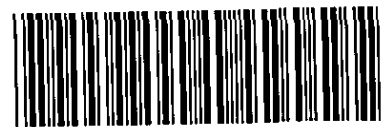


COMPANY REGISTRATION NUMBER SC214325

PELAGIC FREEZING (SCOTLAND) LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2009

FRIDAY



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COMPANIES HOUSE

PELAGIC FREEZING (SCOTLAND) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

R P Duthie
A M I Bonthron
D R Fasken (resigned 31 March 2010)

Secretary

G A Hanson

Registered office

Castle Street
Peterhead
Aberdeenshire
AB42 1EN

Independent auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
Glasgow
United Kingdom

PELAGIC FREEZING (SCOTLAND) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to small companies exemption.

Principal activities

The principal activity of the company is the provision of packing, freezing and cold storage services to the fishing industry in North East of Scotland.

Results and dividends

The profit for the year after taxation was £354,024 (2008 loss - £433,697). The directors do not recommend a dividend for year ended 31 December 2009 (2008 - £Nil).

Directors

The directors who served the company during the year and at the date of this report are listed on page 1.

Employment policies

The company's employment policies are built around Fairness, Achievement, Integrity and Respect and are set out in the Denholm Standard for employment.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 financial statements, the directors are required to:

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

The directors, having considered the company's forecasts, cash resources, and group facilities, have concluded that the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PELAGIC FREEZING (SCOTLAND) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

Directors' responsibilities statement *(continued)*

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each of the directors have taken such steps as they should have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Subsequent to the year end, Johnston Carmichael resigned as auditors and Deloitte LLP were appointed in their place. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint Deloitte LLP as auditors for the ensuing year will be proposed at the annual general meeting.

Close company provisions

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

By order of the Board on 11 JUN 2010



G A HANSON
Company Secretary

PELAGIC FREEZING (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABLY RESOURCES LIMITED

YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Pelagic Freezing (Scotland) Limited, company registration number SC214325, for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PELAGIC FREEZING (SCOTLAND) LIMITED

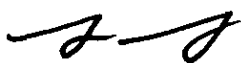
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PELAGIC
FREEZING (SCOTLAND) LIMITED *(continued)***

YEAR ENDED 31 DECEMBER 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



James Boyle CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Glasgow
United Kingdom

24 JUNE 2010

PELAGIC FREEZING (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER	2	2,878,842	2,016,588
Cost of sales		(1,340,594)	(996,667)
GROSS PROFIT		1,538,248	1,019,921
Administrative expenses		(915,521)	(950,498)
OPERATING PROFIT	3	622,727	69,423
Loss on disposal of fixed assets		(42,433)	-
Interest receivable		112	14,784
Interest payable and similar charges	6	(160,115)	(231,081)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		420,291	(146,874)
Tax on profit/(loss) on ordinary activities	7	(66,267)	(286,823)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	20	354,024	(433,697)

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £354,024 attributable to the shareholders for the year ended 31 December 2009 (2008 - loss of £433,697).

The notes on page 6 form part of these financial statements.

PELAGIC FREEZING (SCOTLAND) LIMITED

BALANCE SHEET

31 DECEMBER 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	8	6,481,743	6,783,279
CURRENT ASSETS			
Stocks	9	125,978	132,814
Debtors due within one year	10	241,877	138,005
Cash at bank and in hand		<u>302,807</u>	<u>174,049</u>
		670,662	444,868
CREDITORS: Amounts falling due within one year	11	<u>(906,996)</u>	<u>(757,551)</u>
NET CURRENT LIABILITIES		<u>(236,334)</u>	<u>(312,683)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,245,409</u>	<u>6,470,596</u>
CREDITORS: Amounts falling due after more than one year	12	<u>(2,101,266)</u>	<u>(4,181,299)</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	<u>(698,524)</u>	<u>(632,284)</u>
DEFERRED INCOME			
Government grants	16	<u>(1,234,022)</u>	<u>(1,332,770)</u>
NET ASSETS		<u>2,211,597</u>	<u>324,243</u>
CAPITAL AND RESERVES			
Called-up share capital	19	666,666	666,666
Profit and loss account	20	<u>1,544,931</u>	<u>(342,423)</u>
SHAREHOLDERS' FUNDS	21	<u>2,211,597</u>	<u>324,243</u>

These financial statements were approved by the Board on 11 June 2010



R P DUTHIE

The notes on pages 8 to 15 form part of these financial statements.

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The principal accounting policies are summarised below. They have all been adopted consistently throughout the current and preceding year.

The financial statements have been prepared on the going concern basis, as explained in the Directors' report.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is more than 90% owned by a group of companies and its ultimate parent includes the company in its consolidated financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation, and any provision for impairment. Depreciation is calculated on a straight line basis to write off the cost less estimated residual value of tangible fixed assets over their anticipated useful lives as follows:

Leasehold Property	- 50 years
Plant & Machinery	- 4 - 15 years
Fixtures, Fittings & Equipment	- 5 years
Motor Vehicles	- 6 - 7 years
Computer Equipment	- 4 - 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost of raw materials represents purchase price. Net realisable value is based on estimated selling price less further cost expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Leases

Rentals in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

Pension costs arising in respect of the defined contribution scheme are charged to profit and loss account as incurred.

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES *(continued)*

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. Other grants are credited to the profit and loss account as the related expenditure is incurred.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity undertaken in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after (crediting)/charging:

	2009	2008
	£	£
Amortisation of government grants	(98,748)	(98,748)
Depreciation of owned fixed assets	518,342	522,644
Auditors' remuneration	9,000	5,750
Operating lease costs:		
Land and buildings	<u>50,000</u>	<u>50,000</u>

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2009 Number	2008 Number
Production staff	21	21
Administrative staff	2	2
Management staff	4	4
	<u>27</u>	<u>27</u>

The aggregate payroll costs of the above were:

	2009 £	2008 £
Wages and salaries	601,833	566,820
Social security costs	18,885	53,381
Other pension costs	14,987	11,329
	<u>635,705</u>	<u>631,530</u>

The numbers stated above include Directors' remuneration.

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2009 £	2008 £
Remuneration receivable	<u>61,684</u>	<u>6,750</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009 Number	2008 Number
Money purchase scheme	<u>1</u>	<u>1</u>

Some of the company's directors were paid by other group companies during the year and in the prior year. The emoluments of these directors are shown in the financial statements of other group companies and it is not practical to make an appointment of remuneration in respect of services provided to this company.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on bank borrowings	<u>160,115</u>	<u>231,081</u>

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

7. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 – 28.5%)	<u>27</u>	<u>10,224</u>
Total current tax	<u>27</u>	<u>10,224</u>
Deferred tax:		
Origination and reversal of timing differences (note 15)	<u>66,240</u>	<u>276,599</u>
Tax on profit/(loss) on ordinary activities	<u>66,267</u>	<u>286,823</u>

(b) Factors affecting current tax charge for the period

Total current tax for the year when expressed as a percentage of profit/(loss) on ordinary activities before taxation is lower at 0% (2008 – lower at -7%) than the standard rate of corporation tax in the UK of 28% (2008 – 28.5%). The differences are explained below:

	2009	2008
	%	%
Standard rate of corporation tax in the UK	28	28
Accounting depreciation not eligible for tax purposes	(3)	-
Expenses not eligible for tax purposes	(7)	-
Capital allowances in excess of accounting depreciation	20	35
Other timing differences	(36)	39
Sundry tax adjusting items	(2)	-
Tax on notional loan waiver	-	(110)
Release of deferred tax provision in respect of IBA's	-	1
	<u>-</u>	<u>(7)</u>

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST						
At 1 Jan 2009	3,049,842	6,637,915	22,843	144,706	58,306	9,913,612
Additions	262,000	36,572	—	—	787	299,359
Disposals	(100,670)	—	—	—	—	(100,670)
At 31 Dec 2009	<u>3,211,172</u>	<u>6,674,487</u>	<u>22,843</u>	<u>144,706</u>	<u>59,093</u>	<u>10,112,301</u>
DEPRECIATION						
At 1 Jan 2009	374,668	2,551,726	22,843	129,358	51,738	3,130,333
Charge for the year	60,997	442,099	—	12,203	3,043	518,342
On disposals	(18,117)	—	—	—	—	(18,117)
At 31 Dec 2009	<u>417,548</u>	<u>2,993,825</u>	<u>22,843</u>	<u>141,561</u>	<u>54,781</u>	<u>3,630,558</u>
NET BOOK VALUE						
At 31 Dec 2009	<u>2,793,624</u>	<u>3,680,662</u>	<u>—</u>	<u>3,145</u>	<u>4,312</u>	<u>6,481,743</u>
At 31 Dec 2008	<u>2,675,174</u>	<u>4,086,189</u>	<u>—</u>	<u>15,348</u>	<u>6,568</u>	<u>6,783,279</u>

The leasehold property above relates to a lease with less than 50 years unexpired.

9. STOCKS

	2009 £	2008 £
Finished goods and goods for resale	<u>125,978</u>	<u>132,814</u>

10. DEBTORS

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	39,418	49,405
Amounts owed by group undertakings	25,577	47,413
Other debtors	162,943	23,000
Prepayments and accrued income	13,939	18,187
	<u>241,877</u>	<u>138,005</u>

11. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts (note 13)	546,700	546,700
Trade creditors	133,214	30,535
Other taxation and social security	37,770	98,524
Other creditors	189,312	81,792
	<u>906,996</u>	<u>757,551</u>

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

12. CREDITORS: Amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts (note 13)	2,101,266	2,647,965
Other loans	–	1,533,334
	<u>2,101,266</u>	<u>4,181,299</u>

13. BORROWINGS

Creditors include bank loans which are due for repayment as follows:

	2009	2008
	£	£
Amounts repayable:		
In one year or less or on demand	546,700	546,700
In more than one year but not more than two years	546,700	546,700
In more than two years but not more than five years	1,490,097	1,640,100
In more than five years	64,469	1,994,499
	<u>2,647,966</u>	<u>4,727,999</u>

There are four sterling loans held by the company, two at fixed rates of 6.59% and 7.34% and two at variable rates of UK base rate plus 1.75% and 2.5% respectively. All of these loans are repayable by fixed monthly instalments, two until 2014 and two until 2015, and are secured by fixed and floating charges against the company's assets.

14. PENSIONS

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £14,987 (2008 - £11,329).

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2009	2008
	£	£
Provision brought forward	632,284	355,685
Current year charge (note 7)	66,240	276,599
Provision carried forward	<u>698,524</u>	<u>632,284</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	703,930	792,044
Tax losses available	(5,406)	(159,760)
	<u>698,524</u>	<u>632,284</u>

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

16. GOVERNMENT GRANTS

	2009 £
At 1 January 2009	1,332,770
Released to the profit and loss account in the year	(98,748)
At 31 December 2009	<u>1,234,022</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2009	2008
	£	£
Operating leases which expire:		
After more than 5 years	<u>50,000</u>	<u>50,000</u>

18. RELATED PARTY TRANSACTIONS

	Purchases from related party	Sales to related party	Trading balances owed to related party	Trading balances owed from related party
	£	£	£	£
Related party				
2009				
Denholm Seafoods Limited * (P)	-	2,470,285	-	25,577
Croan Seafoods Limited **	-	-	-	-
Alisrose Limited (J)	12,385	-	-	-
Denholm Fishselling Limited *	-	3,710	-	483
	<u>12,385</u>	<u>2,473,995</u>	<u>-</u>	<u>26,060</u>
Related party				
2008	£	£	£	£
Denholm Seafoods Limited * (P)	-	505,895	-	43,674
Croan Seafoods Limited **	3,821	16,564	-	1,210
Alisrose Limited (J)	6,426	-	387	23,000
Denholm Fishselling Limited *	-	-	-	-
	<u>10,247</u>	<u>522,459</u>	<u>387</u>	<u>67,884</u>

* Fellow subsidiaries of J. & J. Denholm Limited, the ultimate parent undertaking

** Croan Seafoods Limited owned 37.5% of the issued share capital of Pelagic Freezing (Scotland) Limited up to 18 September 2008

(P) Immediate parent undertaking

(J) Joint venture of Denholm Seafoods Limited, the immediate parent undertaking

In the year to 31 December 2009, compensation payments of £Nil (2008 - £11,715) were received for consortium relief claimed by Ocean Fish-selling Company Limited, a minority shareholder in Pelagic Freezing (Scotland) Limited.

PELAGIC FREEZING (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

19. SHARE CAPITAL

Allotted, called up and fully paid:

	2009		2008	
	Number	£	Number	£
Ordinary shares of £1 each	<u>666,666</u>	<u>666,666</u>	<u>666,666</u>	<u>666,666</u>

20. PROFIT AND LOSS ACCOUNT

	2009	2008
	£	£
Balance brought forward	(342,423)	91,274
Capital contribution – loan waiver	1,533,330	–
Profit/(loss) for the financial year	<u>354,024</u>	<u>(433,697)</u>
Balance carried forward	<u>1,544,931</u>	<u>(342,423)</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£	£
Profit/(loss) for the financial year	354,024	(433,697)
Capital contribution – loan waiver	1,533,330	–
Opening shareholders' funds	<u>324,243</u>	<u>757,940</u>
Closing shareholders' funds	<u>2,211,597</u>	<u>324,243</u>

22. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Denholm Seafoods Limited, a company registered in Scotland. The ultimate parent undertaking is J. & J. Denholm Limited, a company registered in England. The smallest group in which the results of Pelagic Freezing (Scotland) Limited are consolidated is that headed Denholm Seafoods Limited. The largest group in which the results of Pelagic Freezing (Scotland) Limited are consolidated is that headed J. & J. Denholm Limited. Copies of the accounts of these groups may be obtained from the Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.