

# AQUASCOOT GROUP LIMITED

## REPORTS AND ACCOUNTS

30 JUNE 1995

### REGISTERED OFFICE

27 HURDY STREET  
LIVERNESS  
L43 5PR

### SOLICITORS

PAUGHAM CHAMBERS  
1 GOLDEN SQUARE  
LIVERNESS  
L43 5PR

### BANKERS

Bank of Scotland  
1 High Street  
LIVERNESS  
L43 5PR

### AUDITORS

Stuart and Martin  
27 HURDY STREET  
LIVERNESS  
L43 5PR

### TAX ADVISERS

Denise Ross  
39 St Vincent Street  
LIVERNESS

Company Registration No: 107209





## AQUASCOT GROUP LIMITED

## CHAIRMAN'S STATEMENT

This year was marked by the streamlining and development of our seafarming operations and continued expansion of our value added marketing. Relative to the previous year, turnover and profit before tax rose by 24% and 106% respectively.

Our policy of integration was further pursued by development of our freshwater operations. In order to be fully integrated and have control of our raw material supplies we have developed brood stock hatching and smolt rearing operations. This development has taken place by a combination of acquisitions and expansion of existing operations.

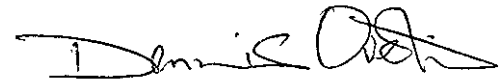
At the other end of our business, value added product development has grown significantly. We now have the facilities and supply on a daily basis, products to two UK multiple retailers and two continental European multiple retailers. We continue to prospect and develop sales outwith the multiple retail sector on a wide geographical basis, thus ensuring a balanced customer base.

Our local enterprise company, Ross and Cromarty Enterprise and Highland and Islands Enterprise continue to encourage and support our business, in particular, with regards to product development and staff training.

With the growth of the business the number of staff continues to increase. People are the key resource of any business and we are committed to their continued development and training. This process is being formalised through the Investors in People and Scottish Vocational Qualification Programme.

In July 1995 Jim Payne retired from our Board after 4 years service. His valuable contribution to the Board will be missed. Also Charles Lawrie, having completed a six month period of consultancy as a non executive director retired in September 1995.

Looking forward to the coming year we view it as marking the change of emphasis from the previous period of rapid growth through expansion to a period when we shall focus attention on maximising the return of the considerable seafarming resource now owned, while further development of more value added products and the markets for these products.



Chairman

## AQUASCOT GROUP LIMITED

## EXECUTIVE DIRECTORS

D K Overton      (Chairman)  
K D Agnew        (Managing Director)  
R R Murray       (Finance Director)

During the year J G Payne and C S Lawrie retired and C J Sinclair and A J Reeve were appointed as directors designate.

## AQUASCOT GROUP LIMITED

## OPERATING AND FINANCIAL REVIEW

## Operations Review

Group turnover has increased by 24%. This compares to a 23% increase in turnover in the previous year. A significant part of the increase in turnover has come about not through merely increased throughput but by an increasing proportion of our supplies being converted into higher value products. In the year to June 1995 turnover of value added processed product rose three-fold.

The percentage of export sales reduced slightly from 38% to 33% (although in absolute terms they continued to increase). This relative fall is due to the rapid increase in UK turnover to multiple retailers. The maintenance of a broad customer base is considered important, thus with the establishment of a strong base of UK multiple retailers efforts are now being made to develop continental European multiple retail customers.

Sales of value added products continue to grow rapidly, turnover increased by 291% to £1.6m and is set to maintain this rate of growth in the next financial year.

Our seafarming operations also experienced strong growth in the period under review. Turnover (valued at ex-farm market price) rose from £1.8m to £3.7m which equates to 1671 tonnes of salmon and trout. When tonnage from joint venture partners is added, throughput to our Alness processing facility from our own operations was 2160 tonnes.

Operating profits for the group were £574.6k rising by 76% compared to the previous year.

Interest charges in the year were £136.3k compared to £112.7 in the previous year.

Capital expenditure in the year was £966.7k reflecting our continued investment in the enhancement of the Alness processing facility and seafarming production.

Net profit attributable to shareholders was £341003 which represents £0.91 per ordinary share (previous year was £0.63 earnings per ordinary share).

The dividends declared of £99534 are in respect of our agreements with 3i PLC. The directors consider that no further dividend should be paid, the policy continuing to be the re-investment of earnings in the business.

## FINANCIAL REVIEW

The groups capital structure is as follows:

	AT JUNE	
	1995	1994
	£	£
<u>Debt Finance</u>		
Bank loans	737251	1076951
Finance lease and hire purchase	351952	135558
Other Loans	628570	725093
	<hr/>	<hr/>
	1717773	1937602
<u>Shareholders Funds</u>		
Share capital	382312	444632
Share premium account	562320	--
Reserves	471556	281845
	<hr/>	<hr/>
	1416188	726477
	<hr/>	<hr/>
	3133961	2664079
	<hr/> <hr/>	<hr/> <hr/>

## AQUASCOT GROUP LIMITED

## DIRECTORS' REPORT

The Directors present their report and the audited accounts for the year ended 30th June 1995.

## RESULTS AND DIVIDENDS

The group profit for the year after taxation and minority interests amounted to £265337, an increase of 48% on the previous year.

The directors recommend an ordinary dividend of £44562 be paid to 3i PLC in accordance with their agreement with 3i PLC and a preference dividend of £52722.

## PRINCIPAL ACTIVITIES

The group's principal activities are aquaculture and the processing and marketing of related products.

## REVIEW OF THE BUSINESS

The group has had a satisfactory year with an overall increase in sales as well as growth in sales for all major areas of activity. Growth in both home and export markets has been evident.

## FUTURE DEVELOPMENTS

The directors consider that the current year will see an increase in sales, especially by increasing sales of value added products. Integration will continue both in upstream and downstream activities.

## FIXED ASSETS

The changes in fixed assets are set out in note 10 to the accounts.

## EVENTS SINCE THE BALANCE SHEET DATE

On 15 September 1995, 100% of the issued share capital of Fossoway Fish Farms Limited was acquired.

On 1 August 1995, 75% of the issued share capital of Stirling Aquatic Technology Limited was acquired.

## RESEARCH AND DEVELOPMENT

The group is actively pursuing development work on the possibility of farming other species of fish and on new products for the retail market.

## DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

## EMPLOYEE INVOLVEMENT

Regular meetings are held between management and employees to allow a free flow of information and ideas. Employees are encouraged to contribute to the continual drive towards improving our standards and the quality of our services and products.

## POLITICAL AND CHARITABLE CONTRIBUTIONS/

## AQUASCOT GROUP LIMITED

## DIRECTORS' REPORT

## POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the group made no contributions to political parties. Various charitable contributions totalling £400 were made.

## DIRECTORS AND DIRECTORS INTERESTS

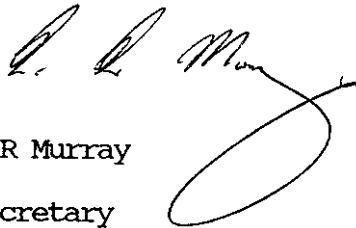
The directors of the company during the year ended 30th June 1995 were as set out on page 2.

No Director had an interest in the share capital of the company.

## AUDITORS

Stuart & Munro, Chartered Accountant's have expressed their willingness to continue in office as auditors and in accordance with the Companies Act 1985 a resolution proposing their reappointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'R R Murray', with a large, stylized loop at the end.

R R Murray

Secretary

12th January 1996



AQUASCOT GROUP LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which 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 these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Stuart & Munro

CHARTERED ACCOUNTANTS

## REPORT OF THE AUDITORS

to the members of Aquascot Group Limited

We have audited the accounts on pages 9 to 28 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 16 and 17.

### Respective responsibilities of directors and auditors

As described on page 7 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

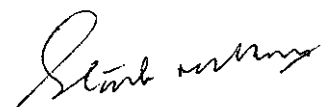
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30th June 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Stuart & Munro  
Chartered Accountants  
Registered Auditor  
Inverness

12th January 1996

GROUP PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 1995

	Note	£	1995 £	1994 £
TURNOVER	2			
Continuing operations:				
Ongoing			10769883	8199974
Acquisitions			330000	736938
			<hr/>	<hr/>
Cost of sales	3		11099883	8936912
			8326418	7433106
			<hr/>	<hr/>
GROSS PROFIT			2773465	1503806
Administrative expenses	3		2347074	1353121
			<hr/>	<hr/>
Other operating income	3		426391	150685
Income from interests in			148223	182069
associated undertakings	3		-	(7799)
			<hr/>	<hr/>
OPERATING PROFIT	4			
Continuing operations:				
Ongoing		445896		161674
Acquisition		128718		163281
		<hr/>		<hr/>
			574614	324955
Interest receivable		590		251
Interest payable	6	(136342)		(112722)
		<hr/>		<hr/>
			(135752)	(112471)
			<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES				
BEFORE TAXATION			438862	212484
Tax on profit on ordinary activities	7		49700	-
			<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR			389162	212484
Minority interests			48159	-
			<hr/>	<hr/>
PROFIT ATTRIBUTABLE TO THE MEMBERS OF				
AQUASCOT GROUP LIMITED	9		341003	212484
Dividends	8		99534	33398
			<hr/>	<hr/>
PROFIT RETAINED FOR THE FINANCIAL YEAR			£ 241469	£ 179086
			<hr/>	<hr/>

There are no recognised gains or losses other than the profit of the group for the year ended 30th June 1995.

## GROUP BALANCE SHEET - 30TH JUNE 1995

	Note	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	10	1764399	954192
<b>INVESTMENTS</b>			
	11	-	50788
		<u>1764399</u>	<u>1004980</u>
<b>CURRENT ASSETS</b>			
Stocks	12	3217545	1770889
Debtors	13	1707652	1632616
Cash at bank and in hand		58095	331
		<u>4983292</u>	<u>3403836</u>
CREDITORS - Amounts falling due within one year	15	4348073	2886972
		<u>4348073</u>	<u>2886972</u>
NET CURRENT ASSETS		635219	516864
		<u>635219</u>	<u>516864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2399618	1521844
		<u>2399618</u>	<u>1521844</u>
<b>CREDITORS - Amounts falling due after more than one year:</b>			
Obligations under finance leases and hire purchase contracts	17	203075	70274
Loans	18	628570	725093
		<u>831645</u>	<u>795367</u>
		1567973	726477
ACCRUALS AND DEFERRED INCOME	19	145160	-
		<u>145160</u>	<u>-</u>
		<u>£ 1422813</u>	<u>£ 726477</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	382312	444632
Share Premium account	21	562320	-
Profit and loss account	22	471556	281845
		<u>471556</u>	<u>281845</u>
Shareholders funds		1416188	726477
Minority interests		6625	-
		<u>1416188</u>	<u>726477</u>
		<u>£ 1422813</u>	<u>£ 726477</u>

APPROVED BY THE BOARD OF DIRECTORS/

AQUASCOT GROUP LIMITED

GROUP BALANCE SHEET - 30TH JUNE 1995 continued

APPROVED BY THE BOARD OF DIRECTORS



D K Overton

) Director



R R Murray

) Director

12th January 1996

## AQUASCOT GROUP LIMITED

RECONCILIATION OF SHAREHOLDERS FUNDS  
FOR THE YEAR ENDED 30TH JUNE 1995

	1995 £	1994 £
At 30th June 1994	726477	511786
Profit attributable to members of Aquascot Group Limited	341003	212484
Dividends	(99534)	(33398)
Other movements:		
New shares issued	45680	-
Redemption of shares	(108000)	(24000)
Goodwill written off	(51758)	59605
Movement in share premium account	562320	-
	<hr/>	<hr/>
At 30th June 1995	<u>£ 1416188</u>	<u>£ 726477</u>

## AQUASCOT GROUP LIMITED

## BALANCE SHEET - 30TH JUNE 1995


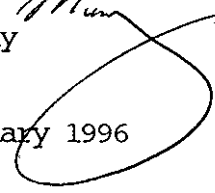
	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	10	743678	482879
INVESTMENTS	11	354131	346631
		<hr/>	<hr/>
		1097809	829510
CURRENT ASSETS			
Stocks	12	208524	35274
Debtors	13	1906461	1804529
Cash at bank and in hand		36461	125
		<hr/>	<hr/>
		2151446	1839928
CREDITORS - Amounts falling due within one year	15	1659239	1528227
		<hr/>	<hr/>
NET CURRENT ASSETS		492207	311701
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1590016	1141211
CREDITORS - Amounts falling due after more than one year			
Obligations under finance leases and hire purchase contracts	17	77574	24747
Loans	18	518962	671767
		<hr/>	<hr/>
		596536	696514
		<hr/>	<hr/>
ACCRUALS AND DEFERRED INCOME	19	993480 48665	444697 -
		<hr/>	<hr/>
		£ 944815	£ 444697
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20	382312	444632
Share Premium account	21	562320	-
Profit and loss account	22	183	65
		<hr/>	<hr/>
		£ 944815	£ 444697
		<hr/>	<hr/>

APPROVED BY THE BOARD OF DIRECTORS/

AQUASCOT GROUP LIMITED

BALANCE SHEET - 30TH JUNE 1995

APPROVED BY THE BOARD OF DIRECTORS

  
D K Overton ) Director  
R R Murray ) Director12th January 1996  




## AQUASCOT GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 30TH JUNE 1995

	Note	1995 £	1994 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	4(b)	805234	(247491)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		590	251
Interest paid		(116105)	(99116)
Interest element of finance lease payments		(20237)	(13606)
Dividends paid		(58048)	(24648)
NET CASH OUTFLOWS FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(193800)	(137119)
TAXATION:			
UK corporation tax paid		(19087)	(7286)
INVESTING ACTIVITIES:			
Purchase of tangible fixed assets		(640881)	(515785)
Purchase of subsidiaries		(55288)	(50999)
Purchase of investments		-	(50000)
Sale of tangible fixed assets		34965	30141
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(661204)	(586643)
NET CASH OUTFLOW BEFORE FINANCING		<u>(68857)</u>	<u>(978539)</u>
FINANCING:			
Repayment of capital element of finance lease rentals		109442	105272
Issue of preference share capital		(108000)	-
Loans		(570000)	(710000)
Repayment of loans		202576	14584
Grants received		(208339)	-
Redemption of preference share capital		108000	24000
NET CASH INFLOW FROM FINANCING		(466321)	(566144)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14	397464	(412395)
		<u>£ (68857)</u>	<u>£ (978539)</u>

## Major non-cash transactions:

During the year the group entered into finance lease and hire purchase arrangements in respect of assets with a total capital value at the inception of the leases of £325836 (1994 - £134191)

During the year a loan for £500000 was converted to 40000 'C' ordinary £1 shares and 460000 'C' preference shares of 1p.

## AQUASCOT GROUP LIMITED

NOTES ON THE ACCOUNTS - 30TH JUNE 1995

## 1 ACCOUNTING POLICIES

## (a) Accounting Convention

The accounts are prepared under the historical cost convention.

## (b) Depreciation

The cost of tangible fixed assets other than land is written off in equal annual instalments over their expected useful lives as follows:-

Buildings - Freehold	-	5% of cost
- Short leasehold	-	10% of cost
Plant and equipment	-	20% to 25% of cost
Motor vehicles	-	25% of cost

## (c) Stock

Stock is valued at the lower of cost or net realisable value. For fish stocks, cost comprises the purchase price of fish and attributable direct costs and overheads based on a normal level of activity.

## (d) Deferred Taxation

Provision is made for deferred taxation using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

## (e) Basis of Consolidation

The Group accounts consolidate the accounts of Aquascot Group Limited and its subsidiaries made up to 30th June 1995. No profit and loss account is presented for Aquascot Group Limited as permitted by Section 230 of the Companies Act 1985. The acquisition method of accounting has been used to prepare the Group accounts. The group profit and loss account includes the results of Rispond Fish Farm Limited for the 12 month period from its acquisition on 4th July 1994.

## (f) Goodwill

Goodwill is the difference between the amount paid on the acquisition of a subsidiary and the aggregate fair value of its separable net assets and it is set off directly against reserves.

## (g) Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

## (h) Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the term of the lease. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic charge on the capital repayments outstanding.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

## (i)/

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

## 1 ACCOUNTING POLICIES continued

## (i) Pensions

The company operates a defined contribution pension scheme for certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## (j) Grants

Government grants in respect of capital expenditure are treated as deferred credits and are released to revenue over the expected useful life of the relevant asset by equal annual instalments.

Grants of a revenue nature are credited to income in the period in which they are received.

## (k) Research and Development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

## 2 TURNOVER

Turnover, which is stated net of value added tax, represents the amounts derived from the provision of goods and services which fall within the groups ordinary activities.

Turnover is attributable to one continuing activity, the farming, processing and marketing of fish.

An analysis of turnover by geographical market of destination is given below:

	1995 £	1994 £
United Kingdom	7416718	5540886
Europe	3107983	2770443
USA	176816	268107
Japan, Hong Kong and Middle East	142805	268107
Egypt	255561	89369
	<u>          </u>	<u>          </u>

All sales originate in the United Kingdom.

## 3 COST OF SALES AND OPERATING COSTS

	1995 Continuing £	1994 Continuing £
Cost of sales	8326418	7433106
Administrative expenses	2347074	1353121
Other operating income	148223	182069
Income from interest in associate undertakings	-	(7799)
	<u>          </u>	<u>          </u>

No part of the group's activities were discontinued during the year. The total figures for continuing operations in 1995 include the following amounts relating to acquisitions:

Cost of sales £52535; administrative expenses £518078; and other operating income £11049.

4(a)/

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	1995 £	1994 £
4(a) OPERATING PROFIT		
Operating profit is arrived at after charging:		
Auditors' remuneration	12500	12511
Depreciation of owned fixed assets	397272	180226
Depreciation of assets held under finance leases	73069	62136
Operating lease rentals	23550	9163
	<u>          </u>	<u>          </u>
and after crediting:		
Capital grant	41287	45393
Revenue grant	98510	78374
	<u>          </u>	<u>          </u>
4(b) RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Operating profit	574614	324955
Depreciation	470338	242362
Profit on sale of fixed assets	(6719)	(17301)
Loss on sale of investment	-	20000
Release of deferred credit	(139797)	-
Share of loss of associated undertakings	-	7799
Increase in stocks	(1446656)	(788578)
Increase in debtors	(64425)	(173689)
Increase in creditors	1417879	136961
	<u>          </u>	<u>          </u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	805234	(247491)
	<u>          </u>	<u>          </u>
5 STAFF COSTS		
Wages and salaries	1432968	782529
Social security costs	123722	68448
Pension costs	9383	13774
	<u>          </u>	<u>          </u>
	1566073	864751
	<u>          </u>	<u>          </u>
The average weekly number of employees during the year was:		
Administration staff	25	17
Production staff	116	79
	<u>          </u>	<u>          </u>
	141	96
	<u>          </u>	<u>          </u>
6 INTEREST PAYABLE		
Bank overdraft and loans wholly repayable within 5 years	99800	93514
Finance charges payable under finance leases	33114	13606
Other loans not wholly repayable within 5 years	3428	5602
	<u>          </u>	<u>          </u>
	136342	112722
	<u>          </u>	<u>          </u>

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	1995 £	1994 £
7 TAXATION		
Corporation tax at 25%	49700	-
	<u>          </u>	<u>          </u>

The effective tax rate is lower than normal as a result of the availability of tax losses brought forward and available to set off against profits.

8 DIVIDENDS		
Paid - preference shares	31862	13500
Proposed - preference shares	20859	-
Paid - ordinary shares	2250	-
Proposed - ordinary shares	44563	19898
	<u>          </u>	<u>          </u>
	99534	33398
	<u>          </u>	<u>          </u>

- 9 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY  
The profit attributable to members of the parent company includes profits of £48159 earned by Rispond Fish Farm Limited from 4 July 1994, the effective date of acquisition.
- Rispond Fish Farm Limited earned a profit of £2018834 in the 18 month period to 30th June 1995 [1994 - (£776727)] of which £1922516 arose in the period from 1 January 1994 to the effective date of acquisition.

- 10 TANGIBLE FIXED ASSETS  
GROUP/

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

10 TANGIBLE FIXED ASSETS  
GROUP

	Land and Buildings Freehold £	Short Leasehold £	Plant and Equipment £	Motor Vehicles £	Total £
<b>COST</b>					
At 30th June 1994	264750	317811	839698	92838	1515097
Additions	176197	170511	558327	61682	966717
Arising on acquisition of subsidiary undertaking	191975	37986	1052130	-	1282091
Disposals	-	-	(29318)	(7000)	(36318)
At 30th June 1995	632922	526308	2420837	147520	3727587
<b>DEPRECIATION</b>					
At 30th June 1994	10452	79249	444833	26371	560905
Arising on acquisition of subsidiary undertaking	157625	4218	778174	-	940017
Charge for year	45033	36087	360797	28421	470338
Disposals	-	-	(2822)	(5250)	(8072)
At 30th June 1995	213110	119554	1580982	49542	1963188
<b>NET BOOK VALUE</b>					
At 30th June 1995	419812	406754	839855	97978	1764399
At 30th June 1994	254298	238562	394865	66467	954192

The net book amounts of Plant & Equipment and Motor Vehicles above include amounts of £364707 [1994 - £123467] and £74069 [1994 - £45353] in respect of assets held under finance leases and hire purchase contracts.

TANGIBLE FIXED ASSETS  
COMPANY/

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

## 10 TANGIBLE FIXED ASSETS continued

## COMPANY

	Land and Buildings		Plant and	Motor	Total
	Freehold	Short	Equipment	Vehicles	
	£	£	£	£	
COST					
At 30th June 1994	252750	180298	306457	52875	792380
Additions	-	138615	257491	30700	426806
Disposals	-	-	(12418)	(7000)	(19418)
At 30th June 1995	252750	318913	551530	76575	1199768
DEPRECIATION					
At 30th June 1994	10452	53433	227016	18600	309501
Charge for year	12637	32676	92911	13615	151839
Disposals	-	-	-	(5250)	(5250)
At 30th June 1995	23089	86109	319927	26965	456090
NET BOOK VALUE					
At 30th June 1995	229661	232804	231603	49610	743678
At 30th June 1994	242298	126865	79441	34275	482879

The net book amounts of Plant and Equipment and Motor Vehicles above includes amounts of £102839 [1994 - £23706] and £39583 [1994 - £24907] in respect of assets held under finance leases and hire purchase contracts.

	1995	1994
	£	£
11 INVESTMENTS		
GROUP		
Associated undertakings	-	788
Other fixed asset investments	-	50000
	-	50788

INVESTMENTS  
COMPANY/

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

11 INVESTMENTS continued  
COMPANY

	Subsidiary Undertakings	Associate Undertakings	Total
	£	£	£
COST			
At 30th June 1994	346631	-	346631
Additions	7500	-	7500
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 30th June 1995	354131	-	354131
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30th June 1995	354131	-	354131
	<hr/>	<hr/>	<hr/>
At 30th June 1994	346631	-	346631
	<hr/>	<hr/>	<hr/>

Analysis of the acquisition of Rispond Fish Farm Limited, Sutherland Sea Farms Limited and Seagro Limited:

Net assets at date of acquisition:

	Book Value £	Fair Value to Group £
Tangible fixed assets	342076	342076
Other net liabilities	(264428)	(264428)
	<hr/>	<hr/>
Deferred income	77648 (76618)	77648 (76618)
	<hr/>	<hr/>
Net assets	1030	1030
	<hr/>	<hr/>
Goodwill arising on acquisition		51758
		<hr/>
		52788
		<hr/>
Discharged by:		
Cash consideration		52788
		<hr/>



## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
12 STOCKS				
Fish stocks	3150706	1709469	141685	15908
Packaging and stationery	66839	61420	66839	19366
	<u>3217545</u>	<u>1770889</u>	<u>208524</u>	<u>35274</u>
13 DEBTORS				
Trade debtors	1264642	1082532	1017116	1066777
Other debtors	359189	512636	145323	208635
Amounts owed by subsidiary undertakings	-	-	722194	516714
Prepayments and accrued income	83557	37448	21828	12403
	<u>1707652</u>	<u>1632616</u>	<u>1906461</u>	<u>1804529</u>

All debtors are due within one year

14 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	58095	331	57764
Bank overdraft	(737251)	(1076951)	339700
	<u>(679156)</u>	<u>(1076620)</u>	<u>397464</u>

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
15 CREDITORS - Amounts falling due within one year				
Bank overdraft	737251	1076951	12166	642938
Trade creditors	1725978	1407356	165191	684598
Trade creditors - secured	665799	-	665799	-
Other creditors	133897	89134	66560	26470
Other creditors - secured	570320	-	570320	-
Other taxes and social security costs	38040	21908	24590	12202
Obligations under finance leases and hire purchase contracts	148877	65284	55626	14928
Loans	88112	124165	43826	111613
Accruals	198599	102174	55161	35478
Corporation Tax	41200	-	-	-
	<u>4348073</u>	<u>2886972</u>	<u>1659239</u>	<u>1528227</u>

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

## 16 BANK OVERDRAFT

The bank overdraft is secured by a bond and floating charge over all the group assets.

## 17 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
Amounts payable:				
Within one year	180593	77639	66723	17702
In the second to fifth year inclusive	242217	82217	91481	28507
	<u>422810</u>	<u>159856</u>	<u>158204</u>	<u>46209</u>
<u>Less:</u> Finance charges allocated to future periods	70858	24298	25004	6534
	<u>351952</u>	<u>135558</u>	<u>133200</u>	<u>39675</u>
Current obligation	148877	65284	55626	14928
Non-current obligation	203075	70274	77574	24747
	<u>351952</u>	<u>135558</u>	<u>133200</u>	<u>39675</u>
Analysis of changes in finance leases and hire purchase contracts during the year:				
At 30th June 1994	135558	106639	39675	39008
Additions	325836	134191	127917	35053
Capital element of rental payments	(109442)	(105272)	(34392)	(34386)
At 30th June 1995	<u>351952</u>	<u>135558</u>	<u>133200</u>	<u>39675</u>

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
18 LOANS				
Not wholly repayable within 5 years				
HIE loan at 9% per annum, repayable in instalments of £1469 per month commencing November 1991	61765	73380	61765	73380
Bank Term loan at 3.5% above base, repayable in instalments of £6539 commencing February 1995	491408	-	491408	-
HIE loan at 10% per annum, repayable in instalments of £7552 commencing February 1995	39231	40000	-	-
Wholly repayable within 5 years	124278	735878	9615	710000
	<u>716682</u>	<u>849258</u>	<u>562788</u>	<u>783380</u>
Included in current liabilities	88112	124165	43826	111613
	<u>628570</u>	<u>725093</u>	<u>518962</u>	<u>671767</u>
Instalments not due within 5 years	<u>369545</u>	<u>28642</u>	<u>363637</u>	<u>11500</u>
The loans are secured by a fixed charge over the company's property and by a bond and floating charge over all the group's assets.				
Analysis of changes in loan financing during the year:				
At 30th June 1994	849258	153842	783380	84236
Loan converted into shares during the year	(500000)	-	(500000)	-
Net cash inflow from financing	367424	695416	279408	699144
	<u>716682</u>	<u>849258</u>	<u>562788</u>	<u>783380</u>
At 30th June 1995	<u>716682</u>	<u>849258</u>	<u>562788</u>	<u>783380</u>
19 ACCRUALS AND DEFERRED INCOME				
Government Grants				
Balance at 1 July 1994	-	-	-	-
Received during the year	208339	-	102586	-
Arising on acquisition of subsidiary undertaking	76618	-	-	-
Released during the year	139797	-	53921	-
	<u>145160</u>	<u>-</u>	<u>48665</u>	<u>-</u>
Balance as at 30 June 1995	<u>145160</u>	<u>-</u>	<u>48665</u>	<u>-</u>

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	1995 £	1994 £
20 CALLED UP SHARE CAPITAL		
Authorised		
'A' ordinary shares of £1	249488	337156
'B' ordinary shares of £1	25000	25000
'C' ordinary shares of £1	126144	86144
	<u>400632</u>	<u>448300</u>
Allotted, issued and fully paid		
'A' ordinary shares of £1	249488	249488
'B' ordinary shares of £1	1000	1000
'C' ordinary shares of £1	126144	86144
	<u>376632</u>	<u>336632</u>
Authorised		
5% Cumulative 'A' Preference Shares	4500	-
12.5% Cumulative Redeemable 'B' Preference Shares	108000	108000
1050% Cumulative Redeemable 'C' Preference Shares	5680	-
	<u>118180</u>	<u>108000</u>
Allotted, issued and fully paid		
12.5% Cumulative Redeemable 'B' Preference Shares	-	108000
1050% Cumulative Redeemable 'C' Preference Shares	5680	-
	<u>5680</u>	<u>108000</u>
	1995 Group £	1995 Company £
ANALYSIS OF CHANGES IN SHARE CAPITAL DURING THE YEAR		
At 30th June 1994	444632	444632
Redemption of redeemable shares	(108000)	(108000)
Issue of 'C' ordinary shares	40000	40000
Issue of Redeemable preference shares	5680	5680
	<u>382312</u>	<u>382312</u>
At 30th June 1995		

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

	1995 Group £	1995 Company £
21 SHARE PREMIUM ACCOUNT		
At 30 June 1994	-	-
Arising on share issue	562320	562320
	<hr/>	<hr/>
At 30 June 1995	562320	562320
	<hr/>	<hr/>
22 PROFIT AND LOSS ACCOUNT		
At 30th June 1994	281845	65
Profit for the financial year	241469	118
Goodwill on acquisition		
of subsidiary written off	(51758)	-
	<hr/>	<hr/>
At 30th June 1995	471556	183
	<hr/>	<hr/>

The cumulative total of goodwill written off at 30th June 1995 is (£36060) [1994 - £15698]

- 23 HOLDING COMPANY  
The ultimate Holding Company at the Balance Sheet date was Highland Consolidated Holdings (Scotland) Limited, a company registered in Scotland.

## 24 SUBSIDIARY COMPANIES

	Country of Registration	Holding	Proportion of voting rights and shares held	Nature of Business
Murray of Cromarty				
Highland Salmon Ltd	Scotland	Ordinary shares	100%	Non trading
Aquascot Seafarms Ltd	Scotland	Ordinary shares	100%	Aquaculture
West Coast Salmon				
Scotland Ltd	Scotland	Ordinary shares	100%	Aquaculture
Sutherland Seafarms Ltd	Scotland	Ordinary shares	100%	Aquaculture
Seagro Ltd	Scotland	Ordinary shares	100%	Aquaculture
Rispond Fish Farms Ltd	Scotland	Ordinary shares	50%	Aquaculture

	1995 £	1994 £
25 CAPITAL COMMITMENTS		
GROUP		
Contracted	-	50000
	<hr/>	<hr/>
Authorised by the directors but not contracted	180178	-
	<hr/>	<hr/>

## NOTES ON THE ACCOUNTS - 30TH JUNE 1995 continued

## 26 PENSION SCHEME

The group operates a defined contribution scheme for certain employees. Contributions are charged to the profit and loss account in the year in which they arise. Contributions charged in respect of the year amounted to £9383. No contributions were outstanding or prepaid at 30th June 1995.

## 27 POST BALANCE SHEET EVENTS

On 15 September 1995, 100% of the issued share capital of Fossoway Fish Farms Limited was acquired.

On 1 August 1995, 75% of the issued share capital of Stirling Aquatic Technology Limited was acquired.