

Financial Statements

Kames Fish Farming Limited

For the Year Ended 31 January 2017



Registered number: SC051158

Balance Sheet

As at 31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	653,358	819,234
Investments	5	60,619	61,092
		<u>713,977</u>	<u>880,326</u>
Current assets			
Stocks	6	2,235,305	2,597,491
Debtors: amounts falling due within one year	7	821,420	617,678
Cash at bank and in hand	8	1,082,880	56,419
		<u>4,139,605</u>	<u>3,271,588</u>
Creditors: amounts falling due within one year	9	(934,383)	(555,290)
Net current assets		<u>3,205,222</u>	<u>2,716,298</u>
Total assets less current liabilities		<u>3,919,199</u>	<u>3,596,624</u>
Creditors: amounts falling due after more than one year	10	(13,603)	(22,718)
Provisions for liabilities			
Deferred tax	12	(197,760)	(199,195)
		<u>(197,760)</u>	<u>(199,195)</u>
Net assets		<u><u>3,707,836</u></u>	<u><u>3,374,711</u></u>
Capital and reserves			
Called up share capital		26,267	26,267
Share premium account		27,715	27,715
Capital redemption reserve		74,495	74,495
Profit and loss account		3,579,359	3,246,234
		<u>3,707,836</u>	<u>3,374,711</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

Kames Fish Farming Limited
Registered number:SC051158

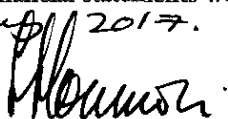
Balance Sheet (continued)

As at 31 January 2017

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
1 July 2017.



Mr Stuart G Cannon

Director

The notes on pages 3 to 11 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 January 2017

1. General information

Kames Fish Farming Limited is a limited company incorporated in Scotland. Its registered office is Kilmelford, Oban, PA34 4XA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
L/Term Leasehold Property	- over the period of the lease
Plant & machinery	- 20% straight line
Motor vehicles	- 20% straight line
Assets Under the Course of Construction	- not depreciated; not yet in use
Equipment	- 10-20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 22 (2016 - 22).

Notes to the Financial Statements

For the Year Ended 31 January 2017

4. Tangible fixed assets

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Assets under construction £	Fish equipment £	Total £
Cost or valuation							
At 1 February 2016	183,897	56,188	206,122	116,490	9,398	1,595,630	2,167,725
Additions	-	-	10,312	11,575	16,003	118,935	156,825
Disposals	(158,539)	-	(42,767)	-	-	(298,484)	(499,790)
At 31 January 2017	25,358	56,188	173,667	128,065	25,401	1,416,081	1,824,760
Depreciation							
At 1 February 2016	72,340	31,195	108,440	65,873	-	1,070,643	1,348,491
Charge for the period on owned assets	2,502	11,238	34,748	24,438	-	143,224	216,150
Charge for the period on financed assets	-	-	-	-	-	12,874	12,874
Disposals	(64,355)	-	(43,273)	-	-	(298,484)	(406,112)
At 31 January 2017	10,487	42,433	99,915	90,311	-	928,257	1,171,403
Net book value							
At 31 January 2017	14,871	13,755	73,752	37,754	25,401	487,824	653,357
At 31 January 2016	111,557	24,993	97,682	50,617	9,398	524,987	819,234

Notes to the Financial Statements

For the Year Ended 31 January 2017

4. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	14,871	111,557
Long leasehold	13,755	24,993
	<u>28,626</u>	<u>136,550</u>

5. Fixed asset investments

	Trade investments £
At 1 February 2016	61,092
Additions	25,506
Revaluation	(25,979)
	<u>60,619</u>
At 31 January 2017	<u>60,619</u>
At 31 January 2016	<u>61,092</u>

During the year the company purchased 5,390,234 shares in Oceanpick Limited by way of a rights issue for £0.00473 per share.

The directors fully expect to recover the investment in Oceanpick Limited in the long run. However, as the company has not reached full production yet, they recognise that there is some risk attached to the investment and have therefore processed a 30% write down based on the original cost of the investment to reflect fair value at 31 January 2017.

6. Stocks

	2017 £	2016 £
Raw materials and consumables	2,064,786	2,507,847
Work in progress (goods to be sold)	53,835	23,744
Finished goods and goods for resale	116,684	65,900
	<u>2,235,305</u>	<u>2,597,491</u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

7. Debtors

	2017 £	2016 £
Trade debtors	601,206	508,373
Other debtors	51,610	40,904
Prepayments and accrued income	168,604	68,401
	<u>821,420</u>	<u>617,678</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,082,880	56,419
	<u>1,082,880</u>	<u>56,419</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	564,080	467,962
Corporation tax	389	428
Other taxation and social security	20,115	19,290
Obligations under finance lease and hire purchase contracts	17,018	48,400
Accruals and deferred income	332,781	19,210
	<u>934,383</u>	<u>555,290</u>

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	13,603	22,718
	<u>13,603</u>	<u>22,718</u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	17,018	48,400
Between 1-2 years	12,474	13,631
Between 2-5 years	1,129	9,087
	<u>30,621</u>	<u>71,118</u>

12. Deferred taxation

	2017 £	2016 £
At beginning of year	199,195	221,328
Credited to profit or loss	(1,435)	(22,133)
At end of year	<u>197,760</u>	<u>199,195</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	-	42,354
Tax losses carried forward	-	(42,354)
Rollover relief on depreciating and non-depreciating assets	197,760	199,195
	<u>197,760</u>	<u>199,195</u>

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £43,303 (2016 - £41,215). Contributions totalling £nil (2016 - £nil) were outstanding at the balance sheet date.

Kames Fish Farming Limited

Notes to the Financial Statements

For the Year Ended 31 January 2017

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.