
COOKE AQUACULTURE SCOTLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

TUESDAY



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04/09/2018 #348
COMPANIES HOUSE

COOKE AQUACULTURE SCOTLAND LIMITED

COMPANY INFORMATION

Directors	G B Cooke W Young C I Blair P B Irving L W Stewart
Company secretary	Brodies Secretarial Services Limited
Registered number	SC419789
Registered office	110 Queen Street Glasgow G1 3BX
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Level 8 Glasgow G1 3BX
Solicitors	Brodies LLP 110 Queen Street Glasgow G1 3BX

COOKE AQUACULTURE SCOTLAND LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 5
Independent Auditor's Report	6 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 35

COOKE AQUACULTURE SCOTLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The directors present their strategic report for the year ended 31 December 2017.

Business review

The company continues to pursue the same business model as in 2016, while looking for expansion opportunities where they arise. Such opportunities are of course rare, and so utilising the existing production capacity as effectively and responsibly as possible remains a primary focus.

Key performance indicators

In addition to the usual financial KPIs, the directors monitor a range of operational indicators which relate to all other aspects of the business – such as quality of delivered product, delivery parameters, health & safety, and environmental matters. For operational reasons, further details are not published, but in general the directors are pleased with the performance generally, and with the progress being made in all areas of operations.

Principal risks and uncertainties

The aquaculture industry continues to carry a significant level of risk. So the company is exposed to various operational and market-related risk factors. The supply of farmed seafood has increased steadily in recent decades, in line with demand, but of course there can be no guarantees that such demand will not reduce in the future.

The company has developed a comprehensive framework for management of risk wherever it appears. The diligent application of these policies is key in view of the nature of the operational activities inherent in marine aquaculture.

The key risks are noted below:

Operational and market risks

The company's financial performance may of course be significantly affected by market prices obtained for the end product, and these are subject to price fluctuations due to a number of factors. These may include short-term over/under supply in the company's market, changes in customer preferences, size of harvested fish and other more general economic factors. In addition to rising costs, there are inherent risks related to fish farming - weather extremes, sea lice, and diseases caused by bacteria, viruses and other micro-organisms are just a few examples.

Additionally, the UK vote to leave the European Union in 2019 continues to cause uncertainty regarding the conditions and markets in which the company operates. Of course the directors will monitor this process as it develops and amend strategy or policies as necessary. But at this stage, it is not possible to predict the effects - whether positive or negative - that the end result may have on the company's operations or trading patterns.

Financing activities

The company is dependent upon continued financial support from its parent undertaking.

Exchange rate risk

The company sells mainly in Sterling, and Euro with some sales in US Dollar. The company purchases mainly in Sterling, with only occasional purchases in foreign currencies.

COOKE AQUACULTURE SCOTLAND LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Interest rate risk

Interest rates are monitored and continually evaluated during the year as part of the Group Funding arrangements. At the end of the year all debt was based on floating interest conditions.

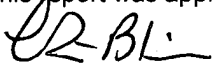
Credit risk

Credit insurance is maintained at a customer level to minimise the impact of any customer bankruptcy, insolvency or inability of the customer to pay as invoices fall due. Any credit losses in the year were minimal.

This report was approved by the board on

16/8/18.

and signed on its behalf.



C I Blair
Director

COOKE AQUACULTURE SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation, amounted to £38,856,500 (2016 - £17,646,362).

Particulars of dividends paid are detailed in note 13 of the financial statements.

Future developments

Under the ownership of Cooke Aquaculture Inc the company will continue to strengthen, develop and improve while seeking to expand its production capability by natural expansion or by acquisition as suitable opportunities arise. No major structural changes are foreseen at this time.

Directors

The directors who served during the year were:

G B Cooke
W Young
C I Blair
P B Irving
L W Stewart

COOKE AQUACULTURE SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 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'. 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Employee involvement

The company continues to operate policies which are designed to help and encourage, wherever possible, all members of staff to realise their potential within the wide range of roles available throughout the organisation. Wherever suitable, vacancies arising are filled internally, and we encourage skills development through both external training course providers and internal training programmes.

The principle of equal opportunities in employment is supported throughout the company, and we oppose all forms of unlawful or unfair discrimination on whatever grounds – race, nationality, religion, age, ethnicity, sexual orientation, gender or gender reassignment.

Post balance sheet events

There have been no significant events affecting the company since the year end.

COOKE AQUACULTURE SCOTLAND LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

16/8/18.

and signed on its behalf.



C I Blair
Director



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COOKE AQUACULTURE SCOTLAND LIMITED

Opinion

We have audited the financial statements of Cooke Aquaculture Scotland Limited (the 'company') for the year ended 31 December 2017, set out on pages 10 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COOKE AQUACULTURE SCOTLAND
LIMITED (CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COOKE AQUACULTURE SCOTLAND
LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, other than the financial statements and our Auditor's Report thereon. 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.

Matter on which we are required to report by the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF COOKE AQUACULTURE SCOTLAND
LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



James Chadwick (Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Glasgow

Date: 16 August 2018.

COOKE AQUACULTURE SCOTLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	161,676,989	123,765,653
Cost of sales		101,591,588	(92,640,835)
Gross profit		60,085,401	31,124,818
Distribution costs		(4,535,333)	(3,549,392)
Administrative expenses		(6,440,554)	(4,036,189)
Other operating income	5	516,812	292,686
Operating profit	6	49,626,326	23,831,923
Interest receivable and similar income	10	42,123	78,149
Interest payable and expenses	11	(2,078,842)	(2,314,747)
Profit before tax		47,589,607	21,595,325
Tax on profit	12	(8,733,107)	(3,948,963)
Profit for the financial year		38,856,500	17,646,362

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 13 to 35 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED
REGISTERED NUMBER: SC419789

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	36,428,154	37,384,791
Tangible assets	15	29,121,475	24,547,648
Investments	16	1,988,706	1,988,706
		<u>67,538,335</u>	<u>63,921,145</u>
Current assets			
Stocks	17	56,079,254	55,057,327
Debtors: amounts falling due within one year	18	35,932,867	28,502,333
Cash at bank and in hand	19	13,004,398	8,767,620
		<u>105,016,519</u>	<u>92,327,280</u>
Creditors: amounts falling due within one year	20	(27,085,748)	(38,909,943)
Net current assets		<u>77,930,771</u>	<u>53,417,337</u>
Total assets less current liabilities		<u>145,469,106</u>	<u>117,338,482</u>
Creditors: amounts falling due after more than one year	21	(51,394,991)	(52,535,097)
Net assets		<u><u>94,074,115</u></u>	<u><u>64,803,385</u></u>
Capital and reserves			
Called up share capital	24	1	1
Profit and loss account	25	94,074,114	64,803,384
		<u><u>94,074,115</u></u>	<u><u>64,803,385</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


C I Blair
 Director

The notes on pages 13 to 35 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	1	64,803,384	64,803,385
Profit for the year	-	38,856,500	38,856,500
Dividends: Equity capital	-	(9,585,770)	(9,585,770)
At 31 December 2017	1	94,074,114	94,074,115

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	1	59,031,108	59,031,109
Profit for the year	-	17,646,362	17,646,362
Dividends: Equity capital	-	(11,874,086)	(11,874,086)
At 31 December 2016	1	64,803,384	64,803,385

The notes on pages 13 to 35 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Company information

Cooke Aquaculture Scotland Limited is a private limited company incorporated and domiciled in Scotland. The address of the company's registered office is 110 Queen Street, Glasgow, United Kingdom, G1 3BX.

The company is involved in the farming of Atlantic salmon. The company's interests are located in the UK. The principal accounting policies adopted by the company are set out below.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

Basis of non-consolidation

The Companies Act contains section 400, which exempts an intermediate parent undertaking from preparing group financial statements where its ultimate parent entity is established under the law of a state contained within the European Economic Area.

Cooke Aquaculture Scotland Limited is included in the financial statements of the intermediate parent undertaking Cooke Aquaculture UK Holdings Limited which are filed in the UK, and are available to the public. Refer to note 29.

Cash flow Statement

The company, according to FRS 102 is a qualifying entity which is exempt from the requirement to draw up a cash flow statement.

The following principal accounting policies have been applied:

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cooke Aquaculture UK Holdings Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Investments in subsidiaries

The company recognises its investment in subsidiaries initially at cost being the fair value of the consideration given including directly attributable costs. Income is recognised from these investments only in relation to distributions received from post-acquisition profits. Distributions received in excess of post-acquisition profits are deducted from the cost of the investment.

Acquisition-related costs are expenses as incurred.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight line method. The intangible assets are amortised over the following useful economic lives:

The estimated useful lives range as follows:

Licenses	-	40 years
Computer Software	-	3-7 years
Goodwill	-	40 years

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

Negative goodwill is recognised in the Income Statement in the period the benefit is obtained.

2.6 Tangible fixed assets

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is unrecognised. All other repairs and maintenance charged to the income statement during the financial period in which they are incurred.

When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Ordinary depreciation of an asset begins when it is ready for use.

Depreciation of an asset does not cease when an asset becomes idle or is retired from active use unless the asset is fully depreciated. If the depreciation is calculated by reference to the usage of the asset, however, the depreciation recognised may be zero while there is no production. In any case, when an asset becomes idle, or is retired from active use, this may trigger an impairment loss which will result in the reduction of the carrying amount of the asset to estimated recoverable amount.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

The estimated useful lives range as follows:

Buildings	- 25 years
Boats	- 4 - 15 years
Machinery and Equipment	- 2 - 10 years
Motor Vehicles	- 4 - 6 years

The depreciation method, period and residual value are reviewed annually. Changed will be accounted for as a change in an accounting estimate.

Land is not depreciated. No depreciation is charged for plant under construction.

Expenditures for on-going maintenance and repair costs are expensed as incurred, while expenditures for improvements that extend the useful life of the asset and thereby increase the future financial benefits from the asset are capitalised and depreciated over the same period as the underlying asset. The carrying amounts of replaced parts are recognised accordingly.

Gains or losses from the sale of fixed assets are calculated as the difference between net disposal proceeds and carrying value as at the disposal date. Gains are included as other income and losses as other expenses.

2.7 Leasing and hire-purchase commitments

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

Assets held under finance leases are capitalized in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

2.8 Impairment of non-financial assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Inventory and biological assets

Inventory consists of feed, packaging materials, fry/smolt, live fish in the sea and processed fish. Stocks of feed, packaging materials, fry/smolt and processed fish are valued at the lower of cost and net realisable value.

The cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Measurement of costs incurred in bringing each product to its present location and conditions are accounted for as described below.

Raw materials are valued at purchase cost. Purchase cost for raw materials in production consists of purchase cost and costs connected to the purchase such as customs, import duties, provisions, freight costs and indirect purchase cost. Purchase rebated (included cash rebated), premiums and other price reductions are deducted.

Biological assets (inventory in fish farming comprises juveniles, fry/smolt and fish in the sea) are valued at cost.

Broodstock, fry/smolt and live fish below 1kg are measured at cost less impairment losses.

Finished goods and work in progress are valued at full production cost, which includes cost of raw materials, direct labour, energy and other direct costs and related production overheads including maintenance and ordinary depreciation (based on normal operating capacity). Borrowing costs are not included.

2.10 Short term debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Any losses from impairment are recognised in the income statement in other operating expenses.

2.11 Short-term creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.14 Revenue

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the company and when specific criteria have been met for each of the company's activities, as described below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.15 Interest income

For all financial instruments measured at amortised cost and interest-bearing financial asset classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.16 Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measure at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in the finance revenue in the income statement.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.21 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires the management make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The final values realised may deviate from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relates to useful lives of goodwill and intangible assets

Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets. The estimate is based on a variety of factors such as the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The company establishes a reliable estimate of the useful life of sea licences. The estimate is based on a variety of factors such as any contractual terms and based on past experience on how long licenses have been held for.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Turnover

	2017 £	2016 £
Sale of goods	<u>161,676,989</u>	<u>123,765,653</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	54,557,647	39,482,480
Rest of Europe	76,898,635	62,202,922
Rest of the World	30,220,707	22,080,251
	<u>161,676,989</u>	<u>123,765,653</u>

5. Other operating income

	2017 £	2016 £
Other operating income	<u>516,812</u>	<u>292,686</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Research & development charged as an expense	15,900	-
Depreciation of tangible fixed assets	5,760,249	5,007,521
Amortisation of intangible assets, including goodwill	1,048,067	1,018,203
Exchange differences	469,906	2,101,264
Other operating lease rentals	167,353	1,242,241
Defined contribution pension cost	<u>437,798</u>	<u>403,591</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>29,300</u>	<u>28,500</u>
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	<u>6,750</u>	<u>6,750</u>
	<u>6,750</u>	<u>6,750</u>

8. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	8,402,465	7,813,451
Social security costs	780,137	749,557
Other pension costs	437,798	403,591
	<u>9,620,400</u>	<u>8,966,599</u>

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

	2017 No.	2016 No.
Directors and Admin Staff	33	33
Operating Staff	246	242
	<u>279</u>	<u>275</u>

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	<u>414,000</u>	<u>392,825</u>

The highest paid director received remuneration of £158,000 (2016 - £140,537).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016 - £NIL).

10. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>42,123</u>	<u>78,149</u>

11. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	-	38,274
Loans from group undertakings	2,078,759	2,275,207
Other interest payable	83	1,266
	<u>2,078,842</u>	<u>2,314,747</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	8,686,985	3,866,945
Adjustments in respect of previous periods	-	18,484
	<u>8,686,985</u>	<u>3,885,429</u>
Total current tax	<u>8,686,985</u>	<u>3,885,429</u>
Deferred tax		
Origination and reversal of timing differences	46,122	44,059
Changes to tax rates	-	41,470
Adjustments in respect of prior period	-	(21,995)
	<u>46,122</u>	<u>63,534</u>
Total deferred tax	<u>46,122</u>	<u>63,534</u>
Taxation on profit on ordinary activities	<u>8,733,107</u>	<u>3,948,963</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>47,589,607</u>	<u>21,595,235</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	9,161,068	4,319,082
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,022	5,655
Capital allowances for year in excess of depreciation	190,933	221,022
Adjustments to tax charge in respect of prior periods	(36,220)	(4,781)
Group relief	(577,604)	(625,709)
Rate changes	(6,092)	33,694
Total tax charge/(credit) for the year	<u>8,733,107</u>	<u>3,948,963</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Taxation (continued)

Factors that may affect future tax charges

The Company has recognised deferred tax at a rate of 17% on the basis that it is at this rate of corporation tax that it expects to release the deferred tax liability. Corporation tax rates of 19% (from 1 April 2017) and 17% from (1 April 2020) have been substantively enacted and the recognised deferred tax balances have been remeasured accordingly.

13. Dividends

	2017 £	2016 £
Dividends analysis	<u>9,585,770</u>	<u>11,874,086</u>

14. Intangible assets

	Licenses £	Development £	Goodwill £	Total £
Cost				
At 1 January 2017	40,215,419	133,219	834,385	41,183,023
Additions	91,431	-	-	91,431
At 31 December 2017	<u>40,306,850</u>	<u>133,219</u>	<u>834,385</u>	<u>41,274,454</u>
Amortisation				
At 1 January 2017	3,682,373	32,421	83,439	3,798,233
Charge for the year	1,007,672	19,536	20,859	1,048,067
At 31 December 2017	<u>4,690,045</u>	<u>51,957</u>	<u>104,298</u>	<u>4,846,300</u>
Net book value				
At 31 December 2017	<u>35,616,805</u>	<u>81,262</u>	<u>730,087</u>	<u>36,428,154</u>
At 31 December 2016	<u>36,533,046</u>	<u>100,798</u>	<u>750,946</u>	<u>37,384,790</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Tangible fixed assets

	Land and Buildings £	Machinery and Equipment £	Motor vehicles £	Boats and Other Assets £	Assets under construction £
Cost					
At 1 January 2017	4,143,399	29,828,556	322,624	11,967,724	803,970
Additions	249,301	9,060,902	97,485	1,236,135	167,400
Disposals	-	(2,526,028)	(60,120)	(145,184)	-
Transfers between classes	-	803,970	-	-	(803,970)
At 31 December 2017	<u>4,392,700</u>	<u>37,167,400</u>	<u>359,989</u>	<u>13,058,675</u>	<u>167,400</u>
Depreciation					
At 1 January 2017	1,387,613	13,464,985	134,119	7,531,908	-
Charge for the year on owned assets	169,444	4,890,083	47,203	988,441	-
Disposals	-	(2,526,028)	(28,028)	(35,051)	-
At 31 December 2017	<u>1,557,057</u>	<u>15,829,040</u>	<u>153,294</u>	<u>8,485,298</u>	<u>-</u>
Net book value					
At 31 December 2017	<u>2,835,643</u>	<u>21,338,360</u>	<u>206,695</u>	<u>4,573,377</u>	<u>167,400</u>
At 31 December 2016	<u>2,755,786</u>	<u>16,363,571</u>	<u>188,505</u>	<u>4,435,816</u>	<u>803,970</u>

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets (continued)

	Total £
Cost	
At 1 January 2017	47,066,273
Additions	10,811,223
Disposals	(2,731,332)
Transfers between classes	-
At 31 December 2017	<u>55,146,164</u>
Depreciation	
At 1 January 2017	22,518,625
Charge for the year on owned assets	6,095,171
Disposals	(2,589,107)
At 31 December 2017	<u>26,024,689</u>
Net book value	
At 31 December 2017	<u><u>29,121,475</u></u>
At 31 December 2016	<u><u>24,547,648</u></u>

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2017	1,988,706
At 31 December 2017	<u>1,988,706</u>
Net book value	
At 31 December 2017	<u>1,988,706</u>
At 31 December 2016	<u>1,988,706</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Thompson Bros Salmon Limited	Ordinary	100 %	Non-trading
Balta Island Seafare Limited	Ordinary	100 %	Non-trading
The Orkney Salmon Company Limited	Ordinary	100 %	Non-trading

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. Stocks

	2017 £	2016 £
Packaging stock	563,164	192,184
Feed and chemicals	2,469,673	3,120,331
Biological stock	53,046,417	51,744,812
	<u>56,079,254</u>	<u>55,057,327</u>

Stock recognised in cost of sales during the year as an expense was £77,775,624 (2016: £68,112,557).

18. Debtors

	2017 £	2016 £
Trade debtors	11,841,431	14,121,526
Amounts owed by group undertakings	21,936,368	12,087,537
Other debtors	433,835	342,528
Prepayments and accrued income	680,997	686,379
Tax recoverable	425,430	603,435
Deferred taxation	614,806	660,928
	<u>35,932,867</u>	<u>28,502,333</u>

19. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>13,004,398</u>	<u>8,767,620</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

20. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	16,629,578	19,112,513
Amounts owed to group undertakings	4,044,155	15,545,589
Corporation tax	3,418,288	1,531,304
Other taxation and social security	514,982	511,951
Accruals and deferred income	2,478,745	2,208,586
	<u>27,085,748</u>	<u>38,909,943</u>

21. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>51,394,991</u>	<u>52,535,097</u>

22. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>48,937,265</u>	<u>35,320,052</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(78,480,739)</u>	<u>(89,401,786)</u>

Financial assets measured at amortised cost comprise debtor balances due within one year and cash.

Financial liabilities measured at amortised cost comprise creditor balances due within one year and greater than one year.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

23. Deferred taxation

	2017 £	2016 £
At beginning of year	660,928	724,462
Charged to profit or loss	(46,122)	(63,534)
At end of year	614,806	660,928

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	651,102	642,682
Short term timing differences	(36,296)	18,246
	614,806	660,928

24. Share capital

	2017 £	2016 £
Authorised, allotted, called up and fully paid		
1 Ordinary Shares share of £1	1	1

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

25. Reserves

Profit and loss account

The profit and loss account represents historic profits and losses of the company.

26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £437,798 (2016 - £165,221). Contributions totalling £57,926 (2016 - £54,402) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Other		
Not later than 1 year	3,702,612	2,576,400
Later than 1 year and not later than 5 years	11,496,917	8,783,763
Later than 5 years	113,167	1,035,915
	<u>15,312,696</u>	<u>12,396,078</u>
	2017 £	2016 £
Land & Buildings		
Not later than 1 year	140,122	167,210
Later than 1 year and not later than 5 years	390,495	536,973
Later than 5 years	119,841	69,461
	<u>650,458</u>	<u>773,644</u>

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

28. Financial risk management

The group has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a significant proportion of its receivables and operating expenses being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by the use of forward foreign exchange contracts, currency loans or overdrafts. The forward foreign exchange contracts all mature within 12 months.

Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. Given the maturity of the intercompany loan in note 17, the group is in position to meet its commitments and obligations as they come due.

Customer credit exposure

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

Interest rate risk

The group borrows from its bankers or parent company using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rate.

29. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Cooke Aquaculture UK Holdings Limited, a company registered in Scotland. The results of Cooke Aquaculture Scotland Limited are included within the consolidated financial statements of Cooke Aquaculture UK Holdings Limited for the year ended 31 December 2017. The Company's ultimate parent undertaking and the ultimate controlling party at 31 December 2017 is Cooke Aquaculture Inc, a company incorporated in Canada.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

30. Related party transactions

The sale of goods to True North Salmon Co in the year amounted to £22,231,697 (2016: £17,309,110). At the year end the debtor balance outstanding for True North Salmon Co was £15,145,572 (2016: £9,816,082).

There were also the following loan balances and payables outstanding at the year end.

	2017 £	2016 £
Cooke Aquaculture Freshwater (purchase of goods)	3,281,086	171,586
Cooke Aquaculture Freshwater (loan)	20,248	296,351
Cooke Aquaculture UK Holdings (loan)	(51,394,991)	(51,393,163)
Cooke Aquaculture Inc (loan)	3,957,300	(1,141,935)
Cooke Aquaculture Inc (management recharges)	(1,173,904)	(11,077,192)
Culmarex SA (loan)	-	1,803,518
Thompson Bros Salmon Ltd (loan)	(2,087,999)	(2,087,999)
True North Seafood Inc (services)	(2,238)	(1,829)
True North Salmon Ltd (services)	(418,178)	(1,690,676)
Balta Island Seafare Ltd (loan)	(471,040)	(687,894)
	<u>(48,289,716)</u>	<u>(65,809,233)</u>