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D. R. Collin & Son Ltd.

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the Year Ended 30th April 2017

D. R. Collin & Son Ltd. (Registered number: SC388209)

Contents of the Consolidated Financial Statements for the year ended 30th April 2017

D. R. Collin & Son Ltd.

Company Information
for the year ended 30th April 2017

Directors:	S F Aitchison J C Cook W K Mcrobbie Mrs J C Middlemiss P J Virtue Mrs S A Wilson
Secretary:	R Mark
Registered office:	34-36 Harbour Road Eyemouth Berwickshire TD14 5HY
Registered number:	SC388209 (Scotland)
Auditors:	Rennie Welch Audit Limited Academy House Shedden Park Road Kelso Roxburghshire TD5 7AL

D. R. Collin & Son Ltd. (Registered number: SC388209)

Group Strategic Report
for the year ended 30th April 2017

The directors present their strategic report of the company and the group for the year ended 30th April 2017.

Review of business
The group continued to be one of the leading live shellfish suppliers in the UK, supplying mainly UK and European markets.

The group continues to develop new products to attract new customers and open doors to new markets.

Results for the year
The results for the year show a profit on ordinary activities before tax of £3,591,329 (2016: £828,816). The board are satisfied with the performance as the business develops.

The group has made significant progress throughout the year in relation to key elements of strategy. The Board monitor the progress of the group by the following KPIs:

Turnover - 2017 - £43,914,679 2016 - £19,310,764
ROCE - 2017 - 54% 2016 - 23%
GP - 2017 - 22% 2016 - 23%

Principal risks and uncertainties
Funding and liquidity risk
The group manages its cash and borrowing requirements in order to minimise interest expense whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

The group has sufficient funding arrangements in place with their bankers to ensure the growth of the business can be maintained.

Market economic risk
The group trades significantly with customers in the European Union and is therefore exposed to the uncertainties surrounding Brexit. The group will take appropriate steps to reduce the impact once the terms of Brexit are known.

Trading with customers overseas also exposes the group to currency risk which has been heavily impacted in the last year by the UK's decision to leave the EU. The group manages currency exposure by making appropriate FX hedges.

Future development
The group continues to explore opportunities within the industry. The group has continued to grow post year end as expected.

On behalf of the board:

J C Cook - Director

8th November 2017

Report of the Directors
for the year ended 30th April 2017

The directors present their report with the financial statements of the company and the group for the year ended 30th April 2017.

Principal activity
The principal activity of the group in the year under review was that of fish wholesale.

Dividends
The directors recommend an ordinary dividend of £142.86 per A ordinary share and £166.67 per B ordinary share making a total of ordinary dividends of £150,003 for the year.

Events since the end of the year
Information relating to events since the end of the year is given in the notes to the financial statements.

Directors
The directors shown below have held office during the whole of the period from 1st May 2016 to the date of this report.

S F Aitchison
J C Cook
W K Mcrobbie
Mrs J C Middlemiss
P J Virtue
Mrs S A Wilson

Going concern
in carrying out their duties in respect of going concern, the directors have carried out a review of the group's financial position for a period of 12 months from the date of signing these financial statement. The company currently meets its day to day working capital requirements through its cash balance, which is sufficient to cover working capital requirements. The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Statement of directors' responsibilities
The directors are responsible for preparing the Group strategic report, the Report of the directors 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 group and of the profit or loss of the group 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 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
for the year ended 30th April 2017

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors
The auditors, Rennie Welch Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

J C Cook - Director

8th November 2017

Report of the Independent Auditors to the Members of D. R. Collin & Son Ltd.

We have audited the financial statements of D. R. Collin & Son Ltd. for the year ended 30th April 2017 on pages seven to thirty three. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the auditors 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 Statement of directors' responsibilities set out on page three, 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 and express an opinion on 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 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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group strategic report and the Report of the directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th April 2017 and of the group's 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, based on the work undertaken in the course of our audit, the information given in the Group strategic report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group strategic report or the Report of the directors.

Report of the Independent Auditors to the Members of D. R. Collin & Son Ltd.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

G Adams

Gillian Adamson BSC (Hons) CA CTA (Senior Statutory Auditor)
for and on behalf of Rennie Welch Audit Limited
Academy House
Shedden Park Road
Kelso
Roxburghshire
TD5 7AL

10th November 2017

D. R. Collin & Son Ltd. (Registered number: SC388209)

Consolidated Income Statement for the year ended 30th April 2017

	Notes	2017 £	2016 £
Turnover	3	43,914,679	19,310,764
Cost of sales		(34,140,018)	(14,839,003)
Gross profit		9,774,661	4,471,761
Administrative expenses		(6,155,529)	(3,735,722)
		3,619,132	736,039
Other operating income	4	19,995	112,808
Operating profit	6	3,639,127	848,847
Interest receivable and similar income		-	163
		3,639,127	849,010
Interest payable and similar expenses	7	(47,798)	(20,194)
Profit before taxation		3,591,329	828,816
Tax on profit	8	(659,247)	(223,145)
Profit for the financial year		2,932,082	605,671
Profit attributable to:			
Owners of the parent		2,775,966	574,049
Non-controlling interests		156,116	31,622
		2,932,082	605,671

The notes on pages 17 to 33 form part of these financial statements

D. R. Collin & Son Ltd. (Registered number: SC388209)

Consolidated Other Comprehensive Income for the year ended 30th April 2017

	Notes	2017 £	2016 £
Profit for the year		2,932,082	605,671
Other comprehensive income		-	-
Total comprehensive income for the year		2,932,082	605,671
Total comprehensive income attributable to:			
Owners of the parent		2,775,966	574,049
Non-controlling interests		156,116	31,622
		2,932,082	605,671

The notes on pages 17 to 33 form part of these financial statements

Consolidated Balance Sheet
30th April 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	11		511,009		576,976
Tangible assets	12		3,863,504		2,912,473
Investments	13		80,000		-
Investment property	14		105,013		-
			4,559,526		3,489,449
Current assets					
Stocks	15	593,735		348,688	
Debtors	16	4,331,599		3,663,932	
Cash at bank and in hand		219,925		83,935	
		5,145,259		4,096,555	
Creditors					
Amounts falling due within one year	17	2,981,420		3,888,703	
Net current assets			2,163,839		207,852
Total assets less current liabilities			6,723,365		3,697,301
Creditors					
Amounts falling due after more than one year	18		(746,268)		(501,875)
Provisions for liabilities	22		(144,000)		(185,216)
Accruals and deferred income	23		(279,360)		(226,552)
Net assets			5,553,737		2,783,658

The notes on pages 17 to 33 form part of these financial statements

continued...

D. R. Collin & Son Ltd. (Registered number: SC388209)

Consolidated Balance Sheet - continued
30th April 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Capital and reserves					
Called up share capital	24		1,000		1,000
Share premium	25		1,003,663		1,003,663
Retained earnings	25		4,229,509		1,603,546
Shareholders' funds			5,234,172		2,608,209
Non-controlling interests			319,565		175,449
Total equity			5,553,737		2,783,658

The financial statements were approved by the Board of Directors on 8th November 2017 and were signed on its behalf by:

J C Cook - Director

Mrs S A Wilson - Director

The notes on pages 17 to 33 form part of these financial statements

Company Balance Sheet
30th April 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	11		412,308		434,135
Tangible assets	12		3,234,234		2,229,631
Investments	13		173,825		123,295
Investment property	14		105,013		-
			3,925,380		2,787,061
Current assets					
Stocks	15	390,327		189,299	
Debtors	16	2,480,188		1,976,517	
Cash at bank and in hand		39,605		18,909	
		2,910,120		2,184,725	
Creditors					
Amounts falling due within one year	17	1,257,423		1,728,130	
Net current assets			1,652,697		456,595
Total assets less current liabilities			5,578,077		3,243,656
Creditors					
Amounts falling due after more than one year	18		(577,664)		(305,086)
Provisions for liabilities	22		(189,394)		(133,202)
Accruals and deferred income	23		(112,249)		(125,252)
Net assets			4,698,770		2,680,116

The notes on pages 17 to 33 form part of these financial statements

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Company Balance Sheet - continued
30th April 2017

		2017		2016	
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	24		1,000		1,000
Share premium	25		1,003,663		1,003,663
Retained earnings	25		3,694,107		1,675,453
Shareholders' funds			4,698,770		2,680,116
Company's profit for the financial year			2,168,657		706,454

The financial statements were approved by the Board of Directors on 8th November 2017 and were signed on its behalf by:

J C Cook - Director

Mrs S A Wilson - Director

The notes on pages 17 to 33 form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30th April 2017

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1st May 2015	1,000	1,329,503	1,003,663
Changes in equity			
Dividends	-	(300,006)	-
Total comprehensive income	-	574,049	-
Balance at 30th April 2016	1,000	1,603,546	1,003,663
Changes in equity			
Dividends	-	(150,003)	-
Total comprehensive income	-	2,775,966	-
Balance at 30th April 2017	1,000	4,229,509	1,003,663

	Total £	Non-controlling interests £	Total equity £
Balance at 1st May 2015	2,334,166	143,827	2,477,993
Changes in equity			
Dividends	(300,006)	-	(300,006)
Total comprehensive income	574,049	31,622	605,671
Balance at 30th April 2016	2,608,209	175,449	2,783,658
Changes in equity			
Dividends	(150,003)	(12,000)	(162,003)
Total comprehensive income	2,775,966	156,116	2,932,082
Balance at 30th April 2017	5,234,172	319,565	5,553,737

The notes on pages 17 to 33 form part of these financial statements

D. R. Collin & Son Ltd. (Registered number: SC388209)

Company Statement of Changes in Equity for the year ended 30th April 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st May 2015	1,000	1,269,005	1,003,663	2,273,668
Changes in equity				
Dividends	-	(300,006)	-	(300,006)
Total comprehensive income	-	706,454	-	706,454
Balance at 30th April 2016	1,000	1,675,453	1,003,663	2,680,116
Changes in equity				
Dividends	-	(150,003)	-	(150,003)
Total comprehensive income	-	2,168,657	-	2,168,657
Balance at 30th April 2017	1,000	3,694,107	1,003,663	4,698,770

The notes on pages 17 to 33 form part of these financial statements

Consolidated Cash Flow Statement
for the year ended 30th April 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	3,486,788	929,162
Interest paid		(34,072)	(12,784)
Interest element of hire purchase payments paid		(13,726)	(7,410)
Tax paid		(673,953)	(15,414)
Net cash from operating activities		2,765,037	893,554
Cash flows from investing activities			
Purchase of intangible fixed assets		(65,000)	-
Purchase of tangible fixed assets		(1,532,025)	(485,417)
Purchase of fixed asset investments		(80,000)	-
Purchase of investment property		(105,013)	-
Sale of intangible fixed assets		15,000	-
Sale of tangible fixed assets		85,788	25,667
Acquisition of subsidiaries		-	(105,200)
Bank obtained from acquisitions of subs		-	(940,001)
Interest received		-	163
Net cash from investing activities		(1,681,250)	(1,504,788)
Cash flows from financing activities			
New loans in year		460,000	-
Loan repayments in year		(253,004)	(41,690)
New HP less Capital repayments in year		48,260	(32,291)
Directors loan movements		(268,044)	-
Proceeds from government grants		-	28,851
Dividends paid		(12,000)	-
Equity dividends paid		(150,003)	(300,006)
Net cash from financing activities		(174,791)	(345,136)
Increase/(decrease) in cash and cash equivalents		908,996	(956,370)
Cash and cash equivalents at beginning of year	2	(1,367,286)	(410,916)
Cash and cash equivalents at end of year	2	(458,290)	(1,367,286)

The notes on pages 17 to 33 form part of these financial statements

Notes to the Consolidated Cash Flow Statement for the year ended 30th April 2017

1. Reconciliation of profit before taxation to cash generated from operations

	2017	2016
	£	£
Profit before taxation	3,591,329	828,816
Depreciation charges	552,736	549,789
Loss on disposal of fixed assets	58,437	5,615
Government grant adjustment	67,978	-
Government grants	(15,170)	(18,015)
Finance costs	47,798	20,194
Finance income	-	(163)
	4,303,108	1,386,236
(Increase)/decrease in stocks	(245,047)	12,644
Increase in trade and other debtors	(667,667)	(524,530)
Increase in trade and other creditors	96,394	54,812
Cash generated from operations	3,486,788	929,162

2. Cash and cash equivalents

The amounts disclosed on the Cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts:

Year ended 30th April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	219,925	83,935
Bank overdrafts	(678,215)	(1,451,221)
	(458,290)	(1,367,286)

Year ended 30th April 2016

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	83,935	-
Bank overdrafts	(1,451,221)	(410,916)
	(1,367,286)	(410,916)

Notes to the Consolidated Financial Statements
for the year ended 30th April 2017

1. **Statutory information**

D. R. Collin & Son Ltd. is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

D. R. Collin & Son Ltd is a private company limited by share capital incorporated in Scotland. The registered office is 34-36 Harbour Road, Eyemouth, Berwickshire, TD14 5HY

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 April 2017. The subsidiary undertakings comprise Boat Investments Limited, Sea Harvest Scotland Limited, D. R. Collin (Scotland) Limited (and its 60% subsidiary, Keltic Seafare (Scotland) Limited), D. R. Collin (Fish) Limited and Coquet Island Shellfish Limited made up to 30 April 2017 (2016: Boat Investments Limited, Sea Harvest Scotland Limited, D. R. Collin (Scotland) Limited (and its 60% subsidiary, Keltic Seafare (Scotland) Limited), D. R. Collin (Fish) Limited and Coquet Island Shellfish Limited made up to 30 April 2016).

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirers interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

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2. **Accounting policies - continued**

Turnover
Turnover is the amount derived from ordinary activities, and is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances, and is stated net of VAT.

Revenue from sale of goods is recognised when all the following conditions are satisfied:
- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill
Goodwill arising on an acquisition of a business is carried at cost less accumulated amortisation and impairment losses, if any.

Goodwill is amortised in equal instalments over its estimated useful economic life of 5/10 years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on reducing balance and 2% on cost
Improvements to property	- 8% on reducing balance
Plant and machinery	- 25% on cost, 20% on cost, 20% on reducing balance, 15% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost, 25% on reducing balance and 15% on reducing balance
Office equipment	- 33% on cost, 20% on cost, 16.67% on cost and 15% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Inventories
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit and loss.

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2. **Accounting policies - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases.Payments made under operating leases are charged to the profit and loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter fo the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest an the remaining balance of the liability.

Employee benefits

Short term employee benefits, including holiday pay , are recognised as an expense in the Income Statement in the period in which they are incurred.

A defined contribution plan is a pension plan under which fixed contributions are paid into pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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2. **Accounting policies - continued**

Licences
Licences are valued at cost. Their estimated useful lives are considered to be infinite therefore they are not amortised.

Investments
Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors with no stated interest rate are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due accordingly to the original terms of the receivables.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors with no stated interest rate are recognised at the transaction price.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions
Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably. Where material, provisions are calculated on a discounted basis.

continued...

3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2017 £	2016 £
Sale of goods	43,873,591	19,305,045
Commissions received	41,088	5,719
	43,914,679	19,310,764

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	12,077,760	5,921,690
Europe	31,500,237	13,389,074
Rest of world	336,682	-
	43,914,679	19,310,764

4. Other operating income

	2017 £	2016 £
Rents received	4,825	-
Sundry income	-	91,600
Government grants	15,170	21,208
	19,995	112,808

5. Employees and directors

	2017 £	2016 £
Wages and salaries	3,022,076	1,904,421
Other pension costs	49,969	32,783
	3,072,045	1,937,204

The average monthly number of employees during the year was as follows:

	2017	2016
Sales, marketing and distribution	160	147

The average number of employees by undertakings that were proportionately consolidated during the year was 80.

continued...

5. Employees and directors - continued

	2017 £	2016 £
Directors' remuneration	472,409	395,370
Directors' pension contributions to money purchase schemes	26,747	26,000

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	5	5

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	105,397	109,853
Pension contributions to money purchase schemes	10,400	10,400

6. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Hire of plant and machinery	80,312	78,190
Other operating leases	189,483	91,907
Depreciation - owned assets	436,769	290,262
Loss on disposal of fixed assets	58,437	5,615
Goodwill amortisation	115,967	261,850
Auditors' remuneration	39,150	17,350
Foreign exchange differences	107,369	(55,837)

7. Interest payable and similar expenses

	2017 £	2016 £
Bank interest	16,270	9,128
Bank loan interest	2,133	770
Loan interest	15,669	2,886
Hire purchase interest	13,726	7,410
	47,798	20,194

continued...

8. Taxation

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	700,463	213,002
Deferred tax	(41,216)	10,143
Tax on profit	659,247	223,145

UK corporation tax was charged at 20% in 2016.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	3,591,329	828,816
Profit multiplied by the standard rate of corporation tax in the UK of 19.918% (2016 - 20%)	715,321	165,763
Effects of:		
Expenses not deductible for tax purposes	5,739	43,454
Income not taxable for tax purposes	(4,636)	-
Depreciation in excess of capital allowances	35,475	3,785
Utilisation of tax losses	(61,222)	-
Adjustments to tax charge in respect of previous periods	9,786	-
Deferred tax	(41,216)	10,143
Total tax charge	659,247	223,145

9. Individual income statement

As permitted by Section 408 of the Companies Act 2006, the Income statement of the parent company is not presented as part of these financial statements.

10. Dividends

	2017	2016
	£	£
Ordinary shares of £1 each		
Final	100,002	100,002
Interim	-	100,002
Ordinary shares of £1 each		
Final	50,001	50,001
Interim	-	50,001
	150,003	300,006

continued...

11. **Intangible fixed assets**

Group

	Goodwill £	Patents and licences £	Totals £
Cost			
At 1st May 2016	1,173,953	15,000	1,188,953
Additions	-	65,000	65,000
Disposals	-	(15,000)	(15,000)
At 30th April 2017	1,173,953	65,000	1,238,953
Amortisation			
At 1st May 2016	611,977	-	611,977
Amortisation for year	115,967	-	115,967
At 30th April 2017	727,944	-	727,944
Net book value			
At 30th April 2017	446,009	65,000	511,009
At 30th April 2016	561,976	15,000	576,976

Company

	Goodwill £	Patents and licences £	Totals £
Cost			
At 1st May 2016	868,270	-	868,270
Additions	-	65,000	65,000
At 30th April 2017	868,270	65,000	933,270
Amortisation			
At 1st May 2016	434,135	-	434,135
Amortisation for year	86,827	-	86,827
At 30th April 2017	520,962	-	520,962
Net book value			
At 30th April 2017	347,308	65,000	412,308
At 30th April 2016	434,135	-	434,135

continued...

12. **Tangible fixed assets**

Group

	Freehold property £	Improvements to property £	Plant and machinery £
Cost			
At 1st May 2016	969,766	287,350	1,521,190
Additions	624,826	24,768	505,263
Disposals	(5,000)	-	(121,522)
At 30th April 2017	1,589,592	312,118	1,904,931
Depreciation			
At 1st May 2016	93,279	42,444	748,276
Charge for year	33,930	21,574	167,535
Eliminated on disposal	(480)	-	(13,356)
At 30th April 2017	126,729	64,018	902,455
Net book value			
At 30th April 2017	1,462,863	248,100	1,002,476
At 30th April 2016	876,487	244,906	772,914

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
Cost				
At 1st May 2016	22,465	1,718,795	104,032	4,623,598
Additions	-	359,062	18,106	1,532,025
Disposals	-	(80,541)	(157)	(207,220)
At 30th April 2017	22,465	1,997,316	121,981	5,948,403
Depreciation				
At 1st May 2016	5,220	760,396	61,510	1,711,125
Charge for year	2,191	197,620	13,919	436,769
Eliminated on disposal	-	(49,061)	(98)	(62,995)
At 30th April 2017	7,411	908,955	75,331	2,084,899
Net book value				
At 30th April 2017	15,054	1,088,361	46,650	3,863,504
At 30th April 2016	17,245	958,399	42,522	2,912,473

continued...

12. **Tangible fixed assets - continued**

Company

	Freehold property £	Improvements to property £	Plant and machinery £
Cost			
At 1st May 2016	614,759	287,350	774,993
Additions	537,853	24,768	496,736
Disposals	(5,000)	-	-
At 30th April 2017	1,147,612	312,118	1,271,729
Depreciation			
At 1st May 2016	48,008	42,444	260,709
Charge for year	24,102	21,574	143,689
Eliminated on disposal	(480)	-	-
At 30th April 2017	71,630	64,018	404,398
Net book value			
At 30th April 2017	1,075,982	248,100	867,331
At 30th April 2016	566,751	244,906	514,284

	Motor vehicles £	Office equipment £	Totals £
Cost			
At 1st May 2016	1,509,561	48,735	3,235,398
Additions	334,062	14,337	1,407,756
Disposals	(58,917)	-	(63,917)
At 30th April 2017	1,784,706	63,072	4,579,237
Depreciation			
At 1st May 2016	635,272	19,334	1,005,767
Charge for year	177,466	6,561	373,392
Eliminated on disposal	(33,676)	-	(34,156)
At 30th April 2017	779,062	25,895	1,345,003
Net book value			
At 30th April 2017	1,005,644	37,177	3,234,234
At 30th April 2016	874,289	29,401	2,229,631

continued...

13. **Fixed asset investments**

Group

	Listed investments £
Cost	
Additions	80,000
At 30th April 2017	80,000
Net book value	
At 30th April 2017	80,000

Company

	Shares in group undertakings £	Listed investments £	Totals £
Cost			
At 1st May 2016	123,295	-	123,295
Additions	530	50,000	50,530
At 30th April 2017	123,825	50,000	173,825
Net book value			
At 30th April 2017	123,825	50,000	173,825
At 30th April 2016	123,295	-	123,295

Details of investment in which the group and the parent company hold 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Nature of business
Boat Investments Limited	Ordinary shares	100%	Fishing
Sea Harvest Scotland Limited	Ordinary shares	60%	Shellfish & seafood processing
D.R. Collin (Scotland) Limited	Ordinary shares	100%	Non-trading
D.R. Collin (Fish) Limited	Ordinary shares	100%	Fish retail and wholesale
Coquet Island Shellfish Limited	Ordinary shares	75%	Shellfish & seafood processing
Keltic Seafare (Scotland) Limited	Ordinary shares	60%	Fish retail and wholesale

continued...

14. Investment property

Group

	Total
	£
Fair value	
Additions	105,013
At 30th April 2017	105,013
Net book value	
At 30th April 2017	105,013

Company

	Total
	£
Fair value	
Additions	105,013
At 30th April 2017	105,013
Net book value	
At 30th April 2017	105,013

15. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Stocks	593,735	348,688	390,327	189,299

16. Debtors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	4,157,359	2,830,595	1,914,203	1,142,444
Other debtors	34,040	718,111	21,901	469,308
Amounts due to related parties	-	-	449,335	296,669
VAT	66,468	75,287	43,575	41,900
Prepayments	73,732	39,939	51,174	26,196
	4,331,599	3,663,932	2,480,188	1,976,517

continued...

17. **Creditors: amounts falling due within one year**

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Bank loans and overdrafts (see note 19)	808,746	1,517,452	227,098	630,329
Other loans (see note 19)	-	74,907	-	74,907
Hire purchase contracts (see note 20)	136,955	115,485	129,056	95,227
Trade creditors	1,238,497	1,186,996	430,694	356,532
Amounts owed to group undertakings	-	-	45,623	-
Tax	240,463	213,953	101,616	181,656
Social security and other taxes	92,168	55,272	39,070	30,465
Other creditors	378,485	370,488	226,896	159,563
Directors' current accounts	86,106	354,150	57,370	199,451
	2,981,420	3,888,703	1,257,423	1,728,130

18. **Creditors: amounts falling due after more than one year**

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Bank loans (see note 19)	599,862	382,259	440,841	188,626
Hire purchase contracts (see note 20)	146,406	119,616	136,823	116,460
	746,268	501,875	577,664	305,086

19. **Loans**

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	£	**£**	**£**	**£**
Amounts falling due within one year or on demand:				
Bank overdrafts	678,215	1,451,221	127,137	589,011
Bank loans	130,531	66,231	99,961	41,318
Other loans	-	74,907	-	74,907
	808,746	1,592,359	227,098	705,236
Amounts falling due between one and two years:				
Bank loans - 1-2 years	230,774	235,951	101,461	42,318
Amounts falling due between two and five years:				
Bank loans - 2-5 years	302,421	132,954	272,713	132,954
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans due after five years	66,667	13,354	66,667	13,354

continued...

20. **Leasing agreements**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	**2016**
	£	**£**
Net obligations repayable:		
Within one year	136,955	115,485
Between one and five years	146,406	119,616
	283,361	235,101

Company

	Hire purchase contracts	
	2017	**2016**
	£	**£**
Net obligations repayable:		
Within one year	129,056	95,227
Between one and five years	136,823	116,460
	265,879	211,687

Group

	Non-cancellable operating leases	
	2017	**2016**
	£	**£**
Within one year	71,340	38,986
Between one and five years	116,618	94,253
	187,958	133,239

Company

	Non-cancellable operating leases	
	2017	**2016**
	£	**£**
Within one year	30,198	20,058
Between one and five years	39,049	23,401
	69,247	43,459

continued...

21. Secured debts

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank overdrafts	678,215	1,451,221	127,137	589,011
Bank loans	730,393	448,490	540,802	229,944
Hire purchase contracts	283,361	235,101	265,879	211,687
	1,691,969	2,134,812	933,818	1,030,642

The loans are secured by fixed and floating charges over the assets of the group.
The hire purchase creditors are secured against the assets to which they related.

22. Provisions for liabilities

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax				
Tax losses carried forward	(7,935)	-	-	-
Deferred tax	151,935	185,216	189,394	133,202
	144,000	185,216	189,394	133,202

Group

	Deferred tax
	£
Balance at 1st May 2016	185,216
Provided during year	(41,216)
Balance at 30th April 2017	144,000

Company

	Deferred tax
	£
Balance at 1st May 2016	133,202
Provided during year	56,192
Balance at 30th April 2017	189,394

23. Accruals and deferred income

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred government grants	279,360	226,552	112,249	125,252

continued...

24. **Called up share capital**

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2017 £**	**2016 £**
700	Ordinary	£1	700	700
300	Ordinary	£1	300	300
			1,000	1,000

25. **Reserves**

The share premium account contains the premium arising on issue of equity shares, net of issue expense.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

26. **Pension commitments**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £49,969 (2016 - £32,783).

Contribution totalling £5,857 (2016 - £883) were payable to the scheme at the end of the year and included in creditors.

continued...

27. **Related party disclosures**

Group
At the year end, there was a loan due from the group to the director Mr. J C Cook of £57,370 (2016: £317,997). This amount was unsecured, interest free and repayable on demand.

At the year end director of Coquet Island Shellfish Limited, Mr T Newton owed £1,265 to the group. This amount was unsecured, interest free and repayable on demand.

At the year end the directors of Keltic Seafare (Scotland) Limited were due £30,000 from the group. Mrs M Watkins £10,000 (2016: £10,000), Mr L Watkins £10,000 (2016: £10,000), Mr A Hughson £5,000 (2016: £5,000) and Mrs A Thomson £5,000 (2016: £5,000) These loans were unsecured, interest free and repayable on demand.

Company
Mr J C Cook, director had an interest in the company's transactions with the following:

Joe Russell International Transport Ltd. - Sales to Joe Russel International Transport Ltd of £95,500 (2016 - £74,000) and purchases of £144,900 (2016 - £167,000). Amount due to DR Collin & Son at the year end totalling £9,934 (2016 - £16,699 due to Joe Russell International Transport Ltd).

Seafresh - Sales to Seafresh during the year of £nil (2016 - 240). Balance at the year end due from seafresh of £nil (2016 - 21,183)

J. & D. Cook Properties Ltd. - Sales to J. & D. Cook Properties Ltd of £7,327 (2016 - £5,808) and purchases of £42,000 (2016 - £44,886).

Freya (the business) - Sales to Freya of £1,345 (2016 - £23) and purchases from the business of £21,024 (2016 - £4,511).

Mr J C Cook, Mr S F Aitchison, Mr P J Virtue and Mr W K McRobbie, directors, had an interest in transactions with Ship 2 Shore 24 Ltd. (the company) - balance of loan owed by the company at 30.04.17 £nil (2016; £2,331); during the year payments were made on behalf of the company amounting to £nil (2016: £13).

At the year end there was a loan due from the company to the director J C Cook £57,370 (2016: £199,451). This amount was unsecured, interest free and repayable on demand.

Summary of transactions with subsidiaries
Coquet Island Shellfish Ltd (75% Subsidiary) - Sales to Coquet Island Shellfish Ltd of £105,221 and purchase of £533,137. Amount due to Coquet Island Shellfish Ltd at the year of £14,510.

Keltic Seafare (Scotland) Ltd (60% Subsidiary) - Sales to Keltic Seafare (Scotland) Ltd of £133,717 (2016: £Nil) and purchase of £720,479 (2016: £31,371). Amount due to Keltic Seafare (Scotland) Ltd at the year of £1,242 (2016: £3,680 due to DR Collin & Son).

Sea Harvest (Scotland) Ltd. (60% Subsidiary) - Sales to Sea Harvest (Scotland) Ltd of £1,304,998 (2016: £442,139) and purchases totalling £nil (2016: 12,897). Amount due from Sea Harvest (Scotland) Ltd of £121,706 (2016: 111,912).

All the above transactions were carried out at arms length.

28. **Post balance sheet events**

On 29th September 2017 assets were purchase from another company for £1,045,716.