

**FOWLER'S ALES (PRESTOUNGRANGE)  
LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR TO**

**30th APRIL 2006**

**SC230045**

**Richard Dobbins & Co  
Certified Accountants  
Brocco Bank  
Church Street  
Beetham  
Cumbria  
LA7 7AL**

**Fowler's Ales (Prestoungrange) Limited**  
**Officers and Advisers**

<b>Directors</b>	Much Honoured Baron of Prestoungrange Lady Prestoungrange Baron Bailie & Procurator Fiscal Much Honoured Baron of Dolphinstoun Anthony Gillingham (Resigned 30th April, 2006) George Thompson
<b>Secretary</b>	Sylvia Burgess
<b>Registered Office</b>	The Prestoungrange Gothenburg 227 High Street Prestonpans East Lothian EH32 9BE
<b>Accountant</b>	Richard Dobbins & Co Certified Accountants Brocco Bank Church Street Beetham Cumbria LA7 7AL
<b>Company Number</b>	SC230045
<b>Bankers</b>	The Royal Bank of Scotland Prestonpans Branch 2 Ayres Wynd Prestonpans EH32 9AB

**Fowler's Ales (Prestoungrange) Limited**  
**Directors' Report for the year ended 30 April 2006**

**Principal Activities**

Fowler's Ales (Prestoungrange) Limited has had an excellent year under Craig Allan's leadership in every respect save the achievement of draught and bottled wholesale distribution. This has meant that the profitability hoped for did not materialise indeed the year shows a loss of £37,747 (2005 - £44,851) on sales of £25,219 (2005 - £14,262). Although the directors fully realise that such losses on trading cannot be allowed to continue into 2007 they are optimistic that both additional Home Trade Sales and eventual success with wholesale draught and bottling activities will bring the right results for the future.

Except in this respect, the senior management team led by Craig Allan has performed to the great satisfaction of customers and of CAMRA and English Heritage. CAMRA firstly with English Heritage accorded Best UK Conservation of the Year to The Prestoungrange Gothenburg and then both 'Lothians Pub of the Year' and 'Overall Best Pub for Edinburgh and SE Scotland 2006'. Such recognition and extensive publicity in the CAMRA magazines has undoubtedly brought more and more visitors to Prestonpans to try our ales and speak well of them. And of course in the absence of wholesale draught or bottled distribution the great majority of sales are made through The Prestoungrange Gothenburg.

At the time of writing, the company is hopeful that East of Scotland Public House Limited will gain the café/bar franchise at the new Pennypit Community Centre close by The Prestoungrange Gothenburg which will accord a considerable uplift for Home Trade sales from autumn 2006. However, despite the promises made by Waverley with the support of Scottish Courage, that they can help the company achieve extensive wholesale distribution, the relationship will require most careful cultivation in the coming months and a determined search for other such suppliers to pubs across the country as have already been modestly achieved with Flying Furkin.

In summary, 2007 is the year when overall sales must come good or the company's directors will necessarily reconsider the best strategic approach for providing real ales in Prestonpans.

**Directors and their interests**

Directors who served during the year and their interests in the share capital of the company on 30.04.06 were as follows:

	<b>£1 Ordinary Shares</b>	
	<b>2006</b>	<b>2005</b>
Gordon Prestoungrange	2,500	2,500
Avril Wills	2,500	2,500
Mathew Wills	2,500	2,500
Julian Wills	2,500	2,500

**Close Company**

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988. The Directors rely on Sections 247-249 of the Companies Act 1985 entitling them to deliver modified accounts.

**Accountants**

A resolution to appoint Richard Dobbins & Co as Accountants will be put to the members at the Annual General Meeting.

**By Order of the Board**

**S. Burgess**

**Fowler's Ales (Prestoungrange) Limited**  
**Accountants Report**

**Accountants Report to the Members of**  
**Fowler's Ales (Prestoungrange) Limited**

We report on the accounts for the year to 30 April 2006 as set out on pages 4 to 7.

**Respective Responsibilities of Directors and Reporting Accountants**

The company's directors are responsible for the preparation of financial statements and they consider that the company is exempt from 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 officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985.

Having regard only to, and on the basis of the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act, and the company satisfied the conditions for exemption from an audit of the accounts for the period as 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 249B(1).

**Richard Dobbins & Co**  
**Certified Accountants**  
**Brocco Bank**  
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**Cumbria**  
**LA7 7AL**

**Fowler's Ales (Prestoungrange) Limited**  
**Balance Sheet as at 30 April 2006**

	Note	£	2006 £	£	2005 £
<b>Fixed Assets</b>					
Tangible Assets	3		22,970		27,974
<b>Current Assets</b>					
Stock		1,517		1,462	
Debtors	4	3,299		1,922	
Cash		3,118		20,985	
		7,933		24,369	
<b>Current Liabilities</b>					
Creditors and Accruals	5	21,769		20,159	
<b>Net Current Assets</b>			(13,836)		4,210
<b>Total Assets Less Current Liabilities</b>			9,134		32,184
<b>Creditors: Amounts Falling Due After More than One Year</b>	6		85,607		70,910
<b>Net Assets</b>			(76,473)		(38,726)
<b>Capital and Reserves</b>					
Called up share capital	7		15,000		15,000
Profit and loss account			(91,473)		(53,726)
			(76,473)		(38,726)

For the year ended 30th April 2006, the company was entitled to exemption from sub-section 2 of Section 249A of the Companies Act 1985. No member of the company has deposited a notice under Section 249B(2) requiring an audit of these accounts. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226 of the Act and which otherwise comply with the requirements of this Act relating to accounts so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

\_\_\_\_\_ \*)  
 \_\_\_\_\_ \*) Directors  
 \_\_\_\_\_ )

Approved by the board on

**Fowler's Ales (Prestoungrange) Limited**  
**Notes to the Accounts for the year to 30 April 2006**

**1. Accounting Policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

**Turnover**

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

**Depreciation**

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Leased plant and machinery	5 years	straight line
Other plant and machinery	5 - 6 years	straight line

**Stocks**

Stock is valued at the lower of cost and net realisable value

**Leasing commitments**

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and 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. Operating Profit**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Accountants Fees	250	250
Depreciation	6,997	5,994

**3. Tangible Fixed Assets**

	<b>Plant and Machinery</b>
	<b>£</b>
<b>Cost</b>	
As at 1st May 2005	33,968
Additions	1,992
As at 30th April 2006	<u>35,960</u>

**Depreciation**

As at 1st May 2005	5,994
Charge for the year	6,997
As at 30th April 2006	<u>12,991</u>

**Net Book Value**

As at 1st May 2005	<u>27,974</u>
As at 30th April 2006	<u>22,970</u>

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Net book value of plant and machinery included above held under finance leases	<u>16,353</u>	<u>21,656</u>

The microbrewery plant is leased from The East of Scotland Public-House Limited over a 5 year term.

**Fowler's Ales (Prestoungrange) Limited**  
**Notes to the Accounts for the year to 30 April 2006 - cont'd**

<b>4. Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,908	0
Other taxes	1,391	1,922
	<u>3,299</u>	<u>1,922</u>

<b>5. Creditors: amounts falling due within one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade Creditors	8,706	11,805
Other Creditors	4,500	149
Accruals	3,260	2,901
Obligations under finance lease	5,304	5,304
	<u>21,769</u>	<u>20,159</u>

<b>6. Creditors: amounts falling due after one year</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Loans	75,000	55,000
Obligations under finance lease	10,607	15,910
	<u>85,607</u>	<u>70,910</u>

The interest free loan is a 5 year loan repayable on 31st December, 2008. From January, 2006 all or part of the loan outstanding is convertible at par into the Company's preference shares.

<b>7. Share Capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
	<b>2006</b>	<b>2005</b>
	<b>No</b>	<b>No</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

**Fowler's Ales (Prestoungrange) Limited**  
**Profit and Loss Account for the year to 30 April 2006**

		2006 £	2005 £
<b>Turnover</b>	1	25,219	14,262
Cost of Sales		7,761	12,993
<b>Gross profit</b>		<u>17,458</u>	<u>1,269</u>
Administrative Expenses		55,341	46,513
<b>Operating profit/(loss)</b>	2	<u>(37,883)</u>	<u>(45,244)</u>
Interest Receivable		136	344
<b>Profit/(Loss) on ordinary activities before taxation</b>		<u>(37,747)</u>	<u>(44,900)</u>
Income Tax Recovered		0	49
Tax on profit on ordinary activities		0	0
<b>Profit/(Loss) for the financial year</b>		<u>(37,747)</u>	<u>(44,851)</u>
Dividends		0	0
<b>Retained profit/(loss) for the financial year</b>		<u>(37,747)</u>	<u>(44,851)</u>



**Fowler's Ales (Prestoungrange) Limited**  
**Detailed Profit & Loss Account for the Year Ended 30.04.06**

	<b>2006</b>	<b>2005</b>
<b>Sales</b>	25,219	14,262
<b>Cost of Sales</b>	7,761	12,993
<b>Gross Margin</b>	17,458	1,269
 <b>Overhead Expenses</b>		
Promotion & Advertising	158	2,721
Employees Costs		
Wages and Salaries	17,875	3,998
Employers Nat Ins	1,659	359
	19,534	4,357
Premises Costs		
Rent	5,880	5,880
Insurance	1,717	1,004
Heat, Light & Power	711	237
	8,308	7,121
Motor Expenses		
Recharges from East of Scotland	814	1,134
	814	1,134
Travelling & Entertaining		
Travelling Expenses	0	105
Car Mileage	16	1,410
Vehicle Hire	0	2,751
Hotels	0	498
UK Entertaining	0	48
Subsistence	0	448
	16	5,260
General Administrative Expenses		
Telephone and Fax	46	925
Postage	47	333
Stationery and Printing	894	482
	987	1,740
Legal and Professional Costs		
Accountancy Fees	250	250
Solicitors Fees	0	3,000
Other Professional Fees	0	215
Consultancy Fees	14,500	8,229
Management Charges	1,138	2,518
	15,888	14,212
Depreciation	6,996	5,994
Equipment Hire & Rental	0	361
Maintenance		
Repairs & Renewals	83	317
Sundry Equipment	46	0
	129	317
Bank Charges & Interest		
Bank Charges	283	354
Lease Interest	1,402	1,402
	1,685	1,756
General Expenses		
Removal & Storage	0	600

Donations	673	149
Other Expenses	154	791
	<u>827</u>	<u>1,540</u>

Total Expenditure	<u>55,341</u>	<u>46,513</u>
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**Other Operating Income**

Rent Income	0	0
Grants Receivable	0	0

**Operating Profit**

<u>(37,883)</u>	<u>(45,244)</u>
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Interest Receivable	Bank Interest	136	344
	Lease Interest	0	0

**Profit Before Tax**

<u>(37,747)</u>	<u>(44,900)</u>
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Tax recovered	0	49
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<u>(37,747)</u>	<u>(44,851)</u>
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