

**Company Registration No. SC513398 (Scotland)**

**Organic Sea Harvest Limited**

**Financial statements  
for the year ended 31 December 2022**

**Pages for filing with the registrar**

**Organic Sea Harvest Limited**

**Contents**

---

	<b>Page</b>
Statement of financial position	1
Notes to the financial statements	2 - 9

---

**Organic Sea Harvest Limited****Statement of financial position  
As at 31 December 2022**

		2022	2021
	Notes	£	£
<b>Fixed assets</b>			
Intangible assets	4	1,279,278	1,335,707
Tangible assets	5	9,094,436	9,588,249
		<u>10,373,714</u>	<u>10,923,956</u>
<b>Current assets</b>			
Stocks		10,441,160	12,115,848
Debtors	6	2,521,458	913,702
Cash at bank and in hand		84,246	41,413
		<u>13,046,864</u>	<u>13,070,963</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(11,870,269)</u>	<u>(11,421,565)</u>
<b>Net current assets</b>		<u>1,176,595</u>	<u>1,649,398</u>
<b>Total assets less current liabilities</b>		<u>11,550,309</u>	<u>12,573,354</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(782,639)</u>	<u>(1,030,627)</u>
<b>Net assets</b>		<u><u>10,767,670</u></u>	<u><u>11,542,727</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	1,389	1,389
Share premium account		14,731,455	14,731,455
Profit and loss reserves		(3,965,174)	(3,190,117)
<b>Total equity</b>		<u><u>10,767,670</u></u>	<u><u>11,542,727</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:

O Thu  
Director

Company Registration No. SC513398 (Scotland)

## **Organic Sea Harvest Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

---

#### **1 Accounting policies**

##### **Company information**

Organic Sea Harvest Limited is a private company limited by shares incorporated in Scotland. The registered office is 3 Kings House, The Green, Portree, Isle of Skye, IV51 9BT.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

The financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the period to December 2024 and meet its liabilities as they fall due.

The company has reported a loss for the period which is a result of fish mortalities incurred after a combination of jellyfish and gill disease challenges in the autumn of 2022.

To date, significant investment has been made in establishing the two farming sites and the related infrastructure and the company remains committed to establishing a sustainable fish farming operation.

With regard to future funding requirements the shareholders of the parent undertaking, Organic Sea Harvest Holdings Limited have provided a shareholder loan facility of £4m which will be available to be drawdown as required in 2024.

The company operates with an overdraft facility of £3.1m from Virgin Money and this is due to be renewed in February 2024. Discussions to date have been positive and the directors expect that the facility will be renewed on similar terms in due course. A key creditor has also indicated their willingness to continue providing extended credit terms until December 2024.

The directors, after making enquiries and considering the available resources, the financial forecast, the on-going support from the parent company together with the committed bank borrowing facilities and key creditor support, have formed a judgement that there is a reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. Therefore, the going concern basis has been adopted in preparing these financial statements.

In reaching this conclusion, the directors have considered the magnitude of potential impacts from uncertain future events of changes in biological conditions, the likelihood of their occurrence and the likely effectiveness of mitigating actions that the directors would consider undertaking.

## Organic Sea Harvest Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2022

---

#### 1 Accounting policies (continued)

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of fish is recognised when the significant risks and rewards of ownership of the fish have passed to the buyer (usually on dispatch of the fish), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 Farming licences

Farming licences are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Farming licences	4% straight line per annum
------------------	----------------------------

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line per annum
Plant and equipment	10% - 25% straight line per annum and 15% reducing balance
Barges and work boats	5% - 25% straight line per annum
Computers	33% straight line per annum
Motor vehicles	25% straight line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost comprises the purchase of and rearing of fish, direct labour and overheads incurred in bringing the stock to its present location and condition.

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

---

**1 Accounting policies (continued)**

**1.8 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank and other loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

---

**1 Accounting policies (continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant impact on the financial statements:

**Licenses**

Fish farm licenses have indefinite lives, subject to certain requirements and conditions. FRS 102 does not permit non-amortisation of indefinite life assets and so these licenses have been amortised over the directors' estimate of useful lives of 25 years.

The following are the key sources of estimation uncertainty:

**Stocks**

Fish stocks are stated at the lower of cost and net realisable value. The estimation of net realisable value requires a number of assumptions, including the number and biomass of fish, fish health and grading. The company regularly monitors fish in each pen including the number of mortalities, and compares actual to estimated volumes when sites are harvested. Volume deviations for normal losses are usually low and within expectations for a year class of fish, and these are absorbed into the cost of remaining stocks. Abnormal losses, due to incidents or disease are expensed as incurred.

A key element in the estimated net realisable value is estimated selling price less future costs to be incurred to the point of sale. There is uncertainty over future selling prices and future costs such as feed, medicines and labour costs. The estimates used are derived from past experiences, knowledge of the market and current economic conditions.

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

---

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Total	17	15

**4 Intangible fixed assets**

	<b>Farming licences £</b>
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	1,415,767
<b>Amortisation and impairment</b>	
At 1 January 2022	80,060
Amortisation charged for the year	56,429
At 31 December 2022	136,489
<b>Carrying amount</b>	
At 31 December 2022	1,279,278
At 31 December 2021	1,335,707



**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

**5 Tangible fixed assets**

	<b>Leasehold improvements</b>	<b>Plant and machinery etc</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2022	64,338	10,417,904	10,482,242
Additions	2,040	247,397	249,437
Disposals	-	(35,029)	(35,029)
At 31 December 2022	66,378	10,630,272	10,696,650
<b>Depreciation and impairment</b>			
At 1 January 2022	3,338	890,655	893,993
Depreciation charged in the year	1,332	725,641	726,973
Eliminated in respect of disposals	-	(18,752)	(18,752)
At 31 December 2022	4,670	1,597,544	1,602,214
<b>Carrying amount</b>			
At 31 December 2022	61,708	9,032,728	9,094,436
At 31 December 2021	61,000	9,527,249	9,588,249

**6 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	31,875	659,649
Other debtors	2,489,583	254,053
	2,521,458	913,702

**7 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	2,603,494	3,056,994
Convertible loans	1,000,000	1,000,000
Trade creditors	7,665,987	6,697,891
Amounts owed to group undertakings	75,000	36,187
Taxation and social security	21,763	23,222
Other creditors	504,025	607,271
	11,870,269	11,421,565

**Organic Sea Harvest Limited****Notes to the financial statements (continued)****For the year ended 31 December 2022****8 Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other creditors	782,639	1,030,627
	<b>=====</b>	<b>=====</b>

**9 Loans and overdrafts**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	2,603,494	3,056,994
	<b>=====</b>	<b>=====</b>
Payable within one year	2,603,494	3,056,994
	<b>=====</b>	<b>=====</b>

Virgin Money UK PLC holds a floating charge over all the assets and undertakings of the company. They hold a charge over the stock insurance policy alongside first legal charge over both the Invertote and Culacnoc sites.

**10 Called up share capital**

	<b>December 2022</b>	<b>December 2021</b>	<b>December 2022</b>	<b>December 2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 2.5p each	30,143	30,143	935	935
A Ordinary shares of 2.5p each	25,438	25,438	454	454
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
	55,581	55,581	1,389	1,389
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

The ordinary and A ordinary shares carry the same rights regarding voting and dividends.

**11 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:

Eunice McAdam

Statutory Auditors:

Saffery LLP

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2022**

---

**12 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
139,500	157,500
<u><u>          </u></u>	<u><u>          </u></u>

**13 Events after the reporting date**

On 15 February 2023 the company issued 11,137 Ordinary Shares of £0.025 each at par, increasing the share capital by £278.

**14 Ultimate controlling party**

In the opinion of the directors there is no ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.