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Company Registration No. SC173076 (Scotland)

SHETLAND MUSSELS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2018

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EDINBURGH

31 MAY 2019

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ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF SHETLAND MUSSELS LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018


In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Shetland Mussels Limited which comprise the statement of financial position and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Shetland Mussels Limited, as a body, in accordance with the terms of our engagement letter dated 27 November 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Shetland Mussels Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Shetland Mussels Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Shetland Mussels Limited under the Act. You consider that Shetland Mussels Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Shetland Mussels Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.


RSM UK Tax and Accounting Limited
Chartered Accountants
St Olaf's Hall
Church Road
Lerwick
Shetland Isles
ZE1 0FD

31 May 2019

SHETLAND MUSSELS LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4	2,395,454		1,552,663	
Investments	5	3		3	
		<u>2,395,457</u>		<u>1,552,666</u>	
Current assets					
Stocks		679,566		605,925	
Debtors	6	667,159		906,670	
		<u>1,346,725</u>		<u>1,512,595</u>	
Creditors: amounts falling due within one year	7	<u>(1,063,885)</u>		<u>(1,592,765)</u>	
Net current assets/(liabilities)			282,840		(80,170)
Total assets less current liabilities			<u>2,678,297</u>		<u>1,472,496</u>
Creditors: amounts falling due after more than one year	8		(1,733,701)		(645,753)
Provisions for liabilities	9		(88,423)		(74,549)
Deferred income			<u>(517,095)</u>		<u>(298,863)</u>
Net assets			<u><u>339,078</u></u>		<u><u>453,331</u></u>
Capital and reserves					
Called up share capital	10		600		600
Profit and loss reserves			<u>338,478</u>		<u>452,731</u>
Total equity			<u><u>339,078</u></u>		<u><u>453,331</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

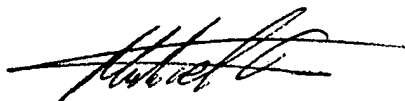
SHETLAND MUSSELS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JULY 2018

The financial statements were approved by the board of directors and authorised for issue on 31 May 2019 and are signed on its behalf by:

Mr M L Tait
Director



SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

Company information

Shetland Mussels Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Vadhure, Walls, Shetland, ZE2 9PF.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	25 years
Plant and machinery	4 - 10 years
Fixtures and fittings	5 - 10 years
Boats	20 years

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2017 - 16).

3 Directors' remuneration

	2018 £	2017 £
Remuneration paid to directors	100,082	107,402

Dividends totalling £0 (2017 - £0) were paid in the year in respect of shares held by the company's directors.

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

4 Tangible fixed assets		Freehold land and buildings	Assets under construction	Plant and machinery	Fixtures and fittings	Boats	Total
		£	£	£	£	£	£
Cost							
At 1 August 2017		343,431	854,402	1,455,837	236,636	295,125	3,185,431
Additions		156,271	747,778	93,861	-	27,818	1,025,728
Disposals		-	-	-	-	(6,382)	(6,382)
Transfers		-	(1,020,880)	1,020,880	-	-	-
At 31 July 2018		499,702	581,300	2,570,578	236,636	316,561	4,204,777
Depreciation and impairment							
At 1 August 2017		168,538	-	1,072,427	232,592	159,211	1,632,768
Depreciation charged in the year		19,988	-	139,189	3,380	14,955	177,512
Eliminated in respect of disposals		-	-	-	-	(957)	(957)
At 31 July 2018		188,526	-	1,211,616	235,972	173,209	1,809,323
Carrying amount							
At 31 July 2018		311,176	581,300	1,358,962	664	143,352	2,395,454
At 31 July 2017		174,893	854,402	383,410	4,044	135,914	1,552,663

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

5 Fixed asset investments

	2018	2017
	£	£
Investments	3	3

6 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	166,549	523,818
Amounts owed by group undertakings	342,748	301,999
Other debtors	157,862	80,853
	667,159	906,670

7 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	479,190	1,118,584
Obligations under finance leases	22,468	27,139
Other borrowings	77,685	36,525
Trade creditors	409,275	312,339
Other creditors	68,829	92,240
Accruals and deferred income	6,438	5,938
	1,063,885	1,592,765

8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	1,572,649	613,016
Other creditors	161,052	32,737
	1,733,701	645,753

9 Provisions for liabilities

	2018	2017
	£	£
Deferred tax liabilities	88,423	74,549

SHETLAND MUSSELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
600 Ordinary shares of £1 each	600	600
	<u>600</u>	<u>600</u>

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	14,945	11,956
Between one and five years	9,036	18,642
	<u>23,981</u>	<u>30,598</u>