

Registered number: SC051158

Kames Fish Farming Limited

Unaudited

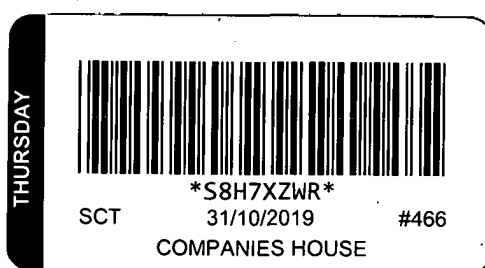
Financial statements

For the Year Ended 31 January 2019

**COMPANIES HOUSE
EDINBURGH**

31 OCT 2019

FRONT DESK



Balance Sheet

As at 31 January 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 3,902,463 | 2,942,145 |
| Investments | 5 | 87,465 | 87,465 |
| | | <u>3,989,928</u> | <u>3,029,610</u> |
| Current assets | | | |
| Stocks | 6 | 4,265,570 | 3,032,166 |
| Debtors: amounts falling due after more than one year | 7 | 43,000 | 50,900 |
| Debtors: amounts falling due within one year | 7 | 924,694 | 965,898 |
| Cash at bank and in hand | 8 | 289,207 | 383,439 |
| | | <u>5,522,471</u> | <u>4,432,403</u> |
| Creditors: amounts falling due within one year | 9 | (1,621,185) | (1,221,825) |
| Net current assets | | <u>3,901,286</u> | <u>3,210,578</u> |
| Total assets less current liabilities | | <u>7,891,214</u> | <u>6,240,188</u> |
| Creditors: amounts falling due after more than one year | 10 | (1,650,635) | (758,962) |
| Provisions for liabilities | | | |
| Deferred tax | 13 | (313,868) | (286,346) |
| | | <u>(313,868)</u> | <u>(286,346)</u> |
| Net assets | | <u><u>5,926,711</u></u> | <u><u>5,194,880</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 24,884 | 26,267 |
| Share premium account | | 27,715 | 27,715 |
| Capital redemption reserve | | 75,878 | 74,495 |
| Profit and loss account | | 5,798,234 | 5,066,403 |
| | | <u>5,926,711</u> | <u>5,194,880</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)

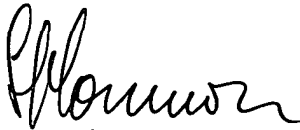
As at 31 January 2019

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

28.10.19.



Mr Stuart G Cannon
Director

The notes on pages 5 to 15 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 January 2019

| | Called up share capital | Share premium account | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ |
| At 1 February 2018 | 26,267 | 27,715 | 74,495 | 5,066,403 | 5,194,880 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 826,831 | 826,831 |
| Other comprehensive income for the year | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 826,831 | 826,831 |
| Purchase of own shares | - | - | 1,383 | (95,000) | (93,617) |
| Shares cancelled during the year | (1,383) | - | - | - | (1,383) |
| Total transactions with owners | (1,383) | - | 1,383 | (95,000) | (95,000) |
| At 31 January 2019 | 24,884 | 27,715 | 75,878 | 5,798,234 | 5,926,711 |

The notes on pages 5 to 15 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 January 2018

| | Called up share capital | Share premium account | Capital redemption reserve | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------------|----------------------------|------------------|
| | £ | £ | £ | £ | £ |
| At 1 February 2017 | 26,267 | 27,715 | 74,495 | 3,579,359 | 3,707,836 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 1,487,044 | 1,487,044 |
| Other comprehensive income for the year | | | | | |
| | - | - | - | - | - |
| Total comprehensive income for the year | | | | | |
| | - | - | - | 1,487,044 | 1,487,044 |
| Total transactions with owners | | | | | |
| | - | - | - | - | - |
| At 31 January 2018 | 26,267 | 27,715 | 74,495 | 5,066,403 | 5,194,880 |

The notes on pages 5 to 15 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 January 2019

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's accounting policies.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

Notes to the Financial Statements

For the Year Ended 31 January 2019

2. Accounting policies (continued)

2.3 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.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 Interest income

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

2.6 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

Notes to the Financial Statements

For the Year Ended 31 January 2019

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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 2019

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

Notes to the Financial Statements

For the Year Ended 31 January 2019

2. Accounting policies (continued)

2.15 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.

2.16 Financial instruments

The Company only enters into basic financial instrument 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 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.

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2018 - 26).

Kames Fish Farming Limited

Notes to the Financial Statements

For the Year Ended 31 January 2019

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 2018 | 700,298 | 108,284 | 293,499 | 133,814 | 687,501 | 2,412,101 | 4,335,497 |
| Additions | 164,652 | 239,578 | 91,642 | 43,723 | - | 874,798 | 1,414,393 |
| Transfers between classes | - | - | - | - | (687,501) | 687,501 | - |
| At 31 January 2019 | 864,950 | 347,862 | 385,141 | 177,537 | - | 3,974,400 | 5,749,890 |
| Depreciation | | | | | | | |
| At 1 February 2018 | 14,675 | 57,093 | 135,295 | 52,009 | - | 1,134,280 | 1,393,352 |
| Charge for the year on owned assets | 9,903 | 23,939 | 50,929 | 24,425 | - | 344,879 | 454,075 |
| At 31 January 2019 | 24,578 | 81,032 | 186,224 | 76,434 | - | 1,479,159 | 1,847,427 |
| Net book value | | | | | | | |
| At 31 January 2019 | 840,372 | 266,830 | 198,917 | 101,103 | - | 2,495,241 | 3,902,463 |
| At 31 January 2018 | 685,623 | 51,191 | 158,204 | 81,805 | 687,501 | 1,277,821 | 2,942,145 |

Notes to the Financial Statements

For the Year Ended 31 January 2019

4. Tangible fixed assets (continued)

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

| | 2019 £ | 2018 £ |
|----------------|------------------|----------------|
| Freehold | 840,371 | 685,623 |
| Long leasehold | 266,830 | 51,191 |
| | <u>1,107,201</u> | <u>736,814</u> |

5. Fixed asset investments

| | Trade investments £ |
|--------------------|---------------------------|
| At 1 February 2018 | 87,465 |
| At 31 January 2019 | <u>87,465</u> |
| At 31 January 2018 | <u>87,465</u> |

Investments relate to shares in Oceanpick Limited.

The directors fully expect to recover the investment in Oceanpick Limited in the long term.

6. Stocks

| | 2019 £ | 2018 £ |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables | 4,109,027 | 2,905,678 |
| Work in progress (goods to be sold) | 5,138 | 6,177 |
| Finished goods and goods for resale | 151,405 | 120,311 |
| | <u>4,265,570</u> | <u>3,032,166</u> |

Notes to the Financial Statements

For the Year Ended 31 January 2019

7. Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|----------------|----------------|
| Due after more than one year | | |
| Other debtors | 43,000 | 50,900 |
| | <u>43,000</u> | <u>50,900</u> |
| Due within one year | | |
| Trade debtors | 861,205 | 721,977 |
| Other debtors | 49,879 | 132,893 |
| Prepayments and accrued income | 13,610 | 111,028 |
| | <u>924,694</u> | <u>965,898</u> |

Other debtors includes a loan to an employee of £750 (2018 - £4,000) of which £nil (2018 - £900) is due in more than one year. This loan is interest free. The loans outstanding at the end of last year were fully repaid during the current year.

Also included in other debtors is a loan advanced to the Argyllshire Gathering for £50,000 during the prior year. This loan attracts interest at 4% per annum. The first repayment will be made on 31 January 2020 and therefore £7,000 is included as being due within one year (2018 - £nil) with £43,000 being included in more than one year (2018 - £50,000).

Included in trade debtors is a balance of £nil (2018 - £21,679) owing by Semp Fisheries, a partnership in which Mr Stuart Cannon, director, is a partner. Also included is a balance of £65,087 (2018 - £120,622) owing by Oceanpick, a company in which Kames Fish Farming has an investment.

8. Cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 289,207 | 383,439 |
| | <u>289,207</u> | <u>383,439</u> |

Notes to the Financial Statements

For the Year Ended 31 January 2019

9. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Bank loans | 173,673 | 46,000 |
| Other loans | 104,000 | 104,001 |
| Trade creditors | 838,408 | 733,383 |
| Corporation tax | 367,752 | 233,122 |
| Other taxation and social security | 44,368 | 40,758 |
| Obligations under finance lease and hire purchase contracts | 16,038 | 12,474 |
| Accruals and deferred income | 76,946 | 52,087 |
| | <u>1,621,185</u> | <u>1,221,825</u> |

The bank and other loans are secured by standard securities over the property and certain other fixed assets.

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

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Bank loans | 923,491 | 402,500 |
| Other loans | 251,333 | 355,333 |
| Net obligations under finance leases and hire purchase contracts | 20,336 | 1,129 |
| Accruals and deferred income | 455,475 | - |
| | <u>1,650,635</u> | <u>758,962</u> |

The bank and other loans are secured by standard securities over the property and certain other fixed assets.

Notes to the Financial Statements

For the Year Ended 31 January 2019

11. Loans

Analysis of the maturity of loans is given below:

| | 2019 £ | 2018 £ |
|--|------------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | 173,673 | 46,000 |
| Other loans | 104,000 | 104,001 |
| | <u>277,673</u> | <u>150,001</u> |
| Amounts falling due 1-2 years | | |
| Bank loans | 173,673 | 46,000 |
| Other loans | 104,000 | 104,000 |
| | <u>277,673</u> | <u>150,000</u> |
| Amounts falling due 2-5 years | | |
| Bank loans | 615,723 | 138,000 |
| Other loans | 147,333 | 251,333 |
| | <u>763,056</u> | <u>389,333</u> |
| Amounts falling due after more than 5 years | | |
| Bank loans | 134,095 | 218,500 |
| | <u>134,095</u> | <u>218,500</u> |
| | <u>1,452,497</u> | <u>907,834</u> |

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2019 £ | 2018 £ |
|-------------------|---------------|---------------|
| Within one year | 16,038 | 12,474 |
| Between 1-5 years | 20,336 | 1,129 |
| | <u>36,374</u> | <u>13,603</u> |

Notes to the Financial Statements

For the Year Ended 31 January 2019

13. Deferred taxation

| | 2019 £ | 2018 £ |
|----------------------------|----------------|----------------|
| At beginning of year | 286,346 | 197,760 |
| Credited to profit or loss | 27,522 | 88,586 |
| At end of year | 313,868 | 286,346 |

The provision for deferred taxation is made up as follows:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Rollover relief on depreciating and non-depreciating assets | 313,868 | 286,346 |
| | 313,868 | 286,346 |

14. 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 £55,547 (2018 - £45,599). Contributions totalling £nil (2018 - £nil) were outstanding at the balance sheet date.