

**ISLAY ALES COMPANY LIMITED  
DIRECTORS' REPORT AND  
ABRIDGED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**Islay Ales Company Limited**  
**Directors' Report and Abridged Financial Statements**  
**For The Year Ended 31 March 2020**

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**Islay Ales Company Limited**  
**Company Information**  
**For The Year Ended 31 March 2020**

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<b>Directors</b>	Mr J.M.Mackay Smith Mr Donald MacKenzie
<b>Company Number</b>	SC243892
<b>Registered Office</b>	The Brewery Islay House Square Bridgend Isle of Islay PA44 7NZ
<b>Accountants</b>	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 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020 .

### **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 J.M.Mackay Smith  
Mr Donald MacKenzie

### **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

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**Mr J.M.Mackay Smith**

Director

**29th December 2020**

**Islay Ales Company Limited**  
**Accountant's Report**  
**For The Year Ended 31 March 2020**

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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 2020 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.

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**Jean Connor AFA FFTA ACIE**

**29th December 2020**

Connor Accountants & Advisors

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

**Islay Ales Company Limited**  
**Abridged Profit and Loss Account**  
**For The Year Ended 31 March 2020**

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	<b>Notes</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>GROSS PROFIT/(LOSS)</b>		50,624	(6,224)
Distribution costs		(4,390 )	(1,406 )
Administrative expenses		(49,422 )	(37,025 )
		<hr/>	<hr/>
<b>OPERATING LOSS</b>		(3,188 )	(44,655 )
Interest payable and similar charges		(1,968 )	(1,220 )
		<hr/>	<hr/>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(5,156 )</u>	<u>(45,875 )</u>

The notes on pages 7 to 9 form part of these financial statements.

**Islay Ales Company Limited**  
**Abridged Balance Sheet**  
**As at 31 March 2020**

		2020		2019	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	3		13,825		13,896
			<u>13,825</u>		<u>13,896</u>
<b>CURRENT ASSETS</b>					
Stocks		55,010		28,883	
Debtors		15,776		15,464	
Cash at bank and in hand		4,811		407	
		<u>75,597</u>		<u>44,754</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>		<u>(51,566 )</u>		<u>(10,915 )</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>24,031</u>		<u>33,839</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>37,856</u>		<u>47,735</u>
<b>Creditors: Amounts Falling Due After More Than One Year</b>			<u>(67,115)</u>		<u>(71,838)</u>
<b>NET LIABILITIES</b>			<u>(29,259 )</u>		<u>(24,103 )</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	4		155		155
Share premium account			14,850		14,850
Profit and Loss Account			<u>(44,264 )</u>		<u>(39,108 )</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(29,259)</u>		<u>(24,103)</u>

**Islay Ales Company Limited**  
**Abridged Balance Sheet (continued)**  
**As at 31 March 2020**

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For the year ending 31 March 2020 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.
- All of the company's members have consented to the preparation of an Abridged Profit and Loss Account and an Abridged Balance Sheet for the year end 31 March 2020 in accordance with section 444(2A) of the Companies Act 2006.

On behalf of the board

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**Mr J.M.Mackay Smith**

Director

**29th December 2020**

The notes on pages 7 to 9 form part of these financial statements.



**Islay Ales Company Limited**  
**Notes to the Abridged Financial Statements**  
**For The Year Ended 31 March 2020**

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**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 Abridged Financial Statements (continued)**  
**For The Year Ended 31 March 2020**

**1.5. 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.

**2. Average Number of Employees**

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

	<b>2020</b>	<b>2019</b>
Office and administration	-	1
Sales, marketing and distribution	1	2
Manufacturing	1	1
	<u>2</u>	<u>4</u>

**3. Tangible Assets**

	<b>Total £</b>
<b>Cost</b>	
As at 1 April 2019	60,054
Additions	2,712
As at 31 March 2020	<u>62,766</u>
<b>Depreciation</b>	
As at 1 April 2019	46,158
Provided during the period	2,783
As at 31 March 2020	<u>48,941</u>
<b>Net Book Value</b>	
As at 31 March 2020	<u>13,825</u>
As at 1 April 2019	<u>13,896</u>

**4. Share Capital**

	<b>2020</b>	<b>2019</b>
Allotted, Called up and fully paid	<u>155</u>	<u>155</u>

**Islay Ales Company Limited**  
**Notes to the Abridged Financial Statements (continued)**  
**For The Year Ended 31 March 2020**

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**5. 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.

**6. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.