



Cask Ownership

White Peak Distillery ("WPD") plans to sell a limited number of casks in the early years. This is a unique opportunity to own a cask of the first ever whisky distilled in Derbyshire, and experience its journey as it ages at the Distillery in Ambergate over the coming years.

Your cask will be identified by a unique number and your name will also be inscribed. The initial purchase price includes storage and insurance of your cask at the Distillery for up to 10 years.

Overview

- Cask; the new make spirit will be laid down in a 200 litre ex-bourbon cask, casks which we source directly from Heaven Hills Distillery in Kentucky
- Casking; you'll be invited down to the Distillery to fill your cask
- Certificate; following casking you'll be sent an ownership certificate conferring cask ownership¹ and stating the details of your cask number, cask type, cask size, fill date and fill volume/weight. Additionally your ownership certificate will have your contact address and details.

¹ If upfront cost is to be paid by instalments then ownership title will remain with WPD until the final instalment is made.

- Samples; as the spirit in your cask matures, we'll be able to take small (100ml) samples for you to taste, so you can follow the development of the spirit.
- Finishing; in years to come, if you're interested in finishing your whisky in a different style of cask, we'd be happy to look into this with you. We may be able to find another cask owner wanting to do something similar, in which case it may be possible to do a split cask finish.
- Insurance; your cask would be covered by the WPD insurance policy whilst in our care.
- Bottling; the point at which you decide to bottle would be your choice, and we'd be happy to organise up to two separate bottlings here at the Distillery. The ABV that your whisky is bottled at would be your choice. You'd also be free to make your own arrangements at an independent bottler.
- Labels; we plan to be able to offer a 'standard' owner label with bespoke features, but again you'd be free to organise your own labelling if preferred. We would insist on 'White Peak Distillery' appearing prominently on any label of your choice so that we can properly address authenticity and branding related issues.

Costs

The upfront cost of the cask ownership is £3,333 + VAT (note casks is VAT-taxable but rate of VAT upfront whilst the cask is duty suspended is zero). This covers the cost of purchasing the new make spirit, the cask itself, storage and insurance for up to 10 years.

Payment can be made via cheque made payable to White Peak Distillery Ltd (see website for address details) or via Bacs transfer (If paying by BACS please put your surname as reference):

White Peak Distillery Ltd
Lloyd's Bank
Sort Code: 309626
Account No. 29136360

In addition to the upfront cost, the following would be at an additional cost to you (we would provide transparent costs at the time before any decisions are taken):

- Duty; the rate of duty is currently £28.74² per litre of pure alcohol (we have no control over how this may change in the future). Duty is not payable until the whisky is bottled. The amount of duty you'll be liable for will depend on the volume of spirit in the cask at the time of bottling, which will be lower than the initial fill volume due to the 'angels share'. This is estimated to be 2% pa in the UK.
- Bottles/Closures; if you choose to use one of our available 700ml bottles, then we would charge you (i) for the bottle and closure at cost (which we would demonstrate at the time, but currently would be approx. £1³), plus (ii) £100⁴ per additional

² Valid as of Q2 2020, may vary in the future and subject to VAT

³ Valid as of Q2 2020, may vary in the future and subject to VAT

⁴ Valid as of Q2 2020, subject to VAT and increases with RPI in the future

bottling to cover labour costs. You'd be free to provide your own bottle providing it fits on our bottling equipment, or use an independent bottler.

- Label: labels are very much down to individual tastes on design (front & back label), label features, etc and the printing costs can vary significantly (especially for one off set up). We are planning to develop a label for all our cask owners that would have bespoke elements. This would probably be the most cost effective option (approx. £1⁵ a label).
- Cask Finishing: as an independent craft distillery, we have the potential flexibility to look at future requirements you may have for 'finishing' your whisky in a different cask to the ex-bourbon used for initial maturation. The incremental cost of this would include (i) the purchase price of an alternative cask (we may be able offer a reasonable trade-in on the ex-bourbon if we can use as a refill).

The above costs will be subject to VAT at the applicable rate at the time and do not include any potential personal or corporate tax consequences that may be relevant if you decide to sell some or all of your whisky, for which you should take your own professional tax advice.

⁵ Valid as of Q2 2020, may vary in the future and subject to VAT

Q&A

1. Are there other options besides bottling and owning 100% of the whisky in my cask at the end of year 10?

Yes, there are other options and here are some we'd be happy to discuss with you when the time comes:

- You could chose to leave the cask maturing at the Distillery beyond year 10. There would be a notional charge of £100⁶ pa to cover incremental costs of storage and insurance.
- You could sell the entire cask to a 3rd party such as an independent bottler or whisky investor (we would help if this ultimately became an option you wished to investigate). White Peak Distillery may also be potentially interested in purchasing your cask.
- White Peak Distillery could be interested in purchasing a proportion of the whisky in your cask at the time of bottling, in order to cover some or all of the additional costs incurred at the point of bottling i.e. duty, bottles, labels.

2. Is there a limitation on the number of casks I am allowed to buy?

There is no formal limitation but WPD reserves the right not to sell more than one cask to any one individual.

⁶ Valid as of Q2 2020, subject to VAT and increase with RPI in the future.

3. Can I visit my cask while it is maturing?

Yes, with pleasure! Contact us when you wish to visit and we will arrange for someone to personally take care of you.

4. What are the tax consequences of a cask investment?

This will depend on your place of residence, your personal tax circumstances and whether you decide to sell some/all of your whisky. We would advise taking professional tax advice to better understand relevant tax consequences.

5. When is duty payable?

Duty is payable when the cask is either bottled or is taken out of the duty suspended area we have at the Distillery. The cask can potentially be exported duty free but may be subject to local import taxes and duty at its destination. We can provide assistance at the time but would advise taking professional tax advice to better understand relevant tax consequences.

6. What if WPD becomes insolvent?

You will retain full title to your whisky cask. As noted your cask will be authenticated by number and your name, and your ownership certificate will evidence all of these details.

7. Is the cask insured?

Yes, the cask will be insured against fire, theft and damage.

8. What happens if the contents of my cask are completely spoiled or damaged?

You will be offered the agreed insurance value as a settlement payment. This will vary over time as our whisky stocks mature, and for the first 2 years of ownership will be limited to the internal cost of a filled cask, as agreed with our insurers. WPD would hope to be able to offer a replacement cask of the same type, and filled at approximately the same date, as your original cask; we can't guarantee this option would be available as it will depend on the circumstances leading to spoiling or damage.

9. How you will deal with my personal data

All personal information that you supply to WPD will be handled in accordance with our privacy policy and will be used only for internal purposes. Your personal data will not be passed on to any 3rd parties, save for any regulatory requirements that may be imposed upon WPD.

10. Successors

Should a cask owner die or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his or her own affairs or becomes a patient under any mental health legislation then WPD shall continue to hold the cask, but shall recognise instructions in connection with the cask ownership (including but not limited to any amendment to a delivery address) only from the personal representatives, or those persons duly authorised to act on behalf of, the cask owner.

11. What happens if I move home or my contact details change?

If you move home or your contact details change you will be responsible for advising WPD in writing of such changes (see below 'Notices'). WPD will then confirm such changes in writing, possibly in the form of a replacement ownership certificate. If you do not inform us of a change in address or contact details then we shall have no responsibility for trying to contact you through any other address or contact details than that which we have previously confirmed.

12. Notices

WPD is a company registered in England and Wales with company registration number 10098181 with its registered office being at the Distillery. If you have any questions or complaints, you should contact WPD using the contact information given on the WPD website. If you wish to contact WPD in writing, or if you are required to give notice to WPD in writing due to change of address or contact details, etc, this should be sent to WPD by e-mail, by hand, or by pre-paid post using the contact information given on the WPD website. WPD will confirm receipt of such notice in writing to you. If WPD has to contact you or give you notice in writing, it will do so by e-mail, by hand, or by pre-paid post to the address provided by you as stated on your ownership certificate, as may be amended by you and advised to WPD in writing from time-to-time.