set out in the Strategic Report.

These financial statements, presented in Pound Sterling, have been prepared on the going concern basis under the historical cost convention, with the exception of financial instruments that are measured at revalued amounts or fair value at the end of each reporting period, as explained in the accounting policies below. The financial statements have also been prepared under International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Group report under IFRS United Kingdom adopted International Accounting Standards with the Company reporting under FRS 101. All values are to the nearest £m except where otherwise stated.

The Group financial statements consolidate the financial statements of the Company, its subsidiary undertakings, joint ventures and associates.

Subsidiary undertakings are entities in which the Group has a controlling interest.

Control is achieved when the investor:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Joint venture undertakings are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group, with one or more ventures, under a contractual agreement. To the extent that they are material, the Group financial statements include the appropriate

share of the joint venture's results and reserves. In the Group financial statements, joint ventures are accounted for using the gross equity method.

The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where the Group acquires a controlling interest in an existing joint venture undertaking, goodwill arising is calculated on a piecemeal basis. For each tranche of shares acquired, the cost of that tranche is compared with the related share of net assets at fair value at the date of acquisition. This treatment of goodwill on a piecemeal basis is permitted by IFRS 3 Business Combinations, and in the opinion of the directors gives a true and fair view of the separate transactions. This is a departure from the requirements of the Companies Act 2006 which requires identifiable assets and liabilities of the undertaking acquired to be included in the consolidated statement of financial position at their fair value at the date of acquisition.

Adoption of new and revised standards

At the date of authorisation of these financial statements, the following Standards and Interpretations were newly in effect or amended:

- Amendments to IAS 1
CURRENT AND NON-CURRENT CLASSIFICATION OF LIABILITIES AND NON-CURRENT LIABILITIES WITH COVENANTS
- Amendments to IFRS 16
LEASE LIABILITIES IN A SALE AND LEASEBACK
- Amendments to IAS 7 and IFRS 7
SUPPLIER FINANCE ARRANGEMENTS

The adoption of the Standards above do not have a material impact on the current year financial statements and the directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

**ACCOUNTING POLICIES
(CONTINUED)**

New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new or revised IFRS Accounting Standards that have been issued but are not yet effective and, in some cases, have not yet been adopted in the UK.

- Amendments to IAS 21
LACK OF EXCHANGEABILITY
- Amendments to IFRS 9 and IFRS 7
CLASSIFICATION AND MEASUREMENT REQUIREMENTS
- IFRS S1
GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION
- IFRS S2
CLIMATE-RELATED DISCLOSURES
- IFRS I8
PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

With the exception of IFRS I8, the directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. It is expected that IFRS I8 will have an impact on the categorisation of items on the Income Statement and Key Performance Indicators.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101. Therefore, these Company financial statements do not include:

- a statement of cash flows and related notes;
- the requirement of IAS 24 related party disclosures to disclose related party transactions entered into between two or more members of The Edrington Group as they are wholly owned within The Edrington Group;
- disclosure of key management personnel compensation;
- capital management disclosures;
- certain share-based payments disclosures;
- business combination disclosures; and
- disclosures in respect of financial instruments.

Going concern

A full assessment of the appropriateness of the going concern method of preparation has been included in the Strategic Report. Edrington annually forecasts future trading performance and cash flow to assess compliance with banking covenants and to confirm that the going concern assumption remains appropriate for the preparation of its financial statements. The forecasts reflect the challenges faced by the Group in certain markets, together with the strong growth experienced in others and indicate, to the Group's satisfaction, that it has resources more than sufficient to continue as a going concern for at least 12 months from date of signing.

Foreign currencies

The Company's functional currency is Pound Sterling.

While the Group's presentational currency in its consolidated financial statements is Pound Sterling, it conducts business in many currencies. As a result, it is subject to foreign currency risk due to exchange rate movements which will affect the Group's transactions and translation of the results and underlying net assets of its operations.

Transactions in foreign currencies are translated at the spot rate at the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at each statement of financial position date, with exchange gains and losses recognised in the consolidated income statement.

Differences on exchange arising from the retranslation of the opening net assets of foreign subsidiaries denominated in foreign currency are taken to reserves together with the differences between the income statement translated at average rates and rates ruling at the year end.

ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue comprises the sale of goods, royalties and rents receivable from contracts with customers. Revenue is measured at the fair value of consideration received or receivable, excluding sales tax, and reduced by any rebates and trade discounts allowed. The sales of goods are recognised depending upon individual customer terms based on the point at which the transfer of control is deemed to have been made. Revenue is recognised to the extent that it is highly probable that a material reversal will not occur and at the value the Group expects to be entitled to.

Dividend income is recognised at the point the right to receive payment is established.

Exceptional items

Exceptional items are those that, in management's judgement, need to be disclosed individually by virtue of their size or incidence. These items are included within the income statement caption to which they relate and are separately disclosed in the notes to the financial statements.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, with the exception of short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease terms reflect the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a lease asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets are depreciated over the period of the lease the right of use asset is expected to be utilised. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment and depreciation" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are charged to the consolidated income statement.

Property, plant and equipment and depreciation

Property, plant and equipment is stated at cost net of depreciation and any provision for impairment.

No depreciation has been provided on land. Depreciation of other fixed assets has been calculated on a straight-line basis by reference to the useful life of the assets. The principal annual rates used for this purpose are:

Buildings	2% to 5%
Plant, vehicles, equipment	5% to 33%
Casks	5% to 15%

Casks are not depreciated until they are filled and held for maturation purposes.

Depreciation is not charged on assets under construction until the asset comes into use at which point it will be moved to the appropriate category above.

Property, plant and equipment is reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

Intangible assets

Brands with a material value, which are long term in nature, are recorded at cost less appropriate provision for impairment if necessary. Such brands are only recognised where title is clear, brand earnings are separately identifiable, and the brand could be sold separately from the rest of the business.

Brands that in the opinion of the directors, based on their assessment of the strength of the brands and industry, are regarded as having an indefinite economic life are not amortised. These assets are reviewed for impairment at least annually or when there is an indication that the asset may be impaired. The impairment reviews compare the carrying value of the brand with the higher of its value in use and fair value less costs of disposal.

The assumptions used in the annual impairment reviews are included in note 9.

Software system costs are stated at historical cost net of amortisation. Amortisation is charged on a straight-line basis over the useful life of the assets. The principal annual rates used for this purpose are 10% to 33%.

Goodwill is recognised on acquisition of a subsidiary and does not have a finite life; the recoverable amount is estimated at least annually or when there is an indication that the goodwill may be impaired. The impairment reviews compare the carrying value of the goodwill with the cash-generating unit it relates to.

Investments

Fixed asset and current asset investments are stated at cost, net of any provision for impairment.

An associate is an undertaking in which the Group has a minority long-term equity interest and over which it has the power to exercise significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the arrangement. The Group's interest in the net assets of associates and joint ventures is reported as investments in the consolidated statement of financial position and its interest in their results is included in the consolidated income statement.

ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment review compares the net carrying value with the recoverable amount, where the recoverable amount is the higher of the value in use calculated as the present value of the Group's share of the associate's future cash flows and its fair value less costs to sell. Associates and joint ventures are initially recorded at cost.

Acquisitions

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities arising on acquisition and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39 Financial Instruments, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the income statement.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

**ACCOUNTING POLICIES
(CONTINUED)****Inventory**

Inventory is valued at the lower of cost and net realisable value. Cost is defined as the production cost (including distillery overheads) or purchase price, as appropriate, plus carrying costs such as depreciation, warehousing rent and freight but excluding interest. Net realisable value is based on estimated selling price, less the estimated costs of completion and selling. The inventory is valued at standard cost which is reviewed at least annually. Provision is made for obsolete and slow-moving items where appropriate.

Current assets held for sale

Current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate.

After the disposal takes place, the Group accounts for any retained interest in the associate in accordance with IFRS 9 unless the retained interest continues to be an associate, in which case the Group uses the equity method (see the accounting policy regarding investments above).

Operating profit

Operating profit is stated after a goodwill write off or charging restructuring costs but before the share of results of associates, investment income, share of profit after tax in joint venture and finance costs.

Taxation

Income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or other comprehensive income.

CURRENT TAX

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable income differs from the profit before tax reported in the Group consolidated income statement because of items of income/expense which are taxable/deductible in other years ("temporary differences") and items that are never taxable/deductible ("permanent differences"). Current tax is measured using tax rates enacted or substantively enacted at the reporting date.

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures and associates, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

ACCOUNTING POLICIES (CONTINUED)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

UNCERTAIN TAX PROVISIONS

The Group is required to estimate the corporate tax in each of the many jurisdictions in which it operates. Management is required to estimate the amount that should be recognised as a tax liability or tax asset in many countries which are subject to tax audits which by their nature are often complex and can take several years to resolve. Current tax balances and tax provisions are based on management's judgement and interpretation of country specific tax law and the probability that the tax authority will accept the tax treatment used or planned to be used in the tax filing made.

Other liabilities and provisions

Other liabilities are primarily provisions which are liabilities of uncertain timing or amounts. A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and which will result in an outflow of economic benefit. Provisions are discounted where the effect is materially different to the original undiscounted amount and represent the directors' best estimate of likely settlement.

Deferred consideration

Deferred consideration comprises amounts due for assets received. These are measured at amortised cost and the amounts due payable are split between those due within one year and those due out with one year.

Share-based payments

The Group, issues equity-settled share-based payments to certain Group employees (ShareReward Scheme). The fair value at grant date of the shares granted is charged to the Company's income statement over the vesting period with a corresponding credit to 'Share based payments reserve' in the statement of financial position.

In addition, The Edrington Group also provides employees with the ability to save for a three-year period to buy Edrington 'B' Ordinary Shares at 80% of the market price (ShareSave Scheme). The fair value of the share options awarded is determined at the grant date and is expensed on a straight-line basis over the three-year vesting period, based on an estimate of the shares that will ultimately vest.

The fair value of shares and options granted is calculated at grant date using the Black-Scholes model and in accordance with IFRS 2 Share Based Payments.

The parent company reflects the fair value of the shares issued to subsidiary undertakings to enable them to meet their obligations under the share-based payment incentive schemes as an additional investment.

Financial instruments

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

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

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

**ACCOUNTING POLICIES
(CONTINUED)**

The Group classifies its financial assets and liabilities into the following categories: amortised cost, fair value through other comprehensive income or fair value through income statement and cash and cash equivalents.

AMORTISED COST

Financial assets measured at amortised cost, are assets held for the purpose of collecting contractual cash flows where the contractual terms of the financial asset give rise to cash flows, on specified date, that are solely payments of principal and/or principal and interest on the principal amount outstanding.

Trade and other receivables are recognised initially at the transaction price. After initial recognition they are measured at amortised cost using the effective interest method, less an allowance for expected credit loss (ECL). The amount of the ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the receivable. The ECL on financial assets is estimated using a provision matrix by reference to past default experience and an analysis of current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group only writes off trade receivables when there is information that the debtor is in financial distress (liquidation or bankruptcy) and there is no prospect of recovery. The carrying amount of the asset is reduced by the allowance for ECL and the amount of the loss is recognised in the income statement within cost of sales.

**FINANCIAL ASSET AND LIABILITIES AT FAIR VALUE THROUGH
INCOME STATEMENT OR OTHER COMPREHENSIVE INCOME**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which event the recognition in profit or loss depends on the nature of the hedge relationship.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at banks and deposits which are readily convertible to known amounts of cash and have an original maturity of three months or less.

Hedge accounting

The Group designates derivatives as hedging instruments in respect of foreign currency risk in cash flow hedges and overseas net investment hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives, its strategy and at inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective.

CASHFLOW HEDGES

All derivatives, designated in a cash flow hedge are designated in their entirety as the hedging instrument. The separate component of equity associated with the hedged item (the cash flow hedge reserve) is adjusted to the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value of the hedged item from inception of the hedge.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness and is recognised in the income statement. Where the amount that has been accumulated in the cash flow hedge reserve relates to a hedged forecast transaction that subsequently results in the recognition of a non-financial asset or liability, it is removed from cash flow hedge reserve and included in the initial cost of the asset or liability. For hedges that relate to a financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects the income statement.

OVERSEAS NET INVESTMENT HEDGES

There are also foreign currency forward contracts which are designated as hedges of the Group's overseas net investments, which are denominated in the functional currency of the reporting operation. Exchange differences arising from the retranslation of the net investment in foreign entities and of the foreign currency forward contracts are taken to exchange reserves on consolidation to the extent the hedges are deemed effective. All other exchange gains and losses are dealt with through the income statement. Gains and losses accumulated in the exchange reserve are recycled to the income statement when the foreign operation is sold.

ACCOUNTING POLICIES (CONTINUED)

Effective interest rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts, (including all fees and transaction costs) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported on a net basis only when the Group has a legally enforceable right to set off the amounts and either intends to settle on a net basis, or to realise the asset or liability simultaneously.

Pensions and other post-retirement benefits

The Group operates three principal pension schemes based on final pensionable salary in addition to a number of schemes based on defined contributions. The assets of the schemes are held separately from those of the Group.

Defined benefit scheme assets are measured at fair value. Scheme liabilities which represent the present value of the obligation are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the Group.

For defined benefit schemes the amounts charged to operating profit are the gains/losses from settlements and curtailments. These are included as part of staff costs. Past service costs are spread over the period until the benefits vest. Interest on the scheme liabilities and the expected return on the scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of comprehensive income.

For defined contribution schemes the amount charged to the income statement in respect of pension costs is the contributions payable in the year. Any differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

In addition, the Company pays other post-retirement discretionary benefits which are accounted for in accordance with IAS 19 Retirement Benefits. In the view of the directors, there is no future legal commitment to pay these benefits. However, a constructive obligation exists as it has been custom and practice to pay them in the past; therefore, the most appropriate treatment is to provide for the full potential liability in the accounts.

Accounting for The Edrington Group Limited Employee Benefit Trust

The Edrington Group Limited as the sponsoring company of The Edrington Group Limited Employee Benefit Trust recognises the assets and liabilities of the Employee Benefit Trust in the Group's accounts as it has deemed control under the guidance of IFRS 10.

The Group accounts for the Employee Benefit Trust as follows:

- until such time as the Company's own shares held by the Employee Benefit Trust vest unconditionally in employees, the consideration paid for the shares is deducted from the consolidated statement of changes in equity.
- other assets and liabilities (including borrowings) of the Employee Benefit Trust are recognised as assets and liabilities of the Group.
- consideration paid or received for the purchase or sale of the Company's own shares in the Employee Benefit Trust is shown as a separate amount in the consolidated statement of changes in equity.
- no gain or loss is recognised in the income statement or statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own shares.
- finance costs and any administration expenses are charged as they accrue.
- any dividend income arising on own shares is excluded from the income statement.

ACCOUNTING POLICIES (CONTINUED)

Estimation uncertainty and significant judgements

There are three key areas of estimation uncertainties for the Group; valuation of pension assets and liabilities, the carrying value of brand assets and liabilities, and the carrying value of equity acquisitions. There is one key area of significant judgement being the considerations of climate change:

PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The Group operates both defined benefit pension schemes providing benefits based on final pensionable earnings, and defined contribution schemes. The determination of any pension scheme surplus/deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. Sensitivity analysis has been undertaken on these key assumptions as detailed in note 27.

BRAND VALUATION

Assessment of the recoverable value of an intangible asset, the useful economic life of an asset, or that an asset has an indefinite useful life requires management estimate.

These assets are reviewed for impairment at least annually or when there is an indication that the asset may be impaired. The impairment reviews compare the carrying value of the brand with the higher of its value in use and fair value less costs of disposal. The tests are dependent on management's estimates and judgements, in particular in relation to the forecasting of future cash flows, the discount rates applied to those cash flows and the expected long term growth rates. Such estimates and judgements are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts. Sensitivity analysis is undertaken on these key assumptions as outlined within note 9.

VALUATION OF EQUITY ACQUISITION

The Group holds minority equity stakes with several key strategic partners. The valuation of each equity stake requires management estimate in both the calculation of future cash flows and the appropriateness of the discount rate used.

The estimates and judgements around future cash flows are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts. Management have performed sensitivity analysis on the discount rate applied and are satisfied that a change in the rate applied will not result in a material change in the valuation. Details of acquisitions made are within note 12 and 32.

CONSIDERATIONS OF CLIMATE CHANGE

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the Corporate Sustainability and Responsibility Report. In particular, the Directors considered the impact of climate change in specific of the following areas:

- Going concern and viability of the Group over the next three years;
- Cash flow forecasts used in the impairment assessment of non-current assets including brands and goodwill; and
- Carrying value and useful economic lives of property, plant and equipment.

There are no critical accounting judgements or key sources of estimation uncertainty existing in the parent company.

Notes to the Financial Statements

1 Revenue

The analysis of revenue, net assets and profitability by class of business or geographical market has not been disclosed as the directors consider that this could be seriously prejudicial to the Group's interest.

An analysis of the Group's revenue is as follows:

	2025 £m	Restated* 2024 £m
Core revenue	912.0	1,050.3
Revenue from distribution of 3rd party products	108.8	138.2
Sale of non-cased goods	43.1	26.1
Other income	4.8	4.8
Group revenue	1,068.7	1,219.4

* The prior year results have been restated as a result of the requirement under IFRS 5 to disclose prior year comparative figures for discontinued operations. Further details have been provided in note 35.

2 Exceptional items

	2025 £m	2024 £m
Restructuring costs	0.8	(4.1)
Brand impairment	(17.5)	-
Total of exceptional items before taxation and non-controlling interest	(16.7)	(4.1)
Taxation	2.8	0.9
Total of exceptional items after taxation	(13.9)	(3.2)
Non-controlling interest	1.7	0.9
Net impact on retained earnings	(12.2)	(2.3)

The restructuring costs in the current and prior year represents a provision taken as a result of the exit of our third party brand portfolio distribution in the UK.

The brand impairment charge in the year reflects management's decision to partially and fully impair the Glenrothes and Wyoming Whiskey brand values, respectively.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**3 Finance income and finance costs**

	2025 £m	2024 £m
Finance income		
Interest on defined benefit pension scheme (note 27)	0.3	1.3
Other interest receivable	9.8	11.1
	10.1	12.4
Finance costs		
Interest payable - bank loans & overdrafts	(19.0)	(14.7)
-Interest payable - US private placement	(28.7)	(28.7)
Interest expense on lease liabilities (note 29)	(1.1)	(0.8)
	(48.8)	(44.2)
Other finance costs		
Other finance costs	(2.7)	(2.4)
	(2.7)	(2.4)

4 Profit before taxation

	2025 £m	2024 £m
Profit before taxation is stated after charging/(crediting):		
Fees payable to the Company's auditor for the audit of the parent company and group's financial statements	0.1	0.1
Fees payable to the Company's auditor for the audit of the accounts of subsidiaries	1.0	1.0
Depreciation of property, plant and equipment	22.5	26.4
Depreciation of right-of-use assets (note 11)	9.7	8.4
Staff costs (note 5)	222.4	243.5
Trade receivable impairment (note 15)	0.1	2.4
Inventory charged to income statement	79.9	66.9
Loss on disposal of property, plant and equipment	0.7	-
Amortisation of intangible assets (note 9)	3.9	3.5

The depreciation charge noted above is different from that shown in note 9 to these financial statements as cask and warehouse depreciation is added to the cost of Scotch Whisky inventory and is not released to the income statement until the relevant inventory is sold.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**5 Employees**

	2025 Number	2024 Number
The monthly average number of employees was as follows:		
Engaged in distilling, coopering, blending, bottling, marketing and selling of Scotch whisky & rum	3,089	3,211

	2025 £m	2024 £m
Employment costs during the year amounted to:		
Wages and salaries	182.7	175.0
Social security costs	15.8	16.2
Pension costs	14.4	15.7
Employee share schemes	(0.2)	5.6
Long term incentive plans	(4.2)	6.4
Annual employee incentive schemes	13.9	24.6
	222.4	243.5

There is only one category of employee across the Group.

	2025 £m	2024 £m
Remuneration in respect of the board of directors was as follows:		
Emoluments (excluding pension contributions)	2.3	2.2
Benefits	0.2	0.2
Employee share schemes	-	0.1
Performance related Annual Incentive Plan	0.6	1.6
Performance related Long-Term Incentive Plan	0.8	2.9
	3.9	7.0

	2025 £m	2024 £m
The amounts set out above include remuneration in respect of the highest paid director each year as follows:		
Emoluments (excluding pension contributions)	0.7	0.7
Benefits	0.1	0.1
Performance related Annual Incentive Plan	0.3	0.8
Performance related Long-Term Incentive Plan	0.4	1.6
	1.5	3.2

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

5 Employees (continued)

Directors' remuneration, which is determined by the Remuneration Committee, is benchmarked triennially with the assistance of independent specialist consultants.

Amounts disclosed under other benefits for both the directors and the highest paid director, include a non-pensionable salary supplement made to certain directors in lieu of the Company's contribution to the pension scheme.

Employee share schemes reflect the costs for both the annual ShareSave scheme and the ShareReward scheme (when it is awarded), which rewards employees and directors for the achievement of performance targets.

Performance related payments include the Annual Incentive Plan and Long-Term Incentive Plan costs for Edrington and its subsidiaries' employees.

The Annual Incentive Plan rewards directors and senior executives on both personal targets and on annual performance results. Payments were partially triggered in the current and prior years.

The award made under the Long-Term Incentive Plan is in the form of shares and is based on targets set at the beginning of a three-year performance cycle. This was partially triggered in the current and prior years. Three directors (2024: three directors) participated in the Long-Term Incentive Plan.

The amount awarded also reflects the increase in share price over the three-year period of each scheme. The annual cost of the Board's Long Term Incentive Plan based on the share price at the time of inception was £1.2m (2024: £0.9m) and for the highest paid director was £0.6m (2024: £0.5m).

For further details on these incentive schemes and share schemes please refer to the Directors' Report.

During the year, two directors (2024: no directors) exercised share rights under the ShareSave Scheme. The aggregate of gains by directors exercising share rights during the year was £nil (2024: £nil). During the year, no directors (2024: no directors) participated in defined benefit pension schemes and three directors participated in the defined contribution scheme (2024: three directors). No other directors participated in any other Company pension schemes during the year.

The highest paid director did not exercise share rights under the ShareSave Scheme this year or in the prior year.

The Group defines key management personnel to be the Board of Directors, as noted on page 1.

None of the Group employees were employed by the Company nor did any of the directors hold a service contract with the Company in the current or preceding financial years.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**6 Taxation**

UK corporation tax is calculated at 25% (2024: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	2025 £m	Restated* 2024 £m
The tax charge represents:		
Current tax:		
UK Corporation tax at 25% (2024: 25%)	2.4	44.6
Adjustment in respect of prior periods	(2.4)	(1.0)
Foreign tax	26.8	34.9
Pillar Two income taxes	3.8	-
Tax on exceptional items	0.1	(0.1)
Total current tax	30.7	78.4
Deferred tax:		
Deferred tax charge for the year	32.3	8.0
Tax on exceptional items	(2.9)	(0.8)
Adjustment in respect of prior periods	2.5	0.9
Total deferred tax	31.9	8.1
Total tax	62.6	86.5

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2024: 25%).

The differences are explained below:

	2025 £m	Restated* 2024 £m
Profit before tax from continuing operations	257.7	368.4
Income tax expense calculated at 25% (2024: 25%)	64.4	92.1
Effect of expenses that are not deductible in determining taxable profit	2.9	6.6
Effect of different tax rates of subsidiaries operating in other jurisdictions	(10.4)	(13.3)
Non-taxable income	(2.1)	(3.2)
Pillar Two top up tax	3.8	-
Other differences	0.4	1.0
Adjustment in respect of prior periods	0.1	(0.1)
Effect of deferred tax assets no longer recognised	2.8	2.1
Share of results of associates and joint ventures	(0.7)	(1.3)
Deferred tax on distributable reserves	1.4	2.6
	62.6	86.5

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**6 Taxation (continued)**

As of 31 March 2024, the IAS 12 exemption to not recognise any deferred tax relating to top-up tax arising from the Pillar Two legislation has been applied.

* The prior year results have been restated as a result of the requirement under IFRS 5 to disclose prior year comparative figures for discontinued operations. Further details have been provided in note 35.

7 Discontinued operations

	2025 £m	2024 £m
Revenue	112.4	114.9
Cost of sales	(75.1)	(76.4)
Gross profit	37.3	38.5
Profit from discontinued operations before taxation	37.3	38.5
Taxation on profit from discontinued operations	(9.0)	(8.8)
Profit for the year from discontinued operations	28.3	29.7

Cash flows generated by the brands for the reporting periods under review until disposal are as follows:

	2025 £m	2024 £m
Net cash from operating activities attributable to discontinued operations	28.0	22.6

8 Dividends

	2025 £m	2024 £m
Dividends paid during the year:		
- Final prior year of 36.0p (2024: 36.0p)	21.1	21.4
- First interim current year of 19.0p (2024: 19.0p)	11.2	11.3
Less: dividends paid to the Employee Benefit Trust	(1.3)	(1.1)
	31.0	31.6
Proposed after the year-end (not recognised as a liability):		
- Final of 22.0p (2024: 36.0p)	12.9	21.1

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

9 Intangible assets

GROUP	Brands £m	Software £m	Goodwill £m	Total £m
Cost or valuation				
At 1 April 2024	908.3	36.1	3.5	947.9
Additions	-	2.0	-	2.0
Disposals	-	(0.6)	-	(0.6)
Transfers to assets held for sale	(32.0)	-	-	(32.0)
Impairment	(17.5)	-	-	(17.5)
Exchange adjustment	(0.2)	(0.6)	-	(0.8)
At 31 March 2025	858.6	36.9	3.5	899.0
Amortisation				
At 1 April 2024	513.4	22.7	-	536.1
Charge for the year	-	3.9	-	3.9
Disposals	-	(0.6)	-	(0.6)
Exchange adjustment	-	(0.1)	-	(0.1)
At 31 March 2025	513.4	25.9	-	539.3
Net book value at 31 March 2025	345.2	11.0	3.5	359.7
Net book value at 31 March 2024	394.9	13.4	3.5	411.8

The amortisation expense of the intangible assets is included within cost of goods sold and other administrative expense within the income statement.

At 31 March 2025, the carrying amounts of the principal brands acquired by the Group are as follows:

	2025 £m	2024 £m
Cash generating unit		
The Macallan	324.1	324.1
The Famous Grouse	-	32.0
Highland Park	13.9	13.9
The Glenrothes	7.2	19.0
Wyoming Whiskey	-	5.9
	345.2	394.9

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**9 Intangible assets (continued)**

The brands are protected by trademarks, which are renewable indefinitely, in all of the major markets they are sold. There are not believed to be any legal, regulatory or contractual provisions that limit the useful lives of these brands. The nature of the premium drinks industry is that obsolescence is not a common issue, with indefinite brand lives being commonplace. Accordingly, management believe that it is appropriate that the brands are treated as having indefinite lives for accounting purposes and are therefore not amortised.

The goodwill relates to the acquisition of Vasyma SL and has been considered along with the brand value for impairment as detailed below.

As at 31 March 2025, The Famous Grouse brand value has been transferred to assets held for sale (note 14).

Impairment testing and sensitivity analysis

Impairment tests are carried out annually or more frequently if events or circumstances indicate that the carrying amount may not be recoverable.

The recoverable amount of a cash generating unit (CGU) is determined based on the higher of its value in use and fair value less costs of disposal. The value in use calculation uses pre-tax discounted cash flow projections based on three year financial budgets approved by the Board. Where appropriate cashflows are extended up to ten years using management's best estimate of future performance. These cash flows reflect expectations of sales growth, operating costs and margin, based on past experience and industry growth forecasts. Cash flows are extrapolated using the growth rates stated below.

The pre-tax discount rates and terminal growth rates used for impairment testing of each of the CGUs have been split by the geographical area in which each brand is sold and are as follows:

	Terminal growth rate %
Americas	2.5%
Asia	2.5%
Global Travel Retail	2.4%
Europe, Middle East, India and Africa	2.1%

The terminal growth rates applied at the end of the forecast period are based on the long-term annual inflation rate of each CGU obtained from external sources.

The pre-tax weighted average cost of capital (WACC) is the basis for the discount rate of 10.75% (2024: 9.75%). The WACC reflects the pre-tax cost of debt-financing and the pre-tax cost of equity finance. Further risk premia are also applied according to management's assessment of any specific risks impacting on each CGU.

As at 31 March 2025, based on net present value, management concluded that the values in use of The Macallan and Highland Park CGUs exceed their net asset value. The Glenrothes and Wyoming Whiskey brand value could not be supported by their value in use calculations. Management has deemed a partial impairment of £11.8m for The Glenrothes and the full impairment of Wyoming Whiskey of £5.7m to be appropriate.

Sensitivity analysis was also carried out on the above calculations to review possible levels of impairment after adjusting discount rates. At a pre-tax discount rate of 11.25% The Macallan was not impaired, but there would be a small impairment of £0.1m for Highland Park and The Glenrothes would be further impaired by £1.3m. At a terminal growth rate of 2.0% The Macallan and Highland Park CGUs were not impaired, but The Glenrothes would be further impaired by £0.7m. Therefore, management has concluded that changes within reason to the key assumptions applied in assessing the value in use calculation would not result in a material change to the impairment conclusions reached.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**10 Property, plant and equipment**

GROUP	Freehold land & buildings £m	Plant, vehicles & equipment £m	Casks £m	Assets under construction £m	Total £m
Cost or valuation					
At 1 April 2024	286.7	276.6	473.2	30.2	1,066.7
Additions	4.4	19.0	40.8	21.2	85.4
Disposals	(1.3)	(5.9)	(11.1)	-	(18.3)
Transfers	11.3	15.0	3.6	(29.9)	-
Transfers to assets held for sale (note 14)	-	-	(25.5)	-	(25.5)
Exchange adjustment	(1.0)	(4.5)	(1.6)	(1.2)	(8.3)
At 31 March 2025	300.1	300.2	479.4	20.3	1,100.0
Depreciation					
At 1 April 2024	74.2	163.9	149.6	-	387.7
Charge for the year	6.9	16.4	21.7	-	45.0
Disposals	(1.3)	(5.4)	(10.0)	-	(16.7)
Transfers	1.1	(1.1)	-	-	-
Transfers to assets held for sale (note 14)	-	-	(11.6)	-	(11.6)
Exchange adjustment	0.8	(2.4)	(0.7)	-	(2.3)
At 31 March 2025	81.7	171.4	149.0	-	402.1
Net book value					
At 31 March 2025	218.4	128.8	330.4	20.3	697.9
At 31 March 2024	212.5	112.7	323.6	30.2	679.0

Included in freehold land and buildings is £2.2m (2024: £2.2m) in respect of freehold land which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**11 Right of use assets**

The Group leases several assets including buildings, plant, vehicles, and IT equipment. The average lease term is 3 years (2024: 3 years).

The Group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The following assets are subject to lease arrangement.

GROUP	Freehold land & buildings £m	Plant, vehicles & equipment £m	Total £m
Cost or valuation			
At 1 April 2024	50.1	3.7	53.8
Additions	10.5	1.3	11.8
Disposals	(12.7)	(1.2)	(13.9)
Exchange adjustment	(0.8)	(0.1)	(0.9)
At 31 March 2025	47.1	3.7	50.8
Depreciation			
At 1 April 2024	25.4	2.0	27.4
Charge for the year	8.4	1.3	9.7
Disposals	(12.4)	(1.0)	(13.4)
Exchange adjustment	(0.5)	(0.2)	(0.7)
At 31 March 2025	20.9	2.1	23.0
Net book value			
At 31 March 2025	26.2	1.6	27.8
At 31 March 2024	24.7	1.7	26.4

Approximately 29 (2024: 28) of the leases for property, plant and equipment expired in the current financial year. The expired contracts were replaced by new leases for identical underlying assets. This results in additions to right-of-use assets of £1.2m in 2025 (2024: £1.1m).

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments

GROUP	Joint ventures £m	Associates and other investments £m	Total investments £m
At 1 April 2024	68.6	0.4	69.0
Share of retained profits less dividends received	2.0	-	2.0
Movement in intercompany profit	0.4	-	0.4
Actuarial movement on pension scheme	(0.4)	-	(0.4)
Movement on deferred tax relating to pension scheme	0.1	-	0.1
Investment in joint venture	8.3	-	8.3
Exchange adjustments	(0.6)	-	(0.6)
At 31 March 2025	78.4	0.4	78.8

COMPANY	Investment in subsidiaries £m
Cost or valuation at 1 April 2024	343.7
Disposal of subsidiary	(9.9)
Other movements	(5.7)
Impairment of subsidiary	(12.1)
Cost or valuation at 31 March 2025	316.0

Other movements in investments represent the fair value of shares issued to subsidiary undertakings in the year to enable them to meet their obligations under share-based payment incentive schemes. The Group's accounting policy is to treat these issues as an additional investment in the parent undertaking.

The carrying value of wholly owned subsidiaries have been reviewed for impairment indicators. In the current year the investment value of Edrington USA Inc has been impaired by £12.1m. No other indicators were noted.

At 31 March 2025 the Group held more than 20% of the equity, and no other share or loan capital, of the following companies:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS:			
The 1887 Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	75%**	Management of Scotch whisky companies
Brugal & Co., S.A. (Carretera Luperón Km. 3 1/2 Puerto Plasta, Dominican Republic)	Ordinary shares	61%*	Distilling, bottling, sales and marketing of Dominican rum
Casa Brugal RD., S.A. (Piso II, Downtown Business Tower, Avenue Núñez de Cáceres esq. Rómulo Betancourt, Santo Domingo, R.D.)	Ordinary shares	61%	Distilling, bottling, sales and marketing of Dominican rum

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments (continued)

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS (CONTINUED):			
Brugal Subsidiaria España, SLU (Calle Mahonia No.2, Edificio Portico, Ira planta, Campo de las Naciones, 28043, Madrid, España)	Ordinary shares	61%	Sales and marketing of Dominican rum
SLV (Edrington) Limited (One Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%*	Dormant
Clyde Bonding Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Clyde Cooperage Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Edrington Africa Pty Ltd (Block A, Ground Floor, 3021 William Nicol Drive, Bryanston, 2191, Johannesburg)	Ordinary shares	100%*	Sale and distribution of alcoholic beverages
Hepburn & Ross Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
R & B (West Nile Street) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Robertson & Baxter Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Edrington Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Edrington International Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington USA Inc (18 West 24th Street, 4th Floor, New York, NY10010, USA)	Ordinary shares	100%*	Activities of holding companies
Edrington (Trustees) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Edrington Trustees (2017) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Dormant
Edrington Distillers Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Sale and marketing of Scotch whisky
Edrington Singapore Holdings Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%*	Activities of holding companies

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments (continued)

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS (CONTINUED):			
Wyoming Whiskey, Inc. (100 South Nelson Street, Kirby, Wyoming 82430)	Ordinary shares	80%	Distilling, bottling, sales and marketing of American craft whiskey
JOINT VENTURE AND ASSOCIATED UNDERTAKINGS:			
Lothian Distillers Limited (9 Wheatfield Rd, Edinburgh, EH11 2PX)	Ordinary shares	50%	Distillation and maturation of Scotch grain whisky
No.3 London Dry Gin Limited (3 St.James's Street, London, SW1A 1EG)	Ordinary shares	25%	Sale and distribution of alcoholic beverages

Key:

* Investment is held directly by the Company.

** The Company has 70% of the voting and economic rights in respect of The 1887 Company Limited.

The 1887 Company Limited holds the following investments either directly or indirectly:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS:			
Edrington Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%*	Blending, bottling, sales and marketing of Scotch whisky
Highland Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Distilling, blending, bottling, sales and marketing of Scotch Whisky
The Glenrothes Distillery Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
GT Distillery Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
BB&R Spirits Limited (One, Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%	Dormant
Highland Distribution Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington Mexico S.A. de C.V. (Javier Barrios Sierra No. 495 Piso 1 Oficina 01-116 C.P. 01376 Colonia Santa Fe Localidad Alvaro Obregon Ciudad de Mexico)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Importadora EMEX S.A. de C.V. (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Importer of alcoholic beverages
(Servicios 1824 S.A. de C.V. (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Provision of employment services

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments (continued)

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS (CONTINUED):			
Edrington Middle East and Africa (Makrasykas I, KBC North, Office 201, Strovolos, 2034 Nicosia, Cyprus)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington European Travel Retail Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Danmark A/S (Bredgade 20, I. 1260 København K, Denmark)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Sweden AB (Luntmakargatan 46, III 37 Stockholm, Sweden)	Ordinary shares	100%	Sales and distribution of alcoholic beverages
Edrington Finland OY (Firdonkatu T2 I44 005200, Helsinki, Finland)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Norge AS (Radhusgata 30B NO-0151, Oslo, Norway)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Singapore Pte Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Taiwan Limited (9F, No. 9 Songgao Road, Xinyi Dist., Taipei City, 11073 Taiwan)	Ordinary shares	87.5%	Sale and distribution of alcoholic beverages
Edrington Shanghai Limited (Unit I, 10/F, Tower 2 Grand Gateway, No.3 Hong Qiao Road, Xuhui, Shanghai, China)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Hong Kong Limited (Room 1020, 1209 A, 12F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington (Malaysia) SDN BHD (Unit 30-01, Tower A, Vertical Business Suite, Ave 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
The Edrington Group USA, LLC (18 West 24th Street, 4th Floor, New York, NY10010, USA)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington France SAS (23 Rue d'Anjou, 75008, Paris)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Netherlands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments (continued)

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
SUBSIDIARY UNDERTAKINGS (CONTINUED):			
Highland Distribution Ventures Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington UK Distribution Limited (100 Queen Street, Glasgow G1 3DN)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Holdings Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Highland Distillers Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of holding companies
HS (Distillers) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares Preferred ordinary shares	75% 100%	Activities of holding companies
The Macallan Distillers Limited (The Macallan Distillery, Craigellachie, Banffshire, AB38 9RX)	Ordinary shares Preference shares	75% 100%	Distilling, sales and marketing of Scotch whisky
Macallan Property Development Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Development of building projects
Macallan Property Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Letting and operating of real estate
Matthew Gloag & Son Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
James Grant & Company (Highland Park Distillery) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Vasyma S.L (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%	Manufacture of oak casks
Destiladores y Bodegueros S.L.U. (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%	Manufacture of oak casks
The Famous Grouse Limited (One, Fleet Place, London, United Kingdom, EC4M 7WS)	Ordinary shares	100%**	Distilling, sales and marketing of Scotch whisky

Key:

* On 1st April 2024, The 1887 Company Limited purchased 100% of Edrington Distillers Limited.

** Company was incorporated on 13 September 2024.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

12 Investments (continued)

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2025	Nature of business
JOINT VENTURE UNDERTAKINGS:			
Maxxium Nederland BV (Koivistokade 62, 1013 BB Amsterdam)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Belux NV (NV Leuvensesteenweg 643-16, 1930, Zaventem)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Worldwide BV (Basisweg 10, 1043 AP Amsterdam, The Netherlands)	Ordinary shares	50%	Activities of holding companies
Bodegas Grupo Estevez SL (Carretera Nacional IV, Km 640, 11408 Jerez, Spain)	Ordinary shares	50%	Manufacture, sale and distribution of alcoholic beverages
Coopers Oak LLC (300 James Road, Waverly, OH 45690, USA)	Ordinary shares	50%	Sawmill
Tevasa Forestal Group S.L.C. Rda, de los Alunados, 11406 Jerez de la Frontera, Cádiz, Spain	Ordinary shares	50%*	Sherry Cash producer

Key:

* On 13th November 2024 the Group purchased 50% of the share capital of Tevasa Forestal Group for £8.3m.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interest	Profit allocation to non-controlling interests		Accumulated non-controlling interests	
			2025 £m	2024 £m	2025 £m	2024 £m
The Macallan Distillers Limited	UK	25%	53.5	72.6	286.5	257.7
1887 Company Limited	UK	30%	48.7	63.0	239.8	204.6
Brugal & Co., S.A.	Dominican Republic	39%	11.3	12.9	47.7	44.6
Edrington Taiwan Limited	Taiwan	12.5%	0.1	0.3	0.7	0.9
Wyoming Whiskey, Inc.	US	20%	(1.5)	(1.2)	2.7	4.3
			112.1	147.6	577.4	512.1

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**12 Investments (continued)**

The following information is given in respect of the Group's share of its joint ventures on an aggregate basis:

	2025 £m	2024 £m
Income Statement		
Revenue (before elimination of group transactions with joint ventures)	93.6	110.3
Profit before interest and taxation	4.8	7.1
Investment income	-	0.5
Interest and other finance costs	(0.8)	(0.4)
Taxation	(1.2)	(2.0)
Group's share of profit for the year	2.8	5.2
Dividends paid	(0.8)	(2.5)
	2.0	2.7
Statement of Financial Position		
Non-current assets	58.3	48.1
Current assets	71.3	57.1
	129.6	105.2
Current liabilities	(37.2)	(25.8)
Non-current liabilities	(14.8)	(11.6)
	(52.0)	(37.4)
Group's share of net assets	77.6	67.8
Proportion of ownership interest held by the Group		
Net assets of joint venture	77.6	67.8
Goodwill	0.8	0.8
Carrying amount of the investment held	78.4	68.6

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**13 Inventories**

GROUP	2025 £m	2024 £m
Raw materials	18.4	11.0
Scotch whisky and bourbon	804.3	854.6
Rum	35.8	33.4
Packaging materials	22.8	32.7
Other inventory	2.3	11.2
	883.6	942.9

Within total inventory £662.1m relates to inventory which will be realised in greater than one year (2024: £668.9m).

14 Assets held for sale

GROUP	2025 £m	2024 £m
Maxxium Worldwide BV	0.3	0.4
The Famous Grouse and Naked Brand assets	132.9	-
	133.2	0.4

The Famous Grouse and Naked Brand assets were deemed assets held for sale as at 31 March 2025. The breakdown of these assets into the relevant categories are detailed below.

	2025 £m
Intangible assets – The Famous Grouse brand (note 9)	32.0
Property, plant and equipment – Casks (note 10)	13.9
Inventories – Maturing scotch whisky	97.3
Related deferred tax (note 21)	(10.3)
	132.9

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

15 Trade and other receivables

	Company		Group	
	2025 £m	2024 £m	2025 £m	2024 £m
Amounts falling due within one year:				
Trade receivables	-	-	177.3	223.3
Less: Expected credit loss	-	-	(4.5)	(4.4)
Trade receivables – net	-	-	172.8	218.9
Amounts due from group undertakings	51.8	24.5	-	-
Amounts due from joint ventures (note 31)	-	-	0.8	0.9
Amounts due from associates	-	-	1.5	0.8
Prepayments and accrued income	-	-	32.8	57.4
Other receivables	0.3	0.3	11.3	18.7
Trade and other receivables	52.1	24.8	219.2	296.7
Corporation tax receivable	-	-	20.1	3.9
	52.1	24.8	239.3	300.6

Credit terms vary across markets from cash in advance to 180 days and reflect customary practice within markets. In certain markets credit insurance reduces or eliminates the risk and this has been reflected within the expected credit loss calculation.

No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to a lifetime expected credit loss (ECL). The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience on the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised an aggregate loss allowance of 2.5% in the year and 2.0% in the prior year.

The Group only writes off trade receivables when there is information that the debtor is in financial distress (liquidation or bankruptcy) and there is no prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**15 Trade and other receivables (continued)**

The following table details the risk profile of trade receivables based on the Group's provision matrix:

GROUP	Not past due £m	<30 £m	Trade receivables – days past due			Total £m
			31-60 £m	61-90 £m	>90 £m	
31 March 2025						
Expected credit loss rate	0.5%	0.7%	14.3%	26.3%	50.0%	2.5%
Expected total gross carrying amount at default	151.8	13.7	4.9	1.9	5.0	177.3
Lifetime ECL	0.7	0.1	0.7	0.5	2.5	4.5
31 March 2024						
Expected credit loss rate	0.5%	1.6%	17.7%	31.7%	51.3%	2.0%
Expected total gross carrying amount at default	203.3	10.5	4.4	0.5	4.6	223.3
Lifetime ECL	0.9	0.2	0.8	0.1	2.4	4.4

The company has not recognised a loss allowance on intercompany loans on the basis that the counterparties to the loans have access to sufficient funds via a committed revolving credit facility.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed £m
Balance as at 1 April 2023	2.0
Net remeasurement of loss allowance	
Amount written off	(14.5)
Amounts recovered	14.7
Change in loss allowance due to the new trade and other receivables originated net of those derecognised due to settlement	2.2
Balance as at 31 March 2024	4.4
Net remeasurement of loss allowance	
Amount written off	(2.4)
Amounts recovered	2.1
Change in loss allowance due to the new trade and other receivables originated net of those derecognised due to settlement	0.4
Balance as at 31 March 2025	4.5

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**16 Trade and other payables**

	Company		Group	
	2025 £m	2024 £m	2025 £m	2024 £m
Current				
Accruals and other payables	0.1	-	142.7	173.7
Provisions	-	-	10.0	7.0
Other taxes and social security costs	-	0.5	16.2	31.9
Other liabilities and provisions	0.1	0.5	168.9	212.6
Trade payables	-	-	47.5	66.1
Amounts due to group undertakings	1.9	2.5	-	-
Amounts due to joint ventures (note 31)	-	-	0.1	6.0
Trade and other payables	1.9	2.5	47.6	72.1
Corporation tax payable	1.3	0.3	16.3	17.2
	3.3	3.3	232.8	301.9
Non-Current				
Accruals and other payables	-	-	1.0	4.9
Deferred consideration	-	-	1.7	2.2
	-	-	2.7	7.1

The tables in Note 19 analyse the Group and Company's financial liabilities into the relevant maturity.

17 Borrowings

	2025 £m	2024 £m
Current		
Bank overdraft	22.1	5.2
Bank borrowings	45.5	46.9
Other external borrowings	-	10.0
Private placements	100.0	-
Total Current Borrowings	167.6	62.1
Non-current		
Bank borrowings	197.4	221.9
Private placements (net of arrangement fees)	539.0	638.8
Total Non-current Borrowings	736.4	860.7
Total Borrowings	904.0	922.8

Bank overdrafts are on demand facilities. Interest on bank overdrafts is linked to SONIA, the currency equivalent of SONIA or the issuing banks benchmark rate.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**17 Borrowings (continued)**

UK bank borrowings are primarily denominated in GBP and borrowings in overseas entities are generally drawn down in the local currency with the exception of a Euro loan in the Dominican Republic.

At 31 March 2025 The 1887 Company Limited had five Sterling denominated private placements totalling £640.0m (2024: £640.0m) with maturities ranging from 2025 to 2034 at fixed interest rates of 2.84%, 2.91%, 2.96%, 3.21% and 6.17% respectively.

Amortisation of deferred arrangement fees is recorded within the finance costs line in the income statement.

With the exception of the long term fixed private placement debt the book value of borrowings equates to the fair value as the outstanding bank debt is short term in nature and at floating market rates. The fair value of the long-term fixed debt, calculated on a discounted cash flow basis, as at 31 March 2025 was £611.8m (2024: £613.8m).

Borrowings of the Group are unsecured.

	2025 £m	2024 £m
The Group had available undrawn committed bank facilities as follows:		
Expiring between three and four years	400.0	-
Expiring between four and five years	-	284.8
	400.0	284.8

The following table shows the bank covenants applicable as at 31 March 2025.

	Bank Debt	Private Placement Debt
Net Debt: EBITDA	< 3.5 times	< 4.0 times
EBITDA: Net Interest	> 3.0 times	n/a
EBIT: Net Interest	n/a	> 3.0 times

Edrington was in full compliance with its financial covenants throughout each of the years presented. There have been no changes to the covenant arrangements as a result of changes to the financing arrangements in the year.

	2025 £m	2024 £m
Borrowings will mature as follows:		
Within one year	167.6	62.1
Between one and two years	197.4	208.4
Between two and five years	139.7	233.5
Beyond five years	399.3	418.8
	904.0	922.8

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

18 Risk Management

MARKET RISK

The Group's funding, liquidity and exposure to foreign currency and interest rate risks are managed by the Group's treasury department. The treasury department use a range of financial instruments to manage the underlying risks. Treasury operations are conducted within a framework of Board approved policies and guidelines, which are recommended and monitored by the Treasury Committee, chaired by the Chief Financial and Commercial Officer. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. The Group does not use derivatives for speculative purposes.

CURRENCY RISK

Foreign exchange risk management

The Group undertakes transactions denominated in foreign currencies and is therefore exposed to foreign exchange risk.

Foreign exchange contracts

It is the Group policy to enter into derivative contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions for 24 months into the future.

The Group implements a rolling policy which ensures that by the end of the current year, as a minimum, 50% of anticipated currency contribution (excluding GBP) will be hedged within the next 12 months and 20% in the following 12 months.

The Group also utilises derivatives to manage foreign currency risk associated with Group's overseas net investments, which are denominated in the functional currency of the reporting operation.

Refer to note 20 for further detail on derivatives outstanding as at 31 March 2025.

INTEREST RATE RISK

The 1887 Company has a substantial element of fixed debt issued through US Private Placement with maturities ranging from 2025 to 2034. The remainder of the Group debt is bank debt at floating rates. The Group interest rate policy is to fix between 30% and 90% of planned debt primarily through the issuance of fixed debt in the private placement market.

The following table shows the split of debt between fixed and floating at each reporting date.

	2025 £m	2024 £m
Fixed rate debt	639.0	648.8
Floating rate debt	265.0	274.0
	904.0	922.8

The average interest rate across the portfolio of debt including the impact of derivatives is 5.30% (2024: 5.30%).

The following table details the Group's sensitivity to a 10% increase and decrease in currency rates and a 10bps increase and decrease in interest rates and the impact on profit and loss and equity. The 10% sensitivity rate applied to foreign currency and 10bps movement applied to interest represents management's assessment of the reasonably possible change on foreign exchange rates and interest rates within a 12-month period. The sensitivity analysis is based on outstanding foreign currency denominated monetary items and interest-bearing debt on the statement of financial position as at 31 March 2025, adjusted for a 10% movement in foreign currency rates or 10bps movement in interest rates, to quantify the impact over a 12-month period. The sensitivity analysis to movements in foreign currency rates and interest rates takes account of the impact of financial derivatives.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**18 Risk management (continued)**

The results of the sensitivity analysis should not be considered as projections of likely future events or gains or losses as actual results may differ materially as a result of developments in global financial markets impacting exchange rates and interest rates.

	Impact on income statement gain/(loss)		Impact on comprehensive income gain/(loss)	
	2025 £m	2024 £m	2025 £m	2024 £m
10% weakening of sterling	9.3	15.9	(22.8)	(8.9)
10% strengthening of sterling	(7.6)	(13.0)	18.7	7.3
10bps increase in interest rates	(0.3)	(0.3)	-	-
10bps decrease in interest rates	0.3	0.3	-	-

CAPITAL RISK

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of net debt (disclosed in note 25) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests) as detailed in the statement of changes in equity.

The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure annually. The Group has a target leverage ratio of around 2 times determined as the proportion of net debt to EBITDA. The leverage ratio of The 1887 Group at 31 March 2025 was 2.2 times.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on cash balances, derivative financial instrument and credit exposures to customers.

The carrying amount of financial assets represents the Group's exposure to credit risk at the statement of financial position date.

Credit risk is managed through the application of risk management policies approved and monitored by the Board. Financial credit risk is managed by limiting counterparties to major banks and financial institutions primarily with a long-term credit rating within the A band. The Group's policy is to spread the risk by using a number of banks to avoid significant concentrations of credit risk.

Trade and other receivables exposures are managed locally in the operating units where they arise, and credit limits are set as deemed appropriate for the customer.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

18 Risk management (continued)

RECONCILIATION OF FINANCIAL INSTRUMENTS

31 MARCH 2025	Fair value through Profit or loss £m	Amortised cost £m	Total £m	Current £m	Non-Current £m
Financial assets					
Trade and other receivables (note 15)	-	219.2	219.2	219.2	-
Cash and liquid resources	-	245.9	245.9	245.9	-
Derivatives in a hedge relationship (note 20)	6.0	-	6.0	4.7	1.3
Derivatives not classified as hedges (note 20)	6.9	-	6.9	5.0	1.9
	12.9	465.1	478.0	474.8	3.2
Financial liabilities					
Trade and other payables (note 16)	-	(203.1)	(203.1)	(200.4)	(2.7)
Borrowings (note 17)	-	(904.0)	(904.0)	(167.6)	(736.4)
Derivatives in hedge relationship (note 20)	(0.6)	-	(0.6)	(0.6)	-
	(0.6)	(1,107.1)	(1,107.7)	(368.6)	(739.1)
	12.3	(642.0)	(629.7)	106.2	(735.9)

The trade and other payables figure noted above is different to that shown in note 16 to these financial statements as other taxes and social security costs are not classified as financial instruments and therefore excluded from the calculation.

31 MARCH 2024	Fair value through Profit or loss £m	Amortised cost £m	Total £m	Current £m	Non-Current £m
Financial assets					
Trade and other receivables (note 15)	-	296.7	296.7	296.7	-
Cash and liquid resources	-	186.3	186.3	186.3	-
Derivatives in a hedge relationship (note 20)	1.9	-	1.9	0.4	1.5
Derivatives not classified as hedges (note 20)	6.8	-	6.8	5.6	1.2
	8.7	483.0	491.7	489.0	2.7
Financial liabilities					
Trade and other payables (note 16)	-	(259.9)	(259.9)	(252.8)	(7.1)
Borrowings (note 17)	-	(922.8)	(922.8)	(62.1)	(860.7)
Derivatives in hedge relationship (note 20)	(1.2)	-	(1.2)	(0.8)	(0.4)
Derivatives not classified as hedges (note 20)	(0.1)	-	(0.1)	(0.1)	-
	(1.3)	(1,182.7)	(1,184.0)	(315.8)	(868.2)
	7.4	(699.7)	(692.3)	173.2	(865.5)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**19 Liquidity risk**

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The following table provides an analysis of the anticipated contractual cash flows for the Group's financial liabilities including derivative instruments on an undiscounted basis.

Where interest rate payments are on a floating rate basis, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at 31 March 2025 and 31 March 2024.

CONTRACTUAL CASH FLOWS

31 MARCH 2025	Note	2026 £m	2027 £m	2028 £m	2029 £m	2030 £m	2031 and thereafter £m	Total £m
Loans and other borrowings	(i)	(167.6)	(200.0)	(20.0)	(120.0)	-	(400.0)	(907.6)
Interest on borrowings	(ii)	(27.7)	(25.9)	(25.6)	(25.3)	(21.7)	(68.4)	(194.6)
Payables		(200.4)	(2.7)	-	-	-	-	(203.1)
Non-derivative financial liabilities		(395.7)	(228.6)	(45.6)	(145.3)	(21.7)	(468.4)	(1,305.3)
Amounts payable under foreign exchange contracts		(286.9)	(36.5)	-	-	-	-	(323.4)
Derivative instruments		(286.9)	(36.5)	-	-	-	-	(323.4)

31 MARCH 2024	Note	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2030 and thereafter £m	Total £m
Loans and other borrowings	(i)	(177.4)	(209.7)	-	(20.0)	-	(520.0)	(927.1)
Interest on borrowings	(ii)	(28.8)	(27.3)	(25.8)	(25.5)	(25.3)	(90.1)	(222.8)
Payables		(252.8)	(7.1)	-	-	-	-	(259.9)
Non-derivative financial liabilities		(459.0)	(244.1)	(25.8)	(45.5)	(25.3)	(610.1)	(1,409.8)
Amounts payable under foreign exchange contracts		(99.4)	(127.1)	-	-	-	-	(226.5)
Derivative instruments		(99.4)	(127.1)	-	-	-	-	(226.5)

(i) For the purpose of these tables above, borrowings are defined as gross borrowings excluding fair value derivative instruments.

(ii) Interest on borrowings represents the gross interest payable.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20 Derivative financial instruments

Fair value hierarchy

Fair value measurements of financial instruments are presented through use of a three-level fair value hierarchy that prioritises the valuation techniques used in fair value calculations.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability are not based on observable market data.

Cash flow hedges

FOREIGN EXCHANGE FORWARD CONTRACTS

The Group uses foreign exchange forward contracts to manage the transactional foreign exchange risk associated with anticipated sales and purchase transactions out to 24 months. Consistent with prior periods, when a forward contract is designated in a cash flow hedge relationship, the Group has designated the change in fair value of the entire forward contract, i.e., including the forward element, as the hedging instrument.

At the end of the reporting period the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed is £323.3m (2024: £226.5m). Changes in the fair value of derivatives that are designated as and are effective cash flow hedges amounting to a gain of £4.5m (2024: £0.6m gain) being recognised in the cash flow hedge reserve. A net loss of £0.4m (2024: £0.3m gain) has been transferred out of the cash flow hedge reserve to the income statement.

Overseas net investment hedges

FOREIGN EXCHANGE FORWARD CONTRACTS

The Group uses foreign exchange forward contracts to manage the translational foreign exchange risk associated with Group's overseas net investments, which are denominated in the functional currency of the reporting operation.

At the end of the reporting period the total notional amount of outstanding forward foreign exchange contracts included in overseas net investment hedge relationships to which the Group is committed is £22.6m (2024: £nil). Changes in the fair value of derivatives that are designated as and are effective overseas net investment hedges amounting to a loss of £0.1m (2024: £nil) being recognised in exchange reserves.

Financial instruments not qualifying for hedge accounting

The Group's policy does not permit the use of derivatives for trading purposes. However, some derivatives do not qualify for hedge accounting or are specifically not designated as a hedge where gains and losses on the hedging instrument and the hedged item naturally offset in the statement of other comprehensive income.

These instruments include foreign exchange forward contracts and average basket rate options to hedge transactional exposures denominated in foreign currencies. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement. Changes in the fair value of derivatives not designated as hedges at 31 March 2025 had a net £4.8m gain (2024: £5.0m gain) impact in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**20 Derivative financial instruments (continued)****Derivative financial instruments – carrying value**

	Group			
	2025 Assets	2025 Liabilities	2024 Assets	2024 Liabilities
CURRENT:				
Hedging derivatives - cash flow hedges				
- Foreign exchange rates	4.7	(0.5)	0.4	(0.8)
Hedging derivatives – overseas net investment hedges				
- Foreign exchange rates	-	(0.1)	-	-
Non-hedging derivatives				
- Foreign exchange rate – at fair value through income statement	5.0	-	5.6	(0.1)
Total current	9.7	(0.6)	6.0	(0.9)
NON-CURRENT:				
Hedging derivatives - cash flow hedges				
- Foreign exchange rates	1.3	-	1.5	(0.4)
Non-hedging derivatives				
- Foreign exchange rate – at fair value through income statement	1.9	-	1.2	-
Total non-current	3.2	-	2.7	(0.4)
	12.9	(0.6)	8.7	(1.3)

All fair values are level 2, based on discounted cash flows using quoted market prices for interest rates and exchange rates.

The following tables set out the maturity profile and foreign currency exchange rates of the hedging instruments used in the Group's cash flow and overseas net investment hedging strategies.

31 MARCH 2025	Maturity		
	Up to one year	One to five years	More than five years
Cash flow hedges			
<i>Foreign exchange risk</i>			
Foreign exchange forward contracts (GBP: USD)			
- Notional amount (£m)	190.5	22.4	-
- Average exchange rate	1.271	1.220	-
Foreign exchange forward contracts (GBP: EUR)			
- Notional amount (£m)	96.4	14.1	-
- Average exchange rate	1.163	1.147	-

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**20 Derivative financial instruments (continued)**

Hedge ineffectiveness resulting from cash flow and overseas net investment hedging in the year was immaterial. The principal potential source of ineffectiveness has been identified as periodic (credit) valuation adjustments made to the hedging instruments when marked-to-market which are not reflected in the periodic repricing of the associated hedged items. A change in the timing of the cash flows of a designated hedged item and/or a reduction in the volume of hedged item occurring after having been designated in a cash flow hedging relationship have also been identified as potential sources of ineffectiveness. Historically, such adjustments have not resulted in significant hedge ineffectiveness and are similarly not expected to generate significant ineffectiveness in future reporting periods.

As the critical terms of the hedging instruments match those of their corresponding hedged items, all cash flow and overseas net investment hedging relationships continue to be effective under IFRS 9's effectiveness assessment requirements.

Since 100% of the notional amount of the hedging instruments are designated against the equivalent principal amount of the associated hedged items, the hedge ratio for all live cash flow and overseas net investment hedges is 1:1.

21 Deferred tax

GROUP	Cash flow hedges £m	Accelerated tax depreciation £m	Intangible assets £m	Retirement benefit obligations £m	Withholding tax on distributable reserves £m	Other temporary differences £m	Property revaluation £m	Tax losses £m	Total £m
At 1 April 2023	(0.1)	(80.8)	(93.0)	(3.7)	(4.4)	55.5	(1.2)	-	(127.7)
(Charge)/credit to income statement	-	(16.4)	0.1	(2.5)	(1.6)	12.3	-	-	(8.1)
(Charge)/credit to other comprehensive income	(0.1)	-	-	5.9	-	(1.4)	-	-	4.4
Deferred tax on acquisitions	-	(0.1)	-	-	-	-	-	-	(0.1)
At 31 March 2024	(0.2)	(97.3)	(92.9)	(0.3)	(6.0)	66.4	(1.2)	-	(131.5)
(Charge)/credit to income statement	-	(23.0)	2.1	(4.5)	-	(6.5)	-	-	(31.9)
(Charge)/credit to other comprehensive income	(1.2)	-	(1.9)	4.9	-	(0.6)	(0.2)	-	1.0
Reclassified to assets held for sale	-	2.3	8.0	-	-	-	-	-	10.3
At 31 March 2025	(1.4)	(118.0)	(84.7)	0.1	(6.0)	59.3	(1.4)	-	(152.1)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**21 Deferred tax (continued)**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2025 £m	2024 £m
Deferred tax asset	59.5	87.9
Deferred tax liability	(211.6)	(219.4)
	(152.1)	(131.5)

Unrecognised deferred tax assets:

	2025 £m	2024 £m
Tax losses (capital in nature)	3.2	3.2
Tax losses (revenue in nature)	8.5	5.1

As of 31 March 2024, the IAS 12 exemption to not recognise any deferred tax relating to top-up tax arising from the Pillar Two legislation has been applied.

COMPANY	Withholding tax on distributable reserves £m
At 1 April 2023	(3.3)
Charge to income statement	(0.9)
At 31 March 2024	(4.2)
Charge to income statement	(0.7)
At 31 March 2025	(4.9)

The company has an unrecognised deferred tax asset of £0.1m (2024: £0.1m) which is revenue in nature.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

22 Called up share capital

GROUP AND COMPANY

Called up, allotted and fully paid:

	2025 No.	2024 No.
'A' ordinary equity shares of 10p each	550,000	550,000
'B' ordinary equity shares of 10p each	58,179,588	58,179,588

	2025 £m	2024 £m
'A' ordinary equity shares of 10p each	0.1	0.1
'B' ordinary equity shares of 10p each	5.8	5.8
	5.9	5.9

The 'A' ordinary shares carry 500 votes per share on a poll. In the event of a proposed resolution (i) to sanction a reduction of capital, (ii) to wind up the Company, (iii) to sanction a sale, transfer or other disposal of any part of the Company's undertaking or (iv) directly affecting the rights and privileges attaching to the 'B' ordinary shares, the passing of such resolution shall only be valid if either (a) the holders of at least one half in nominal value of the 'B' ordinary shares provide their consent thereto in writing or (b) an ordinary resolution is passed at a separate general meeting of the 'B' shareholders sanctioning the relevant matter. Dividends are paid according to the amount paid up per share. On a winding up, subject to the Articles and with the sanction of a special resolution of the Company, a liquidator may value any assets and determine how such assets shall be divided between the members or different classes of members.

In the prior year the Company completed a Board approved share buyback of 1,212,121 'B' Ordinary Shares for an aggregate purchase price of £80.0m as reflected in retained earnings. After the buyback, the shares were subsequently cancelled giving rise to an increase in the capital reserves of an equivalent amount to their nominal value as required by the Companies Act 2006. Further Details can be found in note 23.

23 Reserves

The retained earnings reserve includes the reserves of The Edrington Group Limited Employee Benefit Trust and Share Incentive Plan scheme amounting to £122.3m (2024: £119.1m). There are restrictions on the parent company's ability to distribute the reserves of the Employee Benefit Trust, while the realised profit of the Company is unaffected by the deduction from reserves for the own shares held by the Employee Benefit Trust.

Own shares

The Edrington Employee Benefit Trust was established by Trust Deed in June 1992 to act as a market for shares in The Edrington Group Limited, and it will, so far as possible, look to satisfy the demand for Edrington shares on maturity of the Group's approved ShareSave Schemes.

The Employee Benefit Trust will also sell shares to the trustees of The Edrington Group ShareReward Scheme for those trustees to allocate in accordance with the rules of that Scheme.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**23 Reserves (continued)**

During the prior year the Company completed a share buyback of 1,212,121 'B' Ordinary Shares at a purchase price of £66 per share. The cost of the repurchase, £80.0m was taken to retained earnings in full.

As at 31 March 2025, the Employee Benefit Trust holds 2,214,424 'B' ordinary shares (2024: 2,144,938 shares) with a cost of £82.9m (2024: £79.0m).

The charge to the Group consolidated income statement this year in result of share awards by the ShareReward Scheme was £nil (2024: £4.8m).

Previously the Employee Benefit Trust offered certain individuals in the employment of The Edrington Group, the facility of a loan to assist in the purchase of shares in The Edrington Group Limited. The Employee Benefit Trust holds the shares in its own name on behalf of the employees, as security for the loans. At 31 March 2025 the Employee Benefit Trust held a further 6,287 (2024: 6,287) 'B' ordinary shares in its own name as security against employee loans of £0.0m (2024: £0.0m).

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Retained earnings

Retained earnings reflect the Company's accumulated earnings less dividends paid and payable.

Other reserves

Other reserves are made up of the following.

Merger reserve	This reserve arose as a result of a Group reconstruction. This represents the issued share capital and share premium amount in the Company's subsidiary undertaking.
Capital reserve	This reserve represents the Group's long-term capital investment projects or any other large and anticipated expense(s) that will be incurred in the future.
Capital redemption reserve	This reserve represents the extent of the nominal value of shares that are repurchased and cancelled, to maintain capital. During the prior year 1,212,121 'B' Ordinary shares were cancelled as a result of the share buyback, giving rise to an increase in the capital reserve of £0.1m, an equivalent amount to their nominal value, as required by the Companies Act 2006.
Revaluation reserve	After initial recognition, an item of property, plant and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. The revaluation surplus is recognised in equity, unless it reverses a decrease in the fair value of the same asset, which was previously recognised as an expense, in which case it is recognised in the income statement.
Liability for share-based payments	Share based payments include share awards and options granted to directors and employees. This reserve represents shares to be issued on potential exercise of those share options that have been accounted for under IFRS 2 Share based payments.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**23 Reserves (continued)****Other Reserves**

	Company		Group	
	2025 £m	2024 £m	2025 £m	2024 £m
Merger reserve	-	-	43.6	29.5
Capital reserve	-	-	35.7	35.7
Capital redemption reserve	1.7	1.7	1.7	1.7
Revaluation reserve	-	-	5.5	5.7
Liability for share based payments	1.4	7.0	1.4	7.0
Total	3.1	8.7	87.9	79.6

GROUP	Merger reserve £m	Capital reserve £m	Capital redemption reserve £m	Revaluation reserve £m	Liability for share-based payments £m	Total £m
Balance at 1 April 2024	29.5	35.7	1.7	5.7	7.0	79.6
Share based payments (note 26)	-	-	-	-	(5.6)	(5.6)
Transfer to merger reserve	14.1	-	-	-	-	14.1
Transaction with owners	14.1	-	-	-	(5.6)	8.5
Revaluation reserve	-	-	-	(0.2)	-	(0.2)
Total comprehensive income for the year	-	-	-	(0.2)	-	(0.2)
Balance at 31 March 2025	43.6	35.7	1.7	5.5	1.4	87.9
Balance at 1 April 2023	29.5	35.7	1.6	5.9	3.2	75.9
Share based payments (note 26)	-	-	-	-	3.8	3.8
Buyback of shares	-	-	0.1	-	-	0.1
Transaction with owners	-	-	0.1	-	3.8	3.9
Revaluation reserve	-	-	-	(0.2)	-	(0.2)
Total comprehensive income for the year	-	-	-	(0.2)	-	(0.2)
Balance at 31 March 2024	29.5	35.7	1.7	5.7	7.0	79.6

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**24 Cash flow hedge reserve**

This reserve represents the effective portion of gains and losses, net of tax, arising from the revaluation of a financial instrument designated as a cash flow hedge. The effect of this is to protect the income statement from short term volatility when all hedges are effective and qualify for hedge accounting treatment.

GROUP	Cashflow hedge reserve £m
Balance at 31 March 2024	0.6
Gain/(loss) arising on changes in fair value of hedging instruments (cash flow hedges)	
-Forward foreign exchange contracts	4.5
Cumulative (gain)/loss arising on changes in fair value of hedging instruments reclassified to income statement	
-Forward foreign exchange contracts	0.4
Total movement in cash flow hedge reserve	4.9
Balance at 31 March 2025	5.5

25 Analysis of net debt

	At 1 April 2024 £m	Net cash flow £m	Non cash movement £m	At 31 March 2025 £m
Cash and liquid resources (net of bank overdraft)	181.1	42.7	-	223.8
	181.1	42.7	-	223.8
Lease liabilities	(30.6)	10.7	(12.2)	(32.1)
Bank loans	(268.8)	24.8	1.1	(242.9)
Private placement debt	(638.8)	-	(0.2)	(639.0)
Other borrowings	(10.0)	10.0	-	-
Total liabilities from financing activities	(948.2)	45.5	(11.3)	(914.0)
Total net debt	(767.1)	88.2	(11.3)	(690.2)

Included within the Group's cash and liquid resources is £35.1m (2024: £35.0m) which is held by the Group's Employee Benefit Trust. These funds are restricted and are not available to circulate within the Group on demand.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**25 Analysis of net debt (continued)****Reconciliation of net cash flow to movement in net debt**

	2025 £m	2024 £m
Increase/(decrease) in cash in hand in the year	42.7	(71.3)
Cash flow from debt financing	45.5	(80.7)
Change in net debt resulting from cash flows	88.2	(152.0)
Other non-cash movements	(9.4)	(13.0)
Exchange adjustment	(1.9)	(4.0)
Movement in net debt in year	76.9	(169.0)
Net debt at the beginning of the year	(767.1)	(598.1)
Net debt at the end of the year	(690.2)	(767.1)

26 Share based payments**Equity-settled share option scheme**

The Company operates two share schemes for employees – a ShareSave scheme and a ShareReward scheme. The Group recognised total expenses of £0.3m (2024: £5.6m) relating to equity-settled share-based payment transactions in the year to 31 March 2025.

The ShareSave scheme is a share option scheme for all employees of the Group. Options are exercisable at the market price of The Edrington Group's shares on the date of grant, less a discount of 20%, as estimated by an independent external valuation specialist. The vesting period is 3 years. If the options remain unexercised after a period of 3½ years from the date of grant, the options expire. Substantially all options are exercised upon vesting. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding in respect of the ShareSave scheme at the statement of financial position date are as follows:

	2025		2024	
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at 1 April	264,760	£41.83	224,112	£37.98
Granted during the year	98,769	£49.42	62,744	£54.20
Exercised during the year	(113,087)	£36.56	-	-
Forfeited during the year	(90,105)	£47.91	(22,096)	£37.97
Outstanding at 31 March	160,337	£46.80	264,760	£41.83

The weighted average share price at the date of exercise for share options exercised during the period was £36.56 (2024: £nil). The options outstanding at 31 March 2024 had a weighted average exercise price of £46.80 (2024: £41.83), and a weighted average remaining contractual life of 2.6 years (2024: 1.8 years). The fair value of the options granted on 1 April 2024 was £1.6m (on 1 April 2023: £1.1m).

The range of exercise price in the year to March 2025 was between £36.56 and £56.78 (2024: £36.56 and £54.20).

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**26 Share based payments (continued)**

The fair value of shares and options granted is calculated at grant date using the Black-Scholes model. The inputs into the Black-Scholes model are as follows:

GRANT DATE	1 April 2024	1 April 2023	1 April 2022
Share price at grant date	£61.77	£67.75	£49.75
Exercise price at grant date	£49.42	£54.20	£39.80
Expected volatility	10%	11%	11%
Expected life	3 years	3 years	3 years
Risk free rate	4.04%	3.45%	1.43%
Expected dividend yield	0.95%	0.93%	0.95%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

Share Reward disclosure requirements

The ShareReward scheme allows eligible employees to be awarded shares to the value of a common percentage of their earnings, dependent on the performance of the Group up to a maximum of 10% of annual salary. The shares awarded are held in trust for five years. The ShareReward scheme operated in both the current and prior years.

27 Retirement benefits

Retirement benefits comprise:

	2025 £m	2024 £m
Defined benefit surplus in principal subsidiaries	4.1	7.1
Other defined benefit liabilities	(0.1)	(0.2)
Other post-retirement benefits	(1.5)	(2.2)
Total retirement benefit surplus	2.5	4.7

Defined benefit schemes

The Group operates three defined benefit pension schemes in the UK providing benefits based on final salary. The Edrington Group and Highland Distillers Limited pension schemes have been closed to future accrual since 2014 and the Edrington UK Distribution Limited scheme has been closed since 2015. The benefit commitments are funded in advance and the assets of the schemes are held in separate trustee administered funds. The contributions are determined by a qualified actuary based on regular valuations using the projected unit method. In addition, for new employees, the Group also provides a defined contribution scheme.

The most recent actuarial valuations of The Edrington Group and Highland Distillers Limited defined benefit pension schemes and other post-retirement benefits were undertaken at 6 April 2022, whilst the Edrington UK valuation was undertaken at 31 October 2023. All valuations were performed by independent, professionally qualified actuaries.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**27 Retirement benefits (continued)**

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others (the Virgin Media case) relating to the validity of certain historical pension changes. The ruling was upheld at the Court of Appeal in July 2024. After seeking external advice, the Group has concluded that it is not aware of any material issues which would require any adjustment to the defined benefit obligations and no further action is required at this stage.

The disclosures below relate only to the principal defined benefit schemes in the Group based on their materiality.

The major assumptions used by the actuary were as follows:

	2025	2024
Rate of increase of pensions in payment	2.00%-3.75%	1.95%-3.80%
Discount rate	5.70%	4.85%
Inflation assumption (RPI/CPI)	3.25%/2.85%	3.30%/2.85%
Medical benefits inflation	5.60%	9.00%

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2025 were those of the S3 series actuarial index, adjusted by 98% for males and 108% for females (2024: 98% for males and 108% for females), plus an allowance for 'CMI 2023 with a long-term improvement rate of 1.25%'. In 2015, as permitted by scheme rules, the company has linked the deferred pension valuation in excess of Guaranteed Minimum Pension to CPI. Inflation-linked pension increases continue to be based on RPI.

MORTALITY ASSUMPTIONS	31 March 2025		31 March 2024	
	Males	Females	Males	Females
Edrington Group and Highland Distillers				
Average future life expectancy (in years) for a member aged 65	21.3	22.7	21.5	22.7
Average future life expectancy (in years) at age 65 for a member aged 45	22.6	24.1	22.7	24.2
Edrington UK				
Average future life expectancy (in years) for a member aged 65	21.3	22.6	21.3	22.6
Average future life expectancy (in years) at age 65 for a member aged 45	22.6	24.1	22.6	24.0

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**27 Retirement benefits (continued)**

The assets in the schemes were:

	2025 £m	2024 £m
Bonds	20.2	98.4
Cash	11.6	15.1
Insured pensions	193.8	147.2
Illiquid debt	9.8	9.9
Equities	13.7	13.8
Total market value of assets	249.1	284.4
Present value of scheme liabilities	(245.0)	(277.3)
Surplus in pension schemes	4.1	7.1

Analysis of net income to finance income/(costs)

	2025 £m	2024 £m
Expected return on pension schemes assets	13.4	15.1
Interest on pension liabilities	(13.1)	(13.8)
Net income to finance income (note 3)	0.3	1.3

Analysis of amount recognised in other comprehensive income (OCI)

	2025 £m	2024 £m
Actual return less expected return on assets	(52.1)	(36.2)
Experience losses on liabilities	0.1	0.7
Changes in assumptions	31.6	12.3
Actuarial loss recognised in the OCI	(20.4)	(23.2)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**27 Retirement benefits (continued)****Reconciliation of fair value of scheme assets**

	2025 £m	2024 £m
Opening fair value of scheme assets	284.4	315.3
Expected return on assets	13.4	15.1
Employers' contributions	18.2	5.9
Actuarial losses	(52.1)	(36.2)
Benefits paid	(14.8)	(15.7)
Closing fair value of scheme assets	249.1	284.4

Reconciliation of defined benefit obligation

	2025 £m	2024 £m
Opening defined benefit obligation	(277.3)	(291.2)
Administrative costs	(1.1)	(1.0)
Interest cost	(13.1)	(13.8)
Actuarial gains	31.7	13.0
Benefits paid	14.8	15.7
Closing defined benefit obligation	(245.0)	(277.3)

The actual return on plan assets was £13.4m (2024: £15.1m).

Movement in surplus during the year

	2025 £m	2024 £m
Opening surplus in scheme	7.1	24.1
Administrative costs	(1.1)	(1.0)
Contributions	0.3	5.9
Net interest income	18.2	1.3
Actuarial losses	(20.4)	(23.2)
Closing surplus in scheme	4.1	7.1

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**27 Retirement benefits (continued)****Five-year history:**

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Total market value of assets	249.1	284.4	315.3	472.4	383.7
Present value of scheme liabilities	(245.0)	(277.3)	(291.2)	(424.5)	(370.3)
Surplus in pension scheme	4.1	7.1	24.1	47.9	13.4

History of experience gains and losses

Difference between expected and actual return on schemes' assets (£m)	(52.1)	(36.2)	(158.3)	(25.6)	(11.1)
Percentage of schemes' assets	20.9%	12.7%	50.2%	5.4%	2.9%
Experience adjustments on schemes' liabilities (£m)	0.1	0.7	(7.5)	(10.2)	(0.4)
Percentage of schemes' liabilities	(0.1%)	(0.2%)	2.6%	2.4%	0.1%
Total amount recognised in statement of other comprehensive income (£m)	(20.4)	(23.2)	(32.7)	12.7	(46.2)
Percentage of schemes' liabilities	8.3%	8.4%	11.2%	3.0%	12.4%

Sensitivity analysis

The sensitivity of the present value of scheme liabilities to changes in the principal assumptions used at 31 March 2025 is set out below:

Assumption	Sensitivity	Financial impact Year to 31 March 2025	Financial impact Year to 31 March 2024
The Edrington Group Schemes			
Discount rate	+/- 0.5%	Decrease/increase by £12.2m	Decrease/increase by £15.4m
Mortality – increase in life expectancy	+/- 1 year	Increase/decrease by £7.8m	Increase/decrease by £6.6m
Increase in inflation	+/- 0.5%	Decrease/increase by £3.3m	Decrease/increase by £5.8m
Edrington UK Scheme			
Discount rate	+/- 0.25%	Decrease/increase by £1.9m	Decrease/increase by £2.3m
Mortality – increase in life expectancy	+/- 1 year	Decrease/increase by £1.7m	Decrease/increase by £1.9m
Increase in inflation	+/- 0.25%	Increase/decrease by £1.6m	Increase/decrease by £1.5m

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**27 Retirement benefits (continued)****Methods and assumptions used in preparing the sensitivity analysis**

During the year there were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit schemes

The Group paid deficit reduction payments to its schemes during 2025.

	Deficit Reduction Payments		Deficit Actuarial Valuation	
	2025 £m	2024 £m	2025 £m	2024 £m
Edrington Distillers Limited Scheme*	16.4	-	-	13.5
Highland Distillers Limited Scheme	-	2.7	3.7	3.7
Edrington UK Distribution Limited Scheme*	1.8	3.2	-	1.0

* Deficit reduction payments exceeded the opening actuarial valuation of the deficit based upon previous years, reducing the balance to £nil.

Defined contribution schemes

The Group operates a number of defined contribution schemes for employees in the UK and overseas. The pension cost for the year in respect of the Group's defined contribution schemes amounted to £11.9m (2024: £13.4m). As at 31 March 2025, contributions of £0.2m (2024: £1.6m) due in respect of the current reporting period had not been paid over to the scheme.

Other post-retirement benefits

	2025 £m	2024 £m
Liability for discretionary post-retirement benefits	(1.5)	(2.2)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**28 Other contractual obligations**

	2025 £m	2024 £m
Contracted but not provided for		
- material purchase commitments to third parties	138.1	115.9
- material purchase commitments to joint ventures and investments	61.1	-
- capital commitments	6.4	132.8
	205.6	248.7

Other contractual obligations comprise commitments for expenditure that has not been provided for in the financial statements.

Material purchase obligations include various long term purchase contracts entered into for the supply of certain materials, principally malt, barley, and seasoned sherry casks. The contracts are used to guarantee supply of these materials over the long term and to enable more accurate management of future costs.

Capital commitments represent contracts entered into for the provision of buildings, plant and machinery and casks.

The majority of cask seasoning contracts are directly held with Edrington Distillers Limited with the bulk of the volume and cost being recharged to Macallan Distillers Limited and Highland Distillers Limited in line with the intercompany contractual agreement. The values recognised in relation to these contracts represent the commitments agreed as part of the approved 3-year plan. The Group maintains ongoing minimum commitments for cask seasoning in line with the investment contracts.

29 Leases

Amounts recognised in income statement

	2025 £m	2024 £m
Depreciation expense on right-of-use assets (note 11)	9.7	8.4
Interest expense on lease liabilities (note 3)	1.1	0.8
Expense related to short-term and low value leases	0.6	0.5
	11.4	9.7

At 31 March 2025, the Group is committed to £0.6m (2024: £0.5m) for short-term leases.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**30 Lease liabilities**

	2025 £m	2024 £m
Amounts due for settlement within 12 months	8.9	8.2
Amounts due to settlement after 12 months	23.2	22.4
	32.1	30.6

Maturity analysis

	2025 £m	2024 £m
Less than one year	9.6	9.0
One to two years	7.9	6.4
Two to three years	6.5	6.1
Three to four years	4.8	4.1
Four to five years	4.0	3.1
Later than five years	1.9	4.2
	34.7	32.9
Less unearned interest	(2.6)	(2.3)
	32.1	30.6

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

31 Transactions with related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. During the year, in the normal course of business, The Edrington Group and its subsidiary undertakings entered into the following transactions with related parties as defined by IAS 24: Related Party Transactions.

The Group made purchases of £27.3m (2024: £15.7m) and received services to the value of £9.9m (2024: £4.5m) from Lothian Distillers Limited, a joint venture of the Group. The Group made sales to other joint ventures amounting to £9.2m (2024: £11.4m), received services to the value of £4.9m (2024: £2.5m) and made purchases of £2.0m (2024: £1.0). The balances due to/from joint ventures in respect of these transactions are as disclosed in the table below.

The Group made sales amounting to £33.8m (2024: £28.6m) to and made no purchases from Suntory Group Companies, a related party, in the current or prior year. The Group also paid £28.3m of dividends (2024: £66.1m) to Suntory Holdings.

During the year, the Group repaid the £6.0m interest-free loan from Lothian Distillers Limited (2024: £6.0m).

During the year, the Group repaid the £10.0m loan from William Grant & Sons Limited (2024: £10.0m).

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**31 Transactions with related parties (continued)**

The Group paid £0.8m (2024: £0.8m) of giving more donations and £22.7m dividends to the Robertson Trust (2024: £23.4m).

The Edrington Group Limited received no dividends (2024: £112.0m) from its subsidiary, The 1887 Company Limited. The Edrington Group Limited received dividends of £6.5m (2024: £8.6m) from its subsidiary, Brugal & Co., S.A.. The directors of The Edrington Group Limited received no dividends from the Group in the year (2024: £0.05m).

The financial position with associates and joint ventures are set out in the table below:

	2025 £m	2024 £m
Statement of Financial Position Items		
Group Payables (note 16)	(0.1)	(6.0)
Group Receivables (note 15)	0.8	0.9
	0.7	(5.1)

32 Acquisition of subsidiary

In the prior year, on 5 September 2023, the Group acquired 100% of Vasyma SL obtaining controlling interest of the company and its subsidiaries. Vasyma SL is involved in the supply of oak casks primarily to The Macallan.

The amount recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	2024 £m
Property, plant and equipment	4.1
Inventory	6.3
Trade and other receivables	0.7
Cash and cash equivalents	0.2
Trade and other payables	(7.5)
Total identifiable assets	3.8
Add goodwill on acquisition	3.5
Total consideration	7.3
Satisfied by:	
Cash	6.6
Deferred consideration	0.7
Total consideration transferred	7.3
Net Cash inflow arising on acquisition	
Cash acquired	0.2
Less cash consideration	(6.6)
	(6.4)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**33 Control**

The Company's principal shareholder is The Robertson Trust, a charitable organisation.

34 Reconciliation of management key performance measures to statutory measures

CORE REVENUE	2025 £m	2024 £m
As reported	1,024.4	1,165.2
Discontinued operations	(112.4)	(114.9)
As reported from continuing operations	912.0	1,050.3
Foreign exchange	-	(39.3)
Core revenue (constant currency)	912.0	1,011.0

BRAND INVESTMENT	2025 £m	2024 £m
As reported	231.6	262.1
Discontinued operations	(14.8)	(16.8)
As reported from continuing operations	216.8	245.3
Foreign exchange	-	(7.7)
Brand Investment (constant currency)	216.8	237.6

CORE CONTRIBUTION	2025 £m	2024 £m
As reported	328.7	454.8
Discontinued operations	(37.3)	(38.5)
As reported from continuing operations	291.4	416.3
Foreign exchange	-	(10.6)
Core contribution (constant currency)	291.4	405.7

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**34 Reconciliation of management key performance measures to statutory measures (continued)**

FREE CASHFLOW	2025 £m	2024 £m
Net cash from operating activities	282.2	241.1
Add dividends from joint ventures	0.8	2.5
Add interest received	9.8	10.7
Less interest paid	(51.3)	(45.4)
Include capital expenditure deemed routine and warehouse/cask expenditure	(84.6)	(98.2)
Include working capital and FX differences	1.8	0.3
Free cashflow	158.7	111.0

EBITDA	2025 £m	2024 £m
Earnings before interest and taxation (pre-exceptional)	315.8	406.7
Add depreciation property, plant and equipment (note 4)	22.5	26.4
Add depreciation right of use assets (note 4)	9.7	8.4
Add amortisation intangibles (note 4)	3.9	3.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	351.9	445.0

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**35 Restatement of prior year**

The tables below provide a reconciliation of the prior year reported Group Consolidated Income Statement and associated notes that have restated for the impact of discontinuing operations.

Group Consolidated Income Statement

	Reported Pre-Exceptional 2024 £m	Exceptional (Note 2) 2024 £m	Reported Total 2024 £m	Restated Pre-Exceptional 2024 £m	Exceptional (Note 2) 2024 £m	Restated Total 2024 £m
Revenue	1,334.3	-	1,334.3	1,219.4	-	1,219.4
Cost of sales	(841.0)	-	(841.0)	(764.6)	-	(764.6)
Gross profit	493.3	-	493.3	454.8	-	454.8
Other administration costs	(53.1)	(4.1)	(57.2)	(53.1)	(4.1)	(57.2)
Group operating profit	440.2	(4.1)	436.1	401.7	(4.1)	397.6
Share of profit in joint ventures	5.0	-	5.0	5.0	-	5.0
Earnings before interest and tax	445.2	(4.1)	441.1	406.7	(4.1)	402.6
Finance income	12.4	-	12.4	12.4	-	12.4
Finance costs	(44.2)	-	(44.2)	(44.2)	-	(44.2)
Other finance costs	(2.4)	-	(2.4)	(2.4)	-	(2.4)
Profit before taxation	411.0	(4.1)	406.9	372.5	(4.1)	368.4
Taxation	(96.2)	0.9	(95.3)	(87.4)	0.9	(86.5)
Profit after taxation from continuing operations	314.8	(3.2)	311.6	285.1	(3.2)	281.9
Profit for the year from discontinued operations	-	-	-	29.7	-	29.7
Profit for the financial year	314.8	(3.2)	311.6	314.8	(3.2)	311.6
Attributable to non-controlling interests	(148.5)	0.9	(147.6)	(148.5)	0.9	(147.6)
Profit for the financial year attributable to owner	166.3	(2.3)	164.0	166.3	(2.3)	164.0

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**35 Restatement of prior year (continued)****Restatement of Note 1. Revenue**

	Reported 2024 £m	Discontinued Operations £m	Restated 2024 £m
Core revenue	1,165.2	(114.9)	1,050.3
Revenue from distribution of 3rd party products	138.2	-	138.2
Sale of non-cased goods	26.1	-	26.1
Other income	4.8	-	4.8
Group revenue	1,334.3	(114.9)	1,219.4

Restatement of Note 6. Taxation

	Reported 2024 £m	Discontinued Operations £m	Restated 2024 £m
The tax charge represents:			
Current tax:			
UK Corporation tax at 25% (2024: 25%)	51.7	(7.1)	44.6
Adjustment in respect of prior periods	(1.0)	-	(1.0)
Foreign tax	36.6	(1.7)	34.9
Tax on exceptional items	(0.1)	-	(0.1)
Total current tax	87.2	(8.8)	78.4
Deferred tax:			
Deferred tax charge/(credit) for the year	8.0	-	8.0
Tax on exceptional items	(0.8)	-	(0.8)
Adjustment in respect of prior periods	0.9	-	0.9
Total deferred tax	8.1	-	8.1
Total tax	95.3	(8.8)	86.5

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)**35 Restatement of prior year (continued)****Factors affecting the tax charge for the year**

	Reported 2024 £m	Discontinued Operations £m	Restated 2024 £m
Profit before tax from continuing operations	406.9	(38.5)	368.4
Income tax expense calculated at 25% (2024: 25%)	101.7	(9.6)	92.1
Effect of expenses that are not deductible in determining taxable profit	6.6	-	6.6
Effect of different tax rates of subsidiaries operating in other jurisdictions	(14.1)	0.8	(13.3)
Non-taxable income	(3.2)	-	(3.2)
Other differences	1.0	-	1.0
Adjustment in respect of prior periods	(0.1)	-	(0.1)
Effect of deferred tax assets no longer recognised	2.1	-	2.1
Share of results of associates and joint ventures	(1.3)	-	(1.3)
Deferred tax on distributable reserves	2.6	-	2.6
	95.3	(8.8)	86.5

36 Post-Balance Sheet events

On 3rd April 2025, the Group acquired 10% of Huberto Domecq, S.L.U. for €1.8m.




THE
MACALLAN

HIGHLAND
ESTD 1790
PARK
SINGLE MALT SCOTCH WHISKY

THE
GLENROTHES
ESTD 1879


BRUGAL

WYOMING
W
WHISKEY

VALDESPINO
— EST. 1875 —

No. 3
LONDON
ESTD 1875

EDRINGTON



www.edrington.com



HIGHLAND
PARK
ESTD 1798
SINGLE MALT SCOTCH WHISKY

THE
GLENROTHES
ESTD 1879



WYOMING
W
WHISKEY

VALDESPINO
— EST. 1875 —



PLEASE ENJOY OUR BRANDS RESPONSIBLY