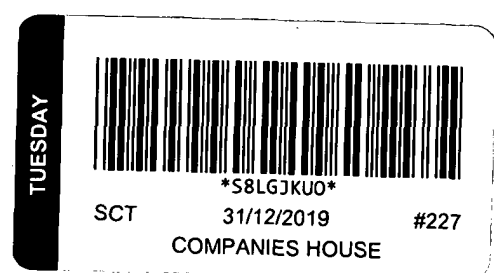


Registered number: SC243892

**ISLAY ALES COMPANY LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



Islay Ales Company Limited
Directors' Report and Financial Statements
For The Year Ended 31 March 2019

Contents

Page

Company Information	1
Directors' Report	2—3
Accountant's Report	4
Profit and Loss Account	5
Balance Sheet	6—7
Notes to the Financial Statements	8—13
The following pages do not form part of the statutory accounts:	
Trading Profit and Loss Account	14—16

Islay Ales Company Limited
Company Information
For The Year Ended 31 March 2019

Directors	Mr Donald MacKenzie Mr J.M.Mackay Smith
Company Number	SC243892
Registered Office	The Brewery Islay House Square Bridgend Isle of Islay PA44 7NZ
Accountants	Connor Accountants & Advisors U/F Bank of Scotland Shore Street, Bowmore Isle of Islay Argyll PA43 7LB

Islay Ales Company Limited
Company No. SC243892
Directors' Report For The Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing the financial statements the directors are required to:

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

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.

Principal Activity

Islay Ales is the only craft brewery, with a brewhouse and shop/tap room, based on the island of Islay. We sell a range of craft beers, both bottled and in kegs, in the off-trade and on-trade.

Directors

The directors who held office during the year were as follows:

Mr Donald MacKenzie	APPOINTED	10/07/2018	
Mr J.M.Mackay Smith	APPOINTED	10/07/2018	
Mr Stephen Bavin	APPOINTED	10/07/2018	RESIGNED 14/02/2019
Mr Paul Capper	RESIGNED	10/07/2018	
Mr Walter Schobert	RESIGNED	10/07/2018	
Mrs Ishbel Capper	RESIGNED	10/07/2018	

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board

Islay Ales Company Limited
Directors' Report (continued)
For The Year Ended 31 March 2019

Mackay Smith

Mr J.M.Mackay Smith

30th December 2019

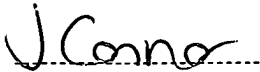
Islay Ales Company Limited
Accountant's Report
For The Year Ended 31 March 2019

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company from the accounting records and information and explanations you have given to us.

This report is made to the directors in accordance with the terms of our engagement. Our work has been undertaken to prepare for approval by the directors the financial statements that we have been engaged to compile, to report to the directors that we have done so, and to state those matters that we have agreed to state to them in this 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 directors for our work or for this report.

You have acknowledged on the balance sheet as at year ended 31 March 2019 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Jean Connor AFA FFTA ACIE

30th December 2019

Connor Accountants & Advisors

U/F Bank of Scotland
Shore Street, Bowmore
Isle of Islay
Argyll
PA43 7LB

Islay Ales Company Limited
Profit and Loss Account
For The Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER		111,144	123,299
Cost of sales		(121,228)	(95,373)
		<hr/>	<hr/>
GROSS PROFIT/(LOSS)		(10,084)	27,926
Distribution costs		(1,406)	(2,152)
Administrative expenses		(37,025)	(32,150)
Other operating income		3,860	-
		<hr/>	<hr/>
OPERATING LOSS		(44,655)	(6,376)
Other interest receivable and similar income		-	1
Interest payable and similar charges		(1,220)	(1,005)
		<hr/>	<hr/>
LOSS BEFORE TAXATION		(45,875)	(7,380)
Tax on Loss		-	269
		<hr/>	<hr/>
LOSS AFTER TAXATION BEING LOSS FOR THE FINANCIAL YEAR		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 13 form part of these financial statements.

Islay Ales Company Limited
Balance Sheet
As at 31 March 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		13,896		13,147
			<u>13,896</u>		<u>13,147</u>
CURRENT ASSETS					
Stocks	4	28,883		38,180	
Debtors	5	15,464		4,893	
Cash at bank and in hand		407		97	
		<u>44,754</u>		<u>43,170</u>	
Creditors: Amounts Falling Due Within One Year	6	(10,915)		(34,545)	
		<u>(10,915)</u>		<u>(34,545)</u>	
NET CURRENT ASSETS (LIABILITIES)			33,839		8,625
			<u>33,839</u>		<u>8,625</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			47,735		21,772
			<u>47,735</u>		<u>21,772</u>
Creditors: Amounts Falling Due After More Than One Year	7		(71,838)		-
			<u>(71,838)</u>		<u>-</u>
NET ASSETS			(24,103)		21,772
			<u>(24,103)</u>		<u>21,772</u>
CAPITAL AND RESERVES					
Called up share capital	8		155		155
Share premium account			14,850		14,850
Profit and Loss Account			(39,108)		6,767
			<u>(39,108)</u>		<u>6,767</u>
SHAREHOLDERS' FUNDS			(24,103)		21,772
			<u>(24,103)</u>		<u>21,772</u>

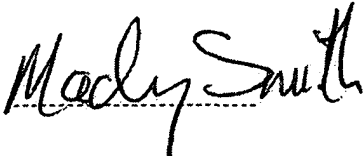
Islay Ales Company Limited
Balance Sheet (continued)
As at 31 March 2019

For the year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Mackay Smith', written over a horizontal dashed line.

Mr J.M. Mackay Smith

30th December 2019

The notes on pages 8 to 13 form part of these financial statements.

Islay Ales Company Limited
Notes to the Financial Statements
For The Year Ended 31 March 2019

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tenant Improvements	15% reducing balance
Plant & Machinery	15% reducing balance
Motor Vehicles	20% reducing balance
Fixtures & Fittings	15% reducing balance
Computer Equipment	25% reducing balance

1.4. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

Islay Ales Company Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

1.5. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing 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 timing differences can be utilised. 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 assets and liabilities 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 tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.6. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

Islay Ales Company Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2019	2018
Office and administration	1	1
Sales, marketing and distribution	2	2
Manufacturing	1	1
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

Islay Ales Company Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

3. Tangible Assets

	Land & Property			
	Tenant Improvements	Plant & Machinery	Motor Vehicles	Fixtures & Fittings
	£	£	£	£
Cost				
As at 1 April 2018	3,953	29,095	12,316	5,165
Additions	-	3,529	-	-
As at 31 March 2019	<u>3,953</u>	<u>32,624</u>	<u>12,316</u>	<u>5,165</u>
Depreciation				
As at 1 April 2018	3,594	23,758	8,280	2,663
Provided during the period	54	1,295	807	410
As at 31 March 2019	<u>3,648</u>	<u>25,053</u>	<u>9,087</u>	<u>3,073</u>
Net Book Value				
As at 31 March 2019	<u>305</u>	<u>7,571</u>	<u>3,229</u>	<u>2,092</u>
As at 1 April 2018	<u>359</u>	<u>5,337</u>	<u>4,036</u>	<u>2,502</u>
			Computer Equipment	Total
			£	£
Cost				
As at 1 April 2018			5,996	56,525
Additions			-	3,529
As at 31 March 2019			<u>5,996</u>	<u>60,054</u>
Depreciation				
As at 1 April 2018			5,083	43,378
Provided during the period			214	2,780
As at 31 March 2019			<u>5,297</u>	<u>46,158</u>
Net Book Value				
As at 31 March 2019			<u>699</u>	<u>13,896</u>
As at 1 April 2018			<u>913</u>	<u>13,147</u>

Islay Ales Company Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

4. Stocks

	2019	2018
	£	£
Stock - raw materials	2,469	6,363
Stock - dry goods	1,170	5,308
Stock - finished goods	21,383	19,267
Stock - merchandise	3,861	7,242
	<u>28,883</u>	<u>38,180</u>

5. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	12,412	4,609
Other debtors	168	-
Corporation tax recoverable assets	-	284
VAT	2,884	-
	<u>15,464</u>	<u>4,893</u>

6. Creditors: Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade creditors	6,130	5,541
Bank loans and overdrafts	705	7,283
Other taxes and social security	1,361	1,218
VAT	-	625
Other creditors	162	1,449
Accruals and deferred income	2,557	1,072
Capital grants	-	3,860
Directors' loan accounts	-	13,497
	<u>10,915</u>	<u>34,545</u>

Islay Ales Company Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

7. Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£	£
Amounts owed to parent undertaking	71,838	-
	<u>71,838</u>	<u>-</u>

8. Share Capital

	2019	2018
Allotted, Called up and fully paid	155	155
	<u>155</u>	<u>155</u>

9. Ultimate Controlling Party

The company's ultimate controlling party is The Islay Boys Ltd by virtue of his ownership of 100% of the issued share capital in the company.

10. General Information

Islay Ales Company Limited is a private company, limited by shares, incorporated in Scotland, registered number SC243892. The registered office is The Brewery, Islay House Square, Bridgend, Isle of Islay, PA44 7NZ.