

Registered number: SC419789

COOKE AQUACULTURE SCOTLAND LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



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	C/O Brodies LLP 110 Queen Street Glasgow G1 3BX
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 110 Queen Street Glasgow G1 3BX
Bankers	DNB Bank ASA 8th Floor, The Walbrook Building 24 Walbrook London EX4N 8AF
Solicitors	Brodies LLP 110 Queen Street Glasgow G1 3BX

COOKE AQUACULTURE SCOTLAND LIMITED

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COOKE AQUACULTURE SCOTLAND LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present their Strategic Report for the year ended 31 December 2020.

Business review

The company continues to pursue the same business model as in 2019, while looking for expansion opportunities where they arise. Such opportunities are of course rare, and so utilising the existing production capacity as effectively and responsible 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 is 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.

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.

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.

COOKE AQUACULTURE SCOTLAND LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

S172 statement

Strategy

Our strategy is to build on the strong credibility that the business has developed. This has derived from being able to offer a quality product to an established global customer base, whilst maintaining loyal supplier relationships and long-term employment opportunities, often within local communities.

Key stakeholders

We recognise the following key stakeholders as critical to achieving the on-going progress of the business:

- Our employees
- Our customers
- Our suppliers

With the involvement and support of our key stakeholders we believe that the business will continue to progress and sustain the significant position it has in the market.

Employees

Our employees are empowered to develop initiatives that will result in process improvement and thereby take ownership of their role. Employees are consulted on operational changes and encouraged to support project implementation.

Training and development is a priority of the business together with ensuring that the appropriate resources are available to enable the employee to fulfil their role to the highest standards.

Customers

We will continue to benefit from being part of a global seafood producing organisation and expand our customer base further. We have a reputation for supplying a quality diversified product which has resulted in enduring customer retention and frequent new customer enquiries. We will look to add to the increasing number of contracts which enhances the close customer relationships already in place.

Suppliers

We recognise the importance of supporting our key suppliers and the vested interest they have in our continued growth. The remote geographical nature of the main operational part of the business requires a partner type relationship with suppliers which is encouraged and developed. The sustainability of the business as a viable going concern is inextricably linked to the continued support from our suppliers and hence a close alliance is promoted.

This report was approved by the board on

7/12/2021

and signed on its behalf.

Colin Blair

C I Blair
Director

COOKE AQUACULTURE SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £27,617,352 (2019 - £32,673,235).

Particulars of dividends paid are detailed in note 14 of the financial statements.

Directors

The directors who served during the year were:

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 may differ from legislation in other jurisdictions.

COOKE AQUACULTURE SCOTLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Engagement with employees

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.

Brexit impact

The EU remains a significant market for our product and therefore any change to the requirements for exporting our product to the EU, will impact our business. Although the trading position is now clearer, post Brexit, there is still some uncertainty in relation the movement of goods across some borders. We have implemented changes to our export process to ensure our product can be exported into the EU in an efficient and timely manner. We will continue to monitor developments and will take steps to mitigate the risks associated with exporting to this significant market.

Covid-19 impact

Our main markets have proven to be robust and trading continues at levels experienced prior to the pandemic. Measures put in place at the start of the pandemic have been maintained with operational staff continuing to exercise the high levels of hygiene already required at all the sites where biomass is located.

The demand for our product has not been adversely impacted with trading at a level similar to that before Covid-19. Any increase in costs related to Covid-19 safety measures have been offset by savings elsewhere, with a reduction in staff travel costs being a significant factor.

Greenhouse gas emissions, energy consumption and energy efficiency action

The following information is disclosed in accordance with the requirements of the streamlined energy and carbon reporting for large companies for the year 2020.

Energy usage purchased in the year is 34,215,779 kWh.
Scope 1 greenhouse gases: 7,920 tCO₂e.
Scope 2 greenhouse gases: 672 tCO₂e
Total greenhouse gases: 34,368 t CO₂e.

This equates to 1.31 kWh per Kg of salmon processed.

Data is collated using the Financial Reporting software which identifies by relevant supplier, expenditure and quantity of energy purchased. There are various projects being undertaken to improve energy efficiency. Specifically, renewable, environmentally friendly and more efficient types of energy are being introduced where feasible. In addition, equipment has been installed to minimise biomass waste and recycling opportunities are being identified where equipment has needed to be replaced.

COOKE AQUACULTURE SCOTLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have been as directors in order to make themselves 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 7/12/2021 and signed on its behalf.

Colin Blair

C I Blair
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



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

Conclusions relating to going concern (continued)

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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual 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.



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

Matter on which we are required to report under 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the industry within it operates through our general commercial and sector experience, discussions with management and inspection of the company's environmental requirements. We determined that the most significant, which are directly relevant to specific assertions in the financial statements, are those related to the reporting frameworks (Financial Reporting Standard 102 and the Companies Act 2006). In addition, as fish farm operator, we established that the company is required hold a permit to operate, as granted by the Scottish Environment Protection Agency (SEPA). SEPA regulates the aquaculture industry, in which the company operates, to ensure that activities which may pose a risk to the water environment are controlled.
- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of evaluation of the processes and controls which management has put in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates.
 - identifying and testing journal entries and any postings to revenue which were regarded as unusual or unexpected;
 - identifying and testing related party transactions;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it:



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

- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provision of the applicable legislation, the regulators rules and related guidance and the application of the legal and regulatory requirements of Financial Reporting Standard 102 and the Companies Act 2006 as applicable to Cooke Aquaculture Scotland Limited.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its revenue sources and revenue recognition policy, the assessment of material judgements made by management and the design of the control environment for the overall financial reporting process within Cooke Aquaculture Scotland Limited;
 - the company's control environment, including the policies and procedures implemented to comply with the requirements of Financial Reporting Standard 102 and the Companies Act 2006, the adequacy of procedures for authorisation of transactions within the business and the regularity of management's review of management accounts for indicators of material misstatement.

Use of our report

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

Grant Thornton UK LLP

Lorraine Macphail
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
Date: 7/12/2021

COOKE AQUACULTURE SCOTLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	170,721,620	169,319,482
Cost of sales		(120,341,796)	(112,658,504)
Gross profit		50,379,824	56,660,978
Distribution costs		(6,479,723)	(5,556,867)
Administrative expenses		(5,852,704)	(9,102,198)
Other operating income	5	577,342	256,411
Operating profit	6	38,624,739	42,258,324
Income from fixed assets investments	10	572,219	-
Interest receivable and similar income	11	3,027	18,798
Interest payable and expenses	12	(4,996,981)	(2,320,294)
Profit before tax		34,203,004	39,956,828
Tax on profit	13	(6,585,652)	(7,283,593)
Profit for the financial year		27,617,352	32,673,235

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 14 to 33 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED
REGISTERED NUMBER: SC419789

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	15	33,491,633	34,519,584
Tangible assets	16	31,832,456	32,676,037
Investments	17	472,927	1,988,706
		<u>65,797,016</u>	<u>69,184,327</u>
Current assets			
Stocks	18	82,577,569	78,530,592
Debtors: amounts falling due within one year	19	31,241,852	41,355,227
Cash at bank and in hand	20	7,194,015	8,423,220
		<u>121,013,436</u>	<u>128,309,039</u>
Creditors: amounts falling due within one year	21	(25,160,437)	(91,173,342)
Net current assets		<u>95,852,999</u>	<u>37,135,697</u>
Total assets less current liabilities		<u>161,650,015</u>	<u>106,320,024</u>
Creditors: amounts falling due after more than one year	22	(107,519,307)	-
Net assets		<u><u>54,130,708</u></u>	<u><u>106,320,024</u></u>
Capital and reserves			
Called up share capital	24	1	1
Profit and loss account	25	54,130,707	106,320,023
		<u><u>54,130,708</u></u>	<u><u>106,320,024</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7/12/2021

Colin Blair

C I Blair
 Director

The notes on pages 14 to 33 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	1	106,320,023	106,320,024
Profit for the year	-	27,617,352	27,617,352
Dividends: Equity capital	-	(79,806,668)	(79,806,668)
At 31 December 2020	1	54,130,707	54,130,708

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1	75,947,425	75,947,426
Profit for the year	-	32,673,235	32,673,235
Dividends: Equity capital	-	(2,300,637)	(2,300,637)
At 31 December 2019	1	106,320,023	106,320,024

The notes on pages 14 to 33 form part of these financial statements.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Company information

Cooke Aquaculture Scotland Limited is a private company limited by shares & incorporated in Scotland. Its registered head office is located at 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 judgement 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 (see note 29).

The following principal accounting policies have been applied:

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 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 11.42, 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 2020 and these financial statements may be obtained from Companies House.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

After considering the company's current trading performance and reviewing the forward cashflow projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company 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.

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
Development	-	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 Statement of Comprehensive Income in the period the benefit is obtained.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**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.

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 Statement of Comprehensive Income 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 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:

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. Any changes 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.

Depreciation of assets directly involved in day to day operational activities is charged directly to stock, and released to the Statement of Comprehensive Income in line with fish harvested.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**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 Statement of Financial Position 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 Statement of Financial Position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the Statement of Comprehensive Income 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 is 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.

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 feed and packaging inventories comprises all costs of purchase, 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 for the packaging, feed and smolt stock, less estimated costs necessary to make the sale.

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

Fish stock is valued at full production cost, which includes cost of smolt, direct labour, feed consumed, 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 Statement of Comprehensive Income in other operating expenses.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**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.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 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'.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.14 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.

2.15 Revenue**Sale of goods**

Revenue is measured at the fair value of the consideration received or receivable, for the fish sold, stated net of discounts 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 hence when the fish have transferred ownership as this shows pass over of control. 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.

2.16 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 measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in the finance revenue in the Statement of Comprehensive Income.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**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.

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.

2.20 Pensions**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.21 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 7 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.

3. Judgements 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 2020**

4. Turnover

	2020 £	2019 £
Sale of goods	<u>170,721,620</u>	<u>169,319,482</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	46,298,669	52,921,024
Rest of Europe	105,533,176	87,494,318
Rest of the World	18,889,775	28,904,140
	<u>170,721,620</u>	<u>169,319,482</u>

5. Other operating income

	2020 £	2019 £
Other operating income	<u>577,342</u>	<u>256,411</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	43,800	82,202
Depreciation of tangible fixed assets	7,912,698	7,356,109
Amortisation of intangible assets, including goodwill	1,052,284	1,051,108
Exchange differences	(994,891)	1,466,069
Other operating lease rentals	<u>6,332,685</u>	<u>3,715,767</u>

The depreciation charge noted above does not agree to the amount disclosed as charged for the year at note 16. This is due to a proportion of these costs being capitalised into inventory and is not released to the Statement of Comprehensive Income until the stock is sold.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	32,000	31,100

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	9,958,813	9,404,064
Social security costs	985,982	944,074
Cost of defined contribution scheme	518,325	487,384
	11,463,120	10,835,522

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

	2020 No.	2019 No.
Directors and Admin Staff	35	35
Operating Staff	272	247
	307	282

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	500,947	455,939

The highest paid director received remuneration of £228,000 (2019 - £187,579).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,500 (2019 - £15,150).

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Income from investments

	2020 £	2019 £
Dividends received from unlisted investments	<u>(572,219)</u>	<u>-</u>

11. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>3,027</u>	<u>18,798</u>

12. Interest payable and similar expenses

	2020 £	2019 £
Loans from group undertakings	4,936,631	2,292,167
Other interest payable	60,350	28,127
	<u>4,996,981</u>	<u>2,320,294</u>

13. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	6,603,543	7,172,570
Adjustments in respect of previous periods	64,314	(677)
Total current tax	<u>6,667,857</u>	<u>7,171,893</u>
Deferred tax		
Origination and reversal of timing differences	5,648	111,086
Adjustments in respect of prior period	(28,635)	614
Effect of tax rate change on opening balance	(59,218)	-
Total deferred tax	<u>(82,205)</u>	<u>111,700</u>
Taxation on profit on ordinary activities	<u>6,585,652</u>	<u>7,283,593</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	34,203,004	39,956,828
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	6,498,571	7,591,798
Effects of:		
Expenses not deductible for tax purposes	18,542	27,695
Fixed asset differences	200,800	195,211
Income not taxable for tax purposes	(108,722)	-
Adjustments to tax charge in respect of previous periods	64,314	(677)
Adjustments to tax charge in respect of previous periods - deferred tax	(28,635)	614
Remeasurement of deferred tax for changes in tax rates	(59,218)	-
Group relief surrendered/(claimed)	-	(517,648)
Rate changes	-	(13,400)
Total tax charge/(credit) for the year	6,585,652	7,283,593

Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020, and therefore, deferred tax has been recognised at 19%. To note, in the Spring Budget 2021, the government announced that from 1 April 2023, the tax rate will increase to 25% for large companies. This new law was substantively enacted on 24 May 2021 (post year end) therefore the balances have continued to be recognised at 19% at 31 December 2020.

14. Dividends

	2020 £	2019 £
Dividends paid	79,806,668	2,300,637

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Intangible assets

	Licenses £	Development £	Goodwill £	Total £
Cost				
At 1 January 2020	40,498,476	133,219	834,385	41,466,080
Additions	24,333	-	-	24,333
At 31 December 2020	40,522,809	133,219	834,385	41,490,413
Amortisation				
At 1 January 2020	6,710,922	89,557	146,017	6,946,496
Charge for the year	1,012,771	18,653	20,860	1,052,284
At 31 December 2020	7,723,693	108,210	166,877	7,998,780
Net book value				
At 31 December 2020	32,799,116	25,009	667,508	33,491,633
At 31 December 2019	33,787,554	43,662	688,368	34,519,584

Amortisation of intangible assets is charged to cost of sales and admin expenses.

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Tangible fixed assets

	Land and Buildings £	Machinery and Equipment £	Motor vehicles £	Boats and Other Assets £	Assets under construction £
Cost					
At 1 January 2020	5,511,402	43,542,540	368,926	18,232,404	446,638
Additions	1,596,916	16,879,066	12,095	4,338,548	1,616,739
Disposals	(1,375,953)	(18,352,030)	-	(3,115,036)	(410,816)
Transfers between classes	-	128,895	-	-	(128,895)
At 31 December 2020	<u>5,732,365</u>	<u>42,198,471</u>	<u>381,021</u>	<u>19,455,916</u>	<u>1,523,666</u>
Depreciation					
At 1 January 2020	2,003,254	22,647,296	182,507	10,592,816	-
Charge for the year on owned assets	244,160	7,264,708	56,543	1,221,595	-
Disposals	(55,038)	(6,692,358)	-	(6,500)	-
At 31 December 2020	<u>2,192,376</u>	<u>23,219,646</u>	<u>239,050</u>	<u>11,807,911</u>	<u>-</u>
Net book value					
At 31 December 2020	<u>3,539,989</u>	<u>18,978,825</u>	<u>141,971</u>	<u>7,648,005</u>	<u>1,523,666</u>
At 31 December 2019	<u>3,508,148</u>	<u>20,895,244</u>	<u>186,419</u>	<u>7,639,588</u>	<u>446,638</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Tangible fixed assets (continued)

	Total £
Cost	
At 1 January 2020	68,101,910
Additions	24,443,364
Disposals	(23,253,835)
Transfers between classes	-
At 31 December 2020	<u>69,291,439</u>
Depreciation	
At 1 January 2020	35,425,873
Charge for the year on owned assets	8,787,006
Disposals	(6,753,896)
At 31 December 2020	<u>37,458,983</u>
Net book value	
At 31 December 2020	<u><u>31,832,456</u></u>
<i>At 31 December 2019</i>	<u><u>32,676,037</u></u>

All of the above land and buildings are freehold in nature.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020 and 31 December 2020	1,988,706
Disposals	(1,515,779)
Net book value	
At 31 December 2020	472,927
At 31 December 2019	1,988,706

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Balta Island Seafare Limited	110 Queen Street, Glasgow, Scotland, G1 3BX	Ordinary	100%
The Orkney Salmon Company Limited	C/O Cooke Aquaculture Scotland Ltd Willow House, Kestrel View, Strathclyde Business Park, Bellshill, North Lanarkshire, Scotland, ML4 3PB	Ordinary	100%

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Stocks

	2020 £	2019 £
Packaging stock	589,262	656,752
Feed and chemicals	3,989,649	3,929,923
Biological stock	77,998,658	71,741,586
Scallops	-	2,202,331
	<u>82,577,569</u>	<u>78,530,592</u>

Stock recognised in cost of sales during the year as an expense was £96,192,647 (2019: £88,268,492).

19. Debtors

	2020 £	2019 £
Trade debtors	15,851,359	10,511,027
Amounts owed by group undertakings	11,859,022	27,997,788
Other debtors	531,428	353,421
Corporation tax repayable	396,457	-
Prepayments and accrued income	1,357,835	1,488,162
Tax recoverable	688,830	530,113
Deferred taxation	556,921	474,716
	<u>31,241,852</u>	<u>41,355,227</u>

20. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>7,194,015</u>	<u>8,423,220</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,249,021	27,972,309
Amounts owed to group undertakings	15,073,923	57,957,399
Corporation tax	-	3,140,466
Other taxation and social security	628,346	610,760
Accruals and deferred income	2,209,147	1,492,408
	<u>25,160,437</u>	<u>91,173,342</u>

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

	2020 £	2019 £
Amounts owed to group undertakings	<u>107,519,307</u>	<u>-</u>

23. Deferred taxation

	2020 £	2019 £
At beginning of year	474,716	586,416
Credit/charged to profit or loss	82,205	(111,700)
At end of year	<u>556,921</u>	<u>474,716</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	968,842	705,887
Short term timing differences	(411,921)	(231,171)
	<u>556,921</u>	<u>474,716</u>

COOKE AQUACULTURE SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24. Share capital

	2020	2019
	£	£
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

25. Reserves**Profit and loss account**

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

26. Capital commitments

The company had outstanding capital commitments at 31 December 2020 of £804k (2019: £1,207k) being two work boats purchases committed to.

27. 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 £518,324 (2019: £487,384). Contributions totalling £70,344 (2019: £63,995) were payable to the fund at the reporting date and are included in creditors.

COOKE AQUACULTURE SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases as follows:

	2020 £	2019 £
Other		
Not later than 1 year	5,099,697	4,282,518
Later than 1 year and not later than 5 years	12,524,480	9,489,738
Later than 5 years	3,120,765	4,773,052
	<u>20,744,942</u>	<u>18,545,308</u>
	2020 £	2019 £
Land & Buildings		
Not later than 1 year	151,109	151,809
Later than 1 year and not later than 5 years	587,882	452,573
Later than 5 years	288,518	289,918
	<u>1,027,509</u>	<u>894,300</u>

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 2020, being the smallest group for which consolidated accounts are prepared. The company's ultimate parent undertaking and the largest group for which consolidated accounts are prepared is Cooke Aquaculture Inc, a group incorporated in Canada.

The ultimate controlling party is the Cooke family by virtue of their shareholding in Cooke Aquaculture Inc.

30. Related party transactions

The company has taken advantage of the exemption in FRS 102, not to disclose any transactions with the entity that are part of the group which qualify as related parties, on the grounds that it is a wholly owned subsidiary undertaking where all of its voting rights are controlled within the group.