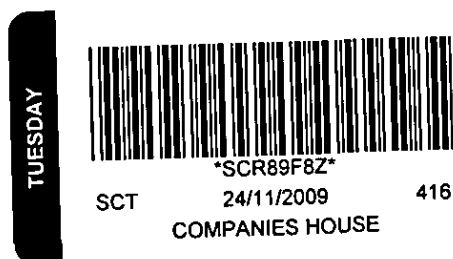


Islay Ales Company Ltd
Financial Statements
For year ended 31 March 2009

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Directors: Paul V Capper
Paul V Hathaway
Walter Shobert

Secretary: Elizabeth Hathaway

Registered Office: Islay House Square
Bridgend
Isle of Islay
Argyll
PA44 7NZ

Registered Number: SC 243892

Accountants: J McGilvary Business Services
U/F Bank of Scotland
Shore Street
Bowmore
Isle of Islay
Argyll
PA43 7LB

The Directors present their report with the financial statements of the company for the year ended 31 March 2009.

RESULTS AND DIVIDENDS

The loss for the year amounts to £-7,837. No dividends were paid.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of a Micro Brewery.

DIRECTORS AND THEIR INTEREST

The directors at 31 March 2009 and their interests in the share capital of the company were as follows:

	At 31.03.09 Ordinary Shares
Paul V Capper	1
Paul V Hathaway	1
Walter Schobert	1

The company was incorporated on 13 February 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the accounts, directors are required to :-

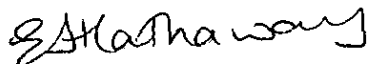
Select suitable accounting policies then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts on the going concern basis unless it is appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. 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.

By order of the board



Secretary

Elizabeth Hathaway Date ...12/6/09.

Accountants' report to the shareholders on the unaudited accounts of Islay Ales Company Limited.

We report on the accounts for the year ended 31 March 2009 set out on pages 4-10.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 of the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the company as we considered necessary for the purpose of this report. These procedures only provide assurance expressed on our opinion.

OPINION

In our opinion:

- A) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.
- B) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in Section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in Section 249 B (1)

Reporting Accountants

J McGilvary Business Services
U/f Bank of Scotland
Shore Street
Bowmore
Isle of Islay

Dated

Islay Ales Company Limited
Profit and Loss Account
For year ended 31 March 2009

Page 4 .

	Notes	£	2009 £	£	2008 £
Turnover	2		101,086		97,372
Cost of Goods Sold			<u>46,308</u>		<u>42,273</u>
Gross Profit			54,778		55,099
Interest Received			<u>176</u>		<u>209</u>
			54,954		55,308
Other Income			<u>0</u>		<u>0</u>
			54,954		55,308
Administrative Expenses			<u>57,535</u>		<u>56,671</u>
Operating Profit	3		-2,581		-1,363
Interest Payable and Similar Charges			<u>5,292</u>		<u>5,450</u>
Profit on Ordinary Activities before Taxation			-7,873		-6,813
Tax on Profit on Ordinary Activities			<u>0</u>		<u>0</u>
Profit for Year after Taxation			-7,873		-6,813
Retained Profit/(Loss) brought forward			-19,117		-12,304
Profit Carried Forward			<u><u>-26,990</u></u>		<u><u>-19,117</u></u>

Islay Ales Company Limited
Balance Sheet
As at 31 March 2009

SC 243892 Page 5.

	Notes	£	2009 £	2008 £
<u>Fixed Assets</u>				
Tangible Assets	5		14,439	18,860
<u>Current Assets</u>				
Stock		30,439		30,160
Debtors	6	5,849		4,183
Cash in hand		94		38
		36,383		34,381
<u>Creditors</u>				
Amounts Falling Due within One Year	7	37,916		32,515
			-1,533	1,866
Total Assets Less Current Liabilities			12,906	20,727
<u>Creditors</u>				
Amounts Falling Due after One Year	8		39,891	39,839
			-26,985	-19,112
<u>Reserves</u>				
Called Up Share Capital		5		5
Profit and Loss Account		-26,990		-19,117
			-26,985	-19,112

The directors have taken advantage of the exemptions available to small companies conferred by Section 246 of, and contained in Section A Part III of Schedule 8 to, Companies Act 1985, on the grounds that the company qualifies for those exemptions as a small company under Section 247 of the Companies Act 1985.

The directors confirm that for the year ended 31 March 2008 the company is eligible to take advantage of the exemption from an audit under Section 249A(1) of the Companies Act 1985 and that no shareholders holding more than 10% of the issue share capital have requested an audit under Section 249B(2) of the Companies Act 1985.

The directors acknowledge their obligations to keep proper accounting records which comply with Section 221 of the Companies Act 1985 and to prepare accounts which give a true and fair view of the company's position in accordance with the requirements of Section 226 of the Companies Act 1985.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

ON BEHALF OF THE BOARD



Elizabeth Hathaway

Approved by the board on 12/6/09 .

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard for Smaller Entities (effective June 2002)

b) Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life.

Plant & Equipment	15% reducing balance
Computer	25% reducing balance
Tenant Improvements	15% reducing balance
Office Equipment & Furniture	15% reducing balance
Fixture & Fittings	15% reducing balance
Motor Van	20% reducing balance

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

d) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

e) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

2. TURNOVER

Turnover which is stated net of value added tax and discounts allowed, represents amounts charged to third parties including in respect of amounts not invoiced.

3. OPERATING PROFIT

This is stated after charging:

	2009	2008
	£	£
Depreciation - owned assets	2,209	2,994
Depreciation - Leased assets	658	810
	<u>2,867</u>	<u>3,804</u>

4. DIVIDENDS

No dividend was paid

5. TANGIBLE FIXED ASSETS

	Disposals	Additions	31/3/09	31/3/08
	£	£	£	£
Cost:				
Plant & Equipment	0	0	21,153	21,153
Computer	0	297	2,884	2,587
Tenant Improvements	0	0	3,836	3,836
Motor Van	-4,648	52	4,104	8,700
Fixtures & Fittings	0	0	977	977
Office Equipment & Furniture	0	0	1,343	1,343
	<u>-4,648</u>	<u>349</u>	<u>34,297</u>	<u>38,596</u>
Depreciation:				
Plant & Equipment	0	1,537	12,447	10,910
Computer	0	244	2,209	1,965
Tenant Improvements	0	253	2,406	2,153
Motor Van	-2,744	658	1,469	3,555
Fixtures & Fittings	0	77	543	466
Office Equipment & Furniture	0	99	785	686
	<u>-2,744</u>	<u>2,867</u>	<u>19,858</u>	<u>19,735</u>
Net book value			<u>14,439</u>	<u>18,860</u>

The net book value of motor van above includes an amount £2,635 in respect of assets held under finance lease and hire purchase agreements.

Fixed Asset cost is stated net of any capital grant received for the asset.

6. DEBTORS

	2009	2008
	£	£
Debtors	5,849	4,183
	<u>5,849</u>	<u>4,183</u>

7. CREDITORS : AMOUNTS FALLING DUE UNDER 1 YEAR

	2009	2008
	£	£
Current Account	22,329	20,083
Finance Lease	1,332	1,332
Credit Cards	829	2,197
VAT Control	277	228
Term Loan	2,542	2,614
Trade Creditors and Accruals	10,608	6,061
	<u>37,916</u>	<u>32,515</u>

8. CREDITORS : AMOUNTS FALLING DUE AFTER 1 YEAR

	2009	2008
	£	£
Loans	39,891	39,839
	<u>39,891</u>	<u>39,839</u>

9. OBLIGATIONS UNDER FINANCE LEASE

	2009	2008
	£	£
Motor Van (511002)	2,535	3,884
	<u>2,535</u>	<u>3,884</u>

10. LOANS

	2009	2008
	£	£
Not wholly repayable within 5 years:		
Director's loans	28,686	39,839
	<u>28,686</u>	<u>39,839</u>

11. SHARE CAPITAL

	Authorised 2009	Allotted, called up and fully paid	
	No	2009 £	2008 £
Ordinary shares of £1 each	5	5	5

12. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and Loss Account	
		2009 £	2008 £
Profit/Loss for year		-7,873	-6,813
Reserves		-19,117	-12,304
Dividend		0	0
As at 31 March 2009	5	-26,990	-19,117

13. CAPITAL COMMITMENTS

The company had no capital commitments at the year end or commitments under finance leases whose inception occurs after the year end.