

COMPANY REGISTRATION NUMBER: SC262080

**Aquascot Limited**  
**Financial Statements**  
**31 January 2023**



**RITSONS**  
Chartered Accountants & Statutory Auditor  
Forbes House  
36 Huntly Street  
Inverness  
IV3 5PR

**Aquascot Limited**  
**Financial Statements**  
**Year ended 31 January 2023**

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# **Aquascot Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Mr D Overton  
Mr S Fowler  
Mr A Wilson  
Mrs P Cisewska  
Mr J Housego  
Mr S Wrench

### **Company secretary**

Anthony Oxford

### **Registered office**

Pentland House  
Fyrish Way  
Alness  
Ross-Shire  
IV17 0PJ

### **Auditor**

Ritsons  
Chartered Accountants & Statutory Auditor  
Forbes House  
36 Huntly Street  
Inverness  
IV3 5PR

### **Bankers**

HSBC Bank PLC  
50/52 High Street  
Inverness  
IV1 1JE

### **Solicitors**

Ledingham Chalmers  
Kintail House  
Beechwood Business Park  
Inverness  
IV2 3BW

# **Aquascot Limited**

## **Strategic Report**

**Year ended 31 January 2023**

The directors present their strategic report for the year ended 31 January 2023.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the Directors' duty to promote the success of the company.

### **Business model**

The Aquascot Salmon and Sea Grown Trout Hub, (The Hub) is a unique series of structured, long term collaborations that have been built to provide Aquascot customers with a high quality range of farmed salmon and sea grown trout.

The Hub sits at the centre of a complex ecosystem of inter-relationships, unlike any other known in aquaculture. Beyond core expertise in the processing of food and new product development The Hub is characterised by:

- A demanding commitment to deliver quality products of value with great taste, texture, and provenance
- Long term, structured agreements between the various actors, rather than short-term transactional approaches, allowing a holistic approach to be taken
- Involvement of several fish-farming supply partners, rather than single sourcing
- High levels of both retail and farming data being available to and shared by the Hub
- Prioritising and directing research and continuous improvement in feed, farming, processing, and supply chain
- A commitment to environmental sustainability, high animal welfare and positive outcomes for the communities in which Hub ecosystem businesses operate
- Active engagement in the policy and legislative arenas
- Providing confidence, thought leadership and a consistently open approach to engaging with Hub partners
- The holding of deep knowledge and a growing amount of intellectual property

### **Business review and KPIs**

The directors continue to review the strategic direction of the company, in doing so creating a long term sustainable business. Sales volume decreased by 7.1% compared to the previous year. Turnover at £62,660,519 was down 1.46%. The drop in turnover is consistent with the directors' expectations that sales would soften in the second half of 2022 as the inflation pressures faced by consumers translated into reduced volumes sold in UK supermarkets.

Operating performance during the year helped generate a gross profit of £7,127,012 with a gross margin of 11.4%.

Operating profit for the year was £698,916 or 1.07% compared with £407,590 or 0.6% the previous year.

As in prior years the Directors have continued to reinvest operating profits in product and market development, employee partners and process improvements.

At the year end the company had shareholders' funds of £19,920,175 including distributable profits of £19,251,782 compared with shareholders' funds of £19,087,991 with distributable profits of £18,408,623 in the previous year.

Aquascot operates with a full suite of operational KPI's and monitors performance constantly with reference to both internal targets and external industry benchmarks. The relevance of individual operational KPI is reviewed regularly with focus on the key business drivers. Performance reports are tailored, and management systems are in place to ensure the best information is always available.

# **Aquascot Limited**

## **Strategic Report *(continued)***

### **Year ended 31 January 2023**

The directors believe the company responded positively in challenging market conditions and has made significant advancements during the year. Continuous improvement remains a key focus and driver for the business. New projects and initiatives are being enacted and further progress is expected in the year ahead.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's objectives are subject to a number of risks.

Operational risks centre on aspects of business continuity such as securing the supply of high quality raw material and maintaining first class manufacturing facilities. The company also recognises the importance of maintaining and developing its employee partner base.

To mitigate against these operational risks the company operates and promotes its "hub" model, working with a number of key partners to ensure continuity of supply. To ensure manufacturing facilities are maintained to an appropriate standard, and that production volume capacity is increased in advance of projected sales volume growth, the company has a 5 year rolling CAPEX plan.

The company has a regular programme of mandatory training and people development programmes in place for its employee partners.

#### **'COVID 19' risk**

Since the 16th of March 2020, the company has been operating within parameters of the Covid-19 pandemic. The company has considered the risks presented by the pandemic, with a primary focus on employee partner safety and the ability to maintain production volumes. Managing ongoing Covid risks is now considered part of the overall risk framework managed by the company on a day to day basis.

#### **Other matters**

During the year Aquascot provided loans totalling £300,000 to a company owned by the Aquascot Employees Share Trust.

# Aquascot Limited

## Strategic Report *(continued)*

Year ended 31 January 2023

### Key performance indicators

The directors have monitored the progress of the company's strategy and the individual strategic elements by reference to certain key performance indicators. Specifically, the company measures performance based on sales volume growth, gross profit % and net assets.

	2022	2021
Sales volume growth	(7.1)%	(.75)%
Gross profit %	11.4%	11.8%
Net assets	£19,920,175	£19,087,991

This report was approved by the board of directors on 30/10/2023 and signed on behalf of the board by:



Mr J Housego (Oct 30, 2023 15:21 GMT)

Mr J Housego  
Director

Registered office:  
Pentland House  
Fyrish Way  
Alness  
Ross-Shire  
IV17 0PJ

# **Aquascot Limited**

## **Directors' Report**

### **Year ended 31 January 2023**

The directors present their report and the financial statements of the company for the year ended 31 January 2023.

#### **Principal activities**

The principal activity of the company during the year was the production of food products based on fish.

#### **Directors**

The directors who served the company during the year were as follows:

Mr D Overton	
Mr S Fowler	
Mr J Housego	
Mr S Wrench	
Mr A Wilson	(Appointed 16 March 2022)
Mrs P Cisewska	(Appointed 16 March 2022)
Mr C Douglas	(Resigned 16 March 2022)
Mr P Campbell	(Resigned 16 March 2022)

Mr S Wrench resigned as a director on 19 April 2023 and was subsequently re-appointed as a non-executive director on the 1st July 2023. Mr D Overton resigned as a director on 1st July 2023. Mr D Chapman was appointed as a director on the 1st July 2023.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Future developments**

Starting in August 2022, with final project delivery in July 2023, the company has commenced a substantial programme of investment in the latest primary and secondary processing equipment. Overall project costs will be in the region of £4.2m and will be funded from a combination of grant and debt funding from Marine Fisheries Fund, Highlands and Islands Enterprise and HSBC.

At 1 July 2023 Aquascot completed the acquisition of the Shore retail brand from New Wave Foods Limited. Aquascot will bring the management and distribution of Shore products in house as a trading division within Aquascot Limited. The Directors of Aquascot believe that by bringing the Shore brand inhouse, and combined with Aquascot's 30 plus years of retail experience, will provide the best chance of success for the Shore brand.

# Aquascot Limited

## Directors' Report *(continued)*

Year ended 31 January 2023

### Disclosure of information in the strategic report

A strategic report has been prepared and is included on page 2 to 4.

### Streamlined Energy and Carbon Reporting

The Company is required to report on energy consumption and greenhouse gas emissions, under the Streamlined Energy and Carbon Reporting (SECR) regulations.

Energy Consumption (kWh)	2023	2022
Electricity	1,824,659	1,857,381
Gas	239,408	226,435
Transport Fuels	136,297	123,530
Other Fuels	24,038	42
<b>Total</b>	<b>2,224,402</b>	<b>2,207,388</b>

Greenhouse Gas Emissions (tCO <sub>2</sub> e)		
Natural Gas	43.7	41.5
Transport Fuel for Company Vehicles	28.97	25.8
Transport Fuel for Staff Owned & Rental Vehicles	8.09	5.7
<b>Subtotal</b>	<b>80.76</b>	<b>73.0</b>

From other fuels & emissions	47.31	140.3
From purchased electricity, steam, heat & cooling	352.85	393.4
<b>Subtotal</b>	<b>400.16</b>	<b>533.7</b>

<b>Total Gross Emissions</b>	<b>480.92</b>	<b>606.7</b>
Renewable Electricity	-	-
Carbon Offsets	-	-
Domestic Carbon Units	-	-
<b>Total Net Emissions</b>	<b>480.92</b>	<b>606.7</b>

### Intensity Ratios

Annual kWh per Tonnes of Production	692.4	638.6
Annual tCO <sub>2</sub> e per Tonnes of Production	0.150	0.175

Emission factors are based on Government published 2020 GHG conversion factors

### Greenhouse gas emissions and energy consumption

#### *Methodologies for energy and emissions calculations*

Emissions have been grouped according to the GHG Protocol Standard. We have used the following data sources for the report:

- Energy and Fuel Data
- Transport Data
- Refrigerant Emissions

CO<sub>2</sub> emissions have been calculated using the 2020 UK Government Conversion Factors for Company Reporting.



# **Aquascot Limited**

## **Directors' Report** *(continued)*

**Year ended 31 January 2023**

### **Events after the end of the reporting period**

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 30/10/2023 and signed on behalf of the board by:



Mr J Housego (Oct 30, 2023 15:21 GMT)

Mr J Housego  
Director

Registered office:  
Pentland House  
Fyrish Way  
Alness  
Ross-Shire  
IV17 0PJ

# **Aquascot Limited**

## **Independent Auditor's Report to the Members of Aquascot Limited**

**Year ended 31 January 2023**

### **Opinion**

We have audited the financial statements of Aquascot Limited (the 'company') for the year ended 31 January 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Emphasis of matter**

#### **Employees' Share Trust**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the accounting policies and in note 15 concerning the accounting treatment of the Employees' Share Trust. Due to the nature and size of the transactions involved in the Employees' Share Trust, we consider it necessary to specifically draw the reader's attention to this matter.

# **Aquascot Limited**

## **Independent Auditor's Report to the Members of Aquascot Limited (continued)**

**Year ended 31 January 2023**

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **Aquascot Limited**

## **Independent Auditor's Report to the Members of Aquascot Limited (continued)**

**Year ended 31 January 2023**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of the audit planning process, the engagement partner and the engagement team obtained an understanding and discussed the legal and regulatory frameworks that are applicable, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included Companies Act 2006, Financial Report Standard 102 (FRS 102), employment and tax laws, health and safety and food safety and quality legislation.

The engagement partner and the engagement team discussed non-compliance with laws and regulations at the audit team planning meeting. The engagement partner made enquiries of management regarding their assessment of the likelihood of fraud or error or non-compliance with laws and regulations which could lead to material misstatements in the financial statements and whether they were aware of any instances of fraud or non-compliance. The engagement partner was satisfied that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations during the audit.

The engagement team also enquired of management as part of the audit, including obtaining and reviewing supporting documentation and reading minutes of meetings of those charged with governance. The engagement team did not identify any key audit matters relating to irregularities, including fraud.

Part of the engagement team's assessment of non-compliance with laws and regulations included a review of the risk of management override of controls. This was carried out by reviewing journals posted to the financial records, reviewing accounting estimates and significant transactions that are outside the normal course of business to identify any material misstatement which may be due to fraud.

The audit team also considered whether there could be fraudulent revenue recognition. This was carried out by reviewing the revenue recognition policies, testing of material revenue streams and testing cut off at the year end date.

The disclosures in the financial statements were reviewed and tested to supporting documentation to assess compliance with applicable laws and regulations. A Disclosure Check was carried out to confirm that the financial statements comply with current accounting requirements.

# Aquascot Limited

## Independent Auditor's Report to the Members of Aquascot Limited *(continued)*

**Year ended 31 January 2023**

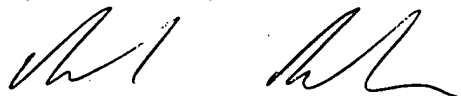
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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 auditor's 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.



Daniel Palombo MA CA (Senior Statutory Auditor)

For and on behalf of  
Ritsons  
Chartered Accountants & statutory auditor  
Forbes House  
36 Huntly Street  
Inverness  
IV3 5PR

30/10/2023

# Aquascot Limited

## Statement of Comprehensive Income

Year ended 31 January 2023

	Note	2023 £	2022 £
<b>Turnover</b>	<b>4</b>	<b>62,660,519</b>	63,591,934
Cost of sales		<u>55,533,507</u>	<u>56,065,544</u>
<b>Gross profit</b>		<b>7,127,012</b>	7,526,390
Administrative expenses		<u>6,496,729</u>	7,171,257
Other operating income	<b>5</b>	<u>38,254</u>	52,457
<b>Operating profit</b>	<b>6</b>	<b>668,537</b>	407,590
Other interest receivable and similar income	<b>10</b>	<u>94,763</u>	75,231
Interest payable and similar expenses	<b>11</b>	<u>64,384</u>	69,706
<b>Profit before taxation</b>		<b>698,916</b>	413,115
Tax on profit	<b>12</b>	<u>(129,609)</u>	7,669
<b>Profit for the financial year</b>		<b>828,525</b>	405,446
Revaluation of tangible assets		–	(247,210)
Tax relating to components of other comprehensive income		<u>3,659</u>	29,409
<b>Other comprehensive income for the year</b>		<b>3,659</b>	(217,801)
<b>Total comprehensive income for the year</b>		<b>832,184</b>	187,645

All the activities of the company are from continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

**Aquascot Limited**  
**Statement of Financial Position**  
**31 January 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	14	3,621,027	3,759,801
Investments	15	13,711,905	13,711,905
		<u>17,332,932</u>	<u>17,471,706</u>
<b>Current assets</b>			
Stocks	16	1,042,343	1,003,242
Debtors	17	11,851,098	7,949,695
Cash at bank and in hand		1,158,393	2,567,021
		<u>14,051,834</u>	<u>11,519,958</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>9,631,816</u>	<u>7,476,720</u>
<b>Net current assets</b>		<u>4,420,018</u>	<u>4,043,238</u>
<b>Total assets less current liabilities</b>		<u>21,752,950</u>	<u>21,514,944</u>
<b>Creditors: amounts falling due after more than one year</b>	19	1,449,918	1,976,077
<b>Provisions</b>			
Taxation including deferred tax	21	<u>382,857</u>	<u>450,876</u>
<b>Net assets</b>		<u>19,920,175</u>	<u>19,087,991</u>
<b>Capital and reserves</b>			
Called up share capital	25	410,000	410,000
Revaluation reserve	26	208,393	219,368
Capital redemption reserve	26	50,000	50,000
Profit and loss account	26	19,251,782	18,408,623
<b>Shareholders funds</b>		<u>19,920,175</u>	<u>19,087,991</u>

These financial statements were approved by the board of directors and authorised for issue on 30/10/2023, and are signed on behalf of the board by:



Mr J Housego (Oct 30, 2023 15:21 GMT)

Mr J Housego  
Director

Company registration number: SC262080

The notes on pages 16 to 31 form part of these financial statements.

# Aquascot Limited

## Statement of Changes in Equity

Year ended 31 January 2023

	Note	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 February 2021</b>		410,000	437,169	50,000	18,003,177	18,900,346
Profit for the year					405,446	405,446
Other comprehensive income for the year:						
Revaluation of tangible assets	14	—	(247,210)	—	—	(247,210)
Tax relating to components of other comprehensive income	12	—	29,409	—	—	29,409
<b>Total comprehensive income for the year</b>		—	(217,801)	—	405,446	187,645
<b>At 31 January 2022</b>		410,000	219,368	50,000	18,408,623	19,087,991
Profit for the year					828,525	828,525
Other comprehensive income for the year:						
Transfer between reserves		—	(14,634)	—	14,634	—
Tax relating to components of other comprehensive income	12	—	3,659	—	—	3,659
<b>Total comprehensive income for the year</b>		—	(10,975)	—	843,159	832,184
<b>At 31 January 2023</b>		<u>410,000</u>	<u>208,393</u>	<u>50,000</u>	<u>19,251,782</u>	<u>19,920,175</u>

The notes on pages 16 to 31 form part of these financial statements.



**Aquascot Limited**  
**Statement of Cash Flows**  
**Year ended 31 January 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	828,525	405,446
<i>Adjustments for:</i>		
Depreciation of tangible assets	544,590	607,807
Impairment of tangible assets	–	434,379
Government grant income	–	(12,945)
Other interest receivable and similar income	(94,763)	(75,231)
Interest payable and similar expenses	64,384	69,706
Tax on profit	(129,609)	7,669
Accrued income	(265,336)	(41,864)
<i>Changes in:</i>		
Stocks	(39,101)	120,595
Trade and other debtors	(3,601,403)	401,684
Trade and other creditors	2,409,245	(389,900)
Provisions and employee benefits	–	(50,000)
Cash generated from operations	(283,468)	1,477,346
Interest paid	(64,384)	(69,706)
Interest received	94,763	75,231
Tax received	65,248	83,707
Net cash (used in)/from operating activities	(187,841)	1,566,578
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(405,816)	(1,261,346)
Cash advances and loans granted	(300,000)	(295,000)
Net cash used in investing activities	(705,816)	(1,556,346)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(302,835)	(293,381)
Government grant income	–	12,945
Payments of finance lease liabilities	(212,136)	341,973
Net cash (used in)/from financing activities	(514,971)	61,537
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,408,628)	71,769
<b>Cash and cash equivalents at beginning of year</b>	2,567,021	2,495,252
<b>Cash and cash equivalents at end of year</b>	1,158,393	2,567,021

The notes on pages 16 to 31 form part of these financial statements.

**Aquascot Limited**  
**Notes to the Financial Statements**  
**Year ended 31 January 2023**

**1. General information**

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Pentland House, Fyrish Way, Alness, Ross-Shire, IV17 0PJ.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Aquascot employees share trust**

The Employees' Share Trust is accounted for under the extended equity method. The assets and liabilities of the trust are treated as if they were assets and liabilities of the company. Transfers of funds from the company to the trust are treated as internal to the company and consequently, are not reflected in the financial statements. Shares in the company purchased by the trust are held for the employees collectively and will not vest in individual employees. The directors consider that the shares held by the trust are not in substance the company's own shares and that, in accordance with this view, they should be recorded as investments.

**Going concern**

The company prepares financial projections which fully incorporate expected developments in trading, costs, stock levels, working capital requirements and expected capital expenditure. These projections are tested against existing cash holdings and credit facilities to ensure the company can continue to operate within agreed limits.

The directors report that the company has adequate cash holdings and banking facilities to trade for the foreseeable future, and coupled with a strong balance sheet, confirm it is appropriate to prepare the financial statements on a going concern basis.

**Group accounts**

The company holds 100% of the issued share capital of Aquascot Trustees Limited, a company registered in Scotland. Aquascot Trustees Ltd is the corporate trustee to the Aquascot Employees' Share Trust. Group accounts have not been prepared as the subsidiary is dormant and therefore not material.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 3. Accounting policies *(continued)*

#### Revenue recognition

The turnover shown in the profit and loss account represents invoiced sales of goods during the year, exclusive of Value Added Tax and customer claims, less any trade discounts.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 3. Accounting policies *(continued)*

#### Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Freehold property is included in the accounts at valuation.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 5% straight line
Plant and machinery	- 15% straight line
Fixtures and fittings	- 15% straight line
Equipment	- 25% straight line

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

# **Aquascot Limited**

## **Notes to the Financial Statements (continued)**

**Year ended 31 January 2023**

### **3. Accounting policies (continued)**

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 3. Accounting policies *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2023	2022
	£	£
Sale of goods	<u>62,660,519</u>	<u>63,591,934</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 5. Other operating income

	2023	2022
	£	£
Rental income	16,800	16,800
Government grant income	–	12,945
IHCT recharges	13,816	18,272
Other operating income	7,638	4,440
	<u>38,254</u>	<u>52,457</u>

### 6. Operating profit

Operating profit or loss is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	544,590	607,807
Impairment of tangible assets recognised in:		
Administrative expenses	–	434,379
Impairment of trade debtors	10	446
Foreign exchange differences	<u>13,571</u>	<u>–</u>

### 7. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>18,724</u>	<u>18,540</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation advisory services	2,285	2,900
Other non-audit services	38	45
	<u>2,323</u>	<u>2,945</u>

### 8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No.	No.
Production staff	145	141
Administrative staff	54	52
	<u>199</u>	<u>193</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	5,598,355	5,500,151
Social security costs	531,283	518,726
Other pension costs	349,815	258,834
	<u>6,479,453</u>	<u>6,277,711</u>

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 9. Directors' remuneration

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

	2023	2022
	£	£
Remuneration	536,284	558,153
Company contributions to defined contribution pension plans	30,881	18,238
	<u>567,165</u>	<u>576,391</u>

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

	2023	2022
	No.	No.
Defined contribution plans	<u>4</u>	<u>4</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	164,427	164,828
Company contributions to defined contribution pension plans	6,695	6,367
	<u>171,122</u>	<u>171,195</u>

### 10. Other interest receivable and similar income

	2023	2022
	£	£
Interest on cash and cash equivalents	<u>94,763</u>	<u>75,231</u>

### 11. Interest payable and similar expenses

	2023	2022
	£	£
Interest on banks loans and overdrafts	43,074	52,337
Interest on obligations under finance leases and hire purchase contracts	21,310	17,369
	<u>64,384</u>	<u>69,706</u>

### 12. Tax on profit

Major components of tax (income)/expense

	2023	2022
	£	£
<b>Current tax:</b>		
UK current tax expense	140,640	35,865
Adjustments in respect of prior periods	(205,888)	(119,572)
Total current tax	<u>(65,248)</u>	<u>(83,707)</u>



# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 12. Tax on profit *(continued)*

	2023 £	2022 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(64,361)	91,376
<b>Tax on profit</b>	<b>(129,609)</b>	<b>7,669</b>

The rate at which deferred tax has been calculated is 25% (2021 - 19%) to reflect the known future tax rate discounts.

#### Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £(3,659) (2022: £(29,409)).

#### Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
Profit on ordinary activities before taxation	698,916	413,115
Profit on ordinary activities by rate of tax	132,794	78,492
Adjustment to tax charge in respect of prior periods	(205,888)	(119,572)
Effect of expenses not deductible for tax purposes	9,208	86,962
Effect of capital allowances and depreciation	3,027	(129,589)
Utilisation of tax losses	(4,389)	—
Origination and reversal of timing differences	(64,361)	91,376
<b>Tax on profit</b>	<b>(129,609)</b>	<b>7,669</b>

### 13. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 February 2022 and 31 January 2023	355,297
<b>Amortisation</b>	
At 1 February 2022 and 31 January 2023	355,297
<b>Carrying amount</b>	
At 31 January 2023	—
At 31 January 2022	—

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 14. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 February 2022	1,648,850	4,557,599	124,180	641,945	<b>6,972,574</b>
Additions	94,394	87,249	5,469	218,704	<b>405,816</b>
Disposals	–	(109,133)	–	(68,891)	<b>(178,024)</b>
<b>At 31 January 2023</b>	<b>1,743,244</b>	<b>4,535,715</b>	<b>129,649</b>	<b>791,758</b>	<b>7,200,366</b>
<b>Depreciation</b>					
At 1 February 2022	–	2,980,748	41,485	190,540	<b>3,212,773</b>
Charge for the year	78,914	300,360	18,977	146,339	<b>544,590</b>
Disposals	–	(109,133)	–	(68,891)	<b>(178,024)</b>
<b>At 31 January 2023</b>	<b>78,914</b>	<b>3,171,975</b>	<b>60,462</b>	<b>267,988</b>	<b>3,579,339</b>
<b>Carrying amount</b>					
<b>At 31 January 2023</b>	<b>1,664,330</b>	<b>1,363,740</b>	<b>69,187</b>	<b>523,770</b>	<b>3,621,027</b>
At 31 January 2022	1,648,850	1,576,851	82,695	451,405	3,759,801

### Tangible assets held at valuation

On 16 December 2021 the freehold property owned by the company was revalued by J & E Shepherd, Chartered Surveyors. The properties were valued separately and the total valuation amounted to £1,640,000. The valuation was based on market value assuming vacant possession and was carried out in accordance with the Practice Statements and Guidance Notes set out in RICS Valuation Standards.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
<b>At 31 January 2023</b>	
Aggregate cost	<b>4,438,462</b>
Aggregate depreciation	<b>(3,464,913)</b>
<b>Carrying value</b>	<b>973,549</b>
<b>At 31 January 2022</b>	
Aggregate cost	4,438,462
Aggregate depreciation	(3,134,333)
<b>Carrying value</b>	<b>1,304,129</b>

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 14. Tangible assets *(continued)*

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
At 31 January 2023	<u>751,036</u>
At 31 January 2022	<u>912,996</u>

### 15. Investments

	Other investments other than loans £
Cost	
At 1 February 2022 and 31 January 2023	<u>13,711,905</u>
Impairment	
At 1 February 2022 and 31 January 2023	<u>—</u>
Carrying amount	
At 31 January 2023	<u>13,711,905</u>
At 31 January 2022	<u>13,711,905</u>

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 15. Investments *(continued)*

#### Aquascot Employees' Share Trust

As highlighted in the Directors' report, the company has established an employee benefit trust known as the Aquascot Employees' Share Trust. The company has appointed a wholly owned subsidiary, Aquascot Trustees Limited as the trustee company. As at 31 January 2023 and 31 January 2022 the company had contributed £13,711,905 to the Trust which the trustee company had used to buy 410,000 shares in the company from six of the original shareholders in accordance with the terms of the Agreement. The trust now owns 100% of the company's issued shares.

The trust is under the defacto control of the Company and the Trust is accounted for under the extended equity method. The assets and liabilities of the Trust are treated as if they were assets and liabilities of the Company and the transfer of funds from the Company to the Trust is not recognised in the financial statements of the Company as it is treated as an internal transfer of cash within the Company.

Normally the acquisition of shares is treated as a deduction of own shares from shareholder funds. This treatment is intended to mirror the accounting treatment of Treasury shares because the Trust is considered to act as a warehouse for the shares before they are allocated to individuals through an employee share scheme or bought back by the Company and cancelled.

However, the Company has an unusual ownership structure. Aquascot shares held in the Aquascot Employee's Share Trust are instead being held permanently by the Trust for the benefit of employees.

Where "all of its shares are held in a trust for the benefit of the employees collectively and the trust receives dividends from the Company which are distributed to employees in accordance with the provisions of the trust deed, the shares are not vested in individual employees. The Company does not have defacto control of the trust shares. The shares held by the trust are not in substance the Company's own shares and are not accounted for as such."

As this description of arrangements closely represents the intended ownership structure of the Company with the shares being held permanently by the Trust for the benefit of employees, the fairest and most appropriate accounting, applying the principles in this guidance, is to recognise the shares in the Trust as assets of the Company in the same way as other assets would be under the extended equity method of accounting. It also distinguishes them from own shares held in a temporary capacity by a trust which would be deducted from shareholder funds.

### 16. Stocks

	2023	2022
	£	£
Raw materials and consumables	638,650	652,957
Finished goods and goods for resale	403,693	350,285
	<u>1,042,343</u>	<u>1,003,242</u>

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 17. Debtors

	2023	2022
	£	£
Trade debtors	4,899,849	4,555,006
Prepayments and accrued income	2,795,156	254,201
Corporation tax repayable	162,640	6,642
Other debtors	3,993,453	3,133,846
	<u>11,851,098</u>	<u>7,949,695</u>

The debtors above include the following amounts falling due after more than one year:

	2023	2022
	£	£
Other debtors	<u>2,921,620</u>	<u>2,824,059</u>

### 18. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	312,599	302,835
Trade creditors	7,215,492	5,391,507
Accruals and deferred income	1,326,367	1,286,679
Social security and other taxes	138,859	135,355
Obligations under finance leases and hire purchase contracts	217,472	216,048
Other creditors	421,027	144,296
	<u>9,631,816</u>	<u>7,476,720</u>

Bank loans secured amount to £312,599 (2022 - £302,835).

The bank holds the following security over loans made to the company:

- Bond and floating charge over the whole assets of the company
- Standard security over the premises at 3 Averon Way, Alness
- Standard security over the factory, offices and land at Fyrish Way, Alness
- Standard security over land at 1 Averon Way, Alness
- Standard security over Units 8,9,10 & 11, Fyrish Way, Alness

### 19. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	1,037,558	1,350,157
Obligations under finance leases and hire purchase contracts	412,360	625,920
	<u>1,449,918</u>	<u>1,976,077</u>

Included within creditors: amounts falling due after more than one year is an amount of £239,073 (2022: £402,170) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 19. Creditors: amounts falling due after more than one year *(continued)*

The bank loans falling due after more than five years are repayable by instalments at a fixed rate of interest.

Bank loans secured amount to £1,037,558 (2022 - £1,350,157).

The bank holds the following security over loans made to the company:

- Bond and floating charge over the whole assets of the company
- Standard security over the premises at 3 Averon Way, Alness
- Standard security over the factory, offices and land at Fyrish Way, Alness
- Standard security over land at 1 Averon Way, Alness
- Standard security over Units 8,9,10 & 11, Fyrish Way, Alness

### 20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2023	2022
	£	£
Not later than 1 year	230,900	230,900
Later than 1 year and not later than 5 years	420,525	651,424
	<u>651,425</u>	<u>882,324</u>
Less: future finance charges	(21,593)	(40,356)
Present value of minimum lease payments	<u>629,832</u>	<u>841,968</u>

### 21. Provisions

	Deferred tax (note 22) £
At 1 February 2022	450,876
Charge against provision	(64,361)
Other movements	(3,658)
At 31 January 2023	<u>382,857</u>

### 22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023	2022
	£	£
Included in provisions (note 21)	<u>382,857</u>	<u>450,876</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023	2022
	£	£
Accelerated capital allowances	313,344	377,705
Revaluation of tangible assets	69,513	73,171
	<u>382,857</u>	<u>450,876</u>

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 23. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £349,815 (2022: £258,834).

### 24. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023 £	2022 £
Recognised in creditors:		
Deferred government grants due within one year	<u>305,024</u>	<u>—</u>
Recognised in other operating income:		
Government grants recognised directly in income	<u>—</u>	<u>12,945</u>

### 25. Called up share capital

#### Authorised share capital

	2023		2022	
	No.	£	No.	£
Ordinary Class A shares of £1 each	300,000	300,000	300,000	300,000
Ordinary Class B shares of £1 each	110,000	110,000	110,000	110,000
Ordinary Preferred shares of £1 each	50,000	50,000	50,000	50,000
Preference shares of £1 each	200,000	200,000	200,000	200,000
	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>

#### Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary Class A shares of £1 each	300,000	300,000	300,000	300,000
Ordinary Class B shares of £1 each	110,000	110,000	110,000	110,000
	<u>410,000</u>	<u>410,000</u>	<u>410,000</u>	<u>410,000</u>

### 26. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

### 27. Analysis of changes in net debt

	At 1 Feb 2022	Cash flows	At 31 Jan 2023
	£	£	£
Cash at bank and in hand	2,567,021	(1,408,628)	1,158,393
Debt due within one year	(518,883)	(11,188)	(530,071)
Debt due after one year	(1,976,077)	526,159	(1,449,918)
	<u>72,061</u>	<u>(893,657)</u>	<u>(821,596)</u>

### 28. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2023	2022
	£	£
Tangible assets	<u>601,084</u>	<u>62,000</u>

### 29. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	50,000	58,500
Later than 1 year and not later than 5 years	29,700	79,700
	<u>79,700</u>	<u>138,200</u>

The operating lease payments recognised as an expense amounted to £58,500 (2022 - £57,400).

### 30. Events after the end of the reporting period

Starting in August 2022, with final project delivery in July 2023, the company has commenced a substantial programme of investment in the latest primary and secondary processing equipment. Overall project costs will be in the region of £4.2m and will be funded from a combination of grant and debt funding from Marine Fisheries Fund, Highlands and Islands Enterprise and HSBC.

At 1 July 2023 Aquascot completed the acquisition of the Shore retail brand from New Wave Foods Limited. Aquascot will bring the management and distribution of Shore products in house as a trading division within Aquascot Limited. The Directors of Aquascot believe that by bringing the Shore brand inhouse, and combined with Aquascot's 30 plus years of retail experience, will provide the best chance of success for the Shore brand.



# Aquascot Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 January 2023

2023	2022
£	£

### 31. Related party transactions

During the year the company paid total remuneration of £567,165 (2022 - £576,391) to seven (2022 - six) key management personnel.

On 1 February 2012 the company leased a building and land to a company owned by the Aquascot Employee Share Trust, on a 99 year lease. The annual rent is £16,800 (2022 - £16,800). On 1 February 2012 the company owned by the Aquascot Employee Share Trust sub-leased a building to the company on a 30 year lease. The annual rent is £60,000 (2022 - £60,000). Aquascot Ltd also pays annual rent of £4,800 for a car park lease from this company.

During the year a company owned by the Aquascot Employee Share Trust, invoiced the company £213,941 (2022 - £508,070) for strategy, diversification and investment services and for consultancy services. During the year the company invoiced this company £13,848 (2022 - £18,729) for recharges. Included in trade debtors at the year end is £582 (2022 - £588) due from this company and included in trade creditors at the year end is £36,000 (2022 - £nil) due to this company.

During the year the company provided loans to a company owned by the Aquascot Employees Share Trust totalling £300,000 (2022 - £295,000). Included in other debtors at the year end are loans totalling £3,176,691 (2022 - £3,061,700). The terms of the loans are seven years with repayments at the end of years five, six and seven. There is an initial 24 month interest holiday and thereafter interest is charged at 4% plus 3 month LIBOR rate.

During the year Aquascot Ltd was invoiced £70,130 (2022 - £138,722) from a company which has a common director. Included in trade creditors at the year end is £nil (2022 - £5,846) due to this company.

### 32. Subsidiary company

The company owns one share in Aquascot Trustees Ltd, a company registered in Scotland with the registered office Pentland House, Fyrish Way, Alness, IV17 0PJ. The shareholding equates to 100% of the shares in the company. As noted in Accounting Policies, the subsidiary company is dormant.