

## Barclays toasts to Isle of Arran Distillers



Barclays has provided a £25m funding package to whisky producer Isle of Arran Distillers. The financing has helped the ambitious company to develop its second distillery on the island in the village of Lagg, which officially opened its doors in June this year.

The funding provided by the deal supports the company's growth strategy and ensured the successful opening of its new distillery complete with visitor centre, restaurant and café. This has doubled the company's production capacity to over two million litres (lpa per annum) and allows for the development of further new warehousing facilities on the site of the new Lagg Distillery.

Founded in 1994, the company revived the tradition of whisky distilling on Arran when it built its operation in Lochranza, at the north end of the island. When a three-year old cask was opened by actor Ewan McGregor in July 1998, the first legal dram of Arran whisky in over 160 years was served. In 2020 the company will release their first 25 year-old Single Malt in their brand new packaging.

Isle of Arran Distillers now employs 80 people across its two operations, with Lochranza in the north offering a production capacity of about 1.2m litres of alcohol. The new Lagg Distillery has a capacity of around 1m litres and is currently filling casks with the future Lagg

Single Malt which is a heavily peated spirit. Distillery tours with professional guides are available at both locations to allow visitors to glean insight into the art behind Scotland's most famous export, and private casks are available for consumers to purchase from both.

The funding package is one of a number Barclays has delivered to the whisky sector and its wider supply chain, from international and micro-distilleries to grain producers and logistics firms. The structure of the deal lends against the company's inventory, the value of which will increase as the whisky matures. The team behind the deal included Douglas Brown, Relationship Director and Mike Kempton-Smith, Associate Director, Large Corporate ABL at Barclays.

**Jamie Grant, Head of Corporate Banking for Barclays in Scotland, commented:** "Isle of Arran Distillers is a perfect example of a business harnessing the power of Scottish provenance, contributing to the global success of our food and drink industry.

"We have made a significant commitment to the whisky sector by investing both time and money to become industry experts, ensuring we are able to provide bespoke solutions specific to the sector. The deal team worked closely with Isle of Arran Distillers, guiding them every step of the way, to provide a unique funding solution to aid growth and deliver their vision of opening a second distillery on the island."

**Euan Mitchell, Managing Director of Isle of Arran Distillers Ltd, said:** "Times have never been more exciting for our company. With the re-branding of our Arran Single Malt and the opening of Lagg Distillery, it has been a busy year and expansion and change has been at the forefront of our minds. We look ahead with excitement to our 25<sup>th</sup> anniversary celebrations in 2020 and are proud to partner with Barclays in securing long-term growth for the future success of our company."