



**Smailes Goldie**  
Chartered Accountants



**UK Fisheries Limited**

**Consolidated Financial Statements**

**31st December 2017**



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Chartered  
accountants  
& lawyers



# **UK Fisheries Limited (Registered Number: 05219340)**

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# UK Fisheries Limited

## Company Information

*for the year ended 31st December 2017*

### **DIRECTORS:**

D Parlevliet  
J C Van Der Plas  
T Mar Baldvinsson  
H Gretarsson  
Mrs J Sandell

### **SECRETARY:**

Mackinnons Solicitors

### **REGISTERED OFFICE:**

The Orangery  
Hesslewood Country Office Park  
Ferriby Road  
Hessle  
East Yorkshire  
HU13 0LH

### **REGISTERED NUMBER:**

05219340 (England and Wales)

### **AUDITORS:**

Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

# **UK Fisheries Limited (Registered Number: 05219340)**

## **Group Strategic Report**

*for the year ended 31st December 2017*

The principle activity of the group is the operation of fishing and other vessels from the United Kingdom, France, Spain and Portugal together with the provision of management services and other services to fishing vessel operators.

### **REVIEW OF BUSINESS**

The group has continued its fishing operations throughout the year within available fishing quotas.

Turnover has decreased by £1,545,589 in 2017; the principle reasons for this being the retirement of a vessel operated in Spain during 2016 together with the reduction of other income from fishing opportunities.

The group continues to invest in its future with the continued construction of two new vessels resulting in capital expenditure of £24.4m during the year. Both these vessels will become operational in 2018 as the group restructures its fishing fleet.

Pre-tax profits are £17,154,431 compared to £18,050,690 in 2016.

The group has net assets at 31 December 2017 of £76,921,084 compared to £62,380,267 at 2016.

The directors are satisfied with group performance.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key business risks affecting the group are considered to relate to competition and market dynamics and the availability of fishing opportunities in the group's key areas of operation.

Management continue to monitor the effects that the UK Brexit vote will have, if any on the group operations. Due to the spread of the fishing opportunities throughout the group they do not envisage that the group results will be materially impacted by the political environment.

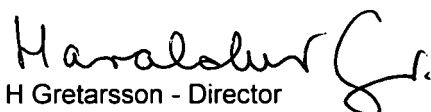
### **KEY PERFORMANCE INDICATORS**

The shareholders are closely involved in the group's operations and therefore the directors believe that an analysis of the group's performance for the year using key performance indicators is not necessary as the shareholders already understand the development, performance and financial position of the group.

### **FUTURE DEVELOPMENT AND PERFORMANCE**

The commercial environment is expected to remain competitive and challenging but the directors remain confident that the group will continue to trade profitably in the future as demonstrated by the investment in new vessels.

### **ON BEHALF OF THE BOARD:**

  
H Gretarsson - Director

30th May 2018

# **UK Fisheries Limited (Registered Number: 05219340)**

## **Report of the Directors**

*for the year ended 31st December 2017*

The directors present their report with the financial statements of the company and the group for the year ended 31st December 2017.

### **DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2017.

### **FUTURE DEVELOPMENTS**

The commercial environment in which the group operate is expected to remain competitive and challenging. However, the directors remain confident that the group will continue to trade profitably in the future.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2017 to the date of this report.

D Parlevliet  
J C Van Der Plas  
T Mar Baldwinsson  
H Gretarsson  
Mrs J Sandell

### **FINANCIAL INSTRUMENTS**

The principle financial instruments comprise bank loans, trade debtors and trade creditors. The main purpose of these instrument is to raise funds for the group's operations and provide working capital. UK Fisheries Limited also has a number for foreign exchange currency swap arrangements to protect the company against the volatility of foreign exchange relating to the large capital expenditure.

Due to the nature of the financial instruments utilised there is no exposure to price risk. Bank loans have fixed rates of interest with fixed repayments. The group manages the liquidity risk by ensuring sufficient funds are available to meet obligations when falling due.

Trade debtors are managed for credit given to customers by regular monitoring of amounts outstanding.

The trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet obligations when falling due.

### **THIRD PARTY INDEMNITY PROVISIONS**

Qualifying third party indemnity provisions as detailed by Section 234 of the Companies Act were in place throughout the year.

# **UK Fisheries Limited (Registered Number: 05219340)**

## **Report of the Directors**

*for the year ended 31st December 2017*

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

### **AUDITORS**

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **ON BEHALF OF THE BOARD:**



D Parlevliet - Director

30th May 2018

# **Report of the Independent Auditors to the Members of UK Fisheries Limited**

## **Opinion**

We have audited the financial statements of UK Fisheries Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31st December 2017 and of the group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 group'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.

## **Other information**

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

# Report of the Independent Auditors to the Members of UK Fisheries Limited

## **Opinion 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Our 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 a Report of the Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

James Sharpley FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

30th May 2018



# UK Fisheries Limited (Registered Number: 05219340)

## Consolidated Statement of Comprehensive Income for the year ended 31st December 2017

	Notes	2017 £	2016 £
<b>TURNOVER</b>	3	70,924,235	72,469,824
Cost of sales		<u>44,763,103</u>	<u>45,024,371</u>
<b>GROSS PROFIT</b>		26,161,132	27,445,453
Administrative expenses		<u>6,702,762</u>	<u>8,065,957</u>
		19,458,370	19,379,496
Other operating income		<u>96,145</u>	<u>171,557</u>
<b>GROUP OPERATING PROFIT</b>	5	19,554,515	19,551,053
Share of operating profit in Associates		634,276	1,461,821
Interest receivable and similar income		34,694	134,888
Other finance income	22	<u>-</u>	<u>104,000</u>
		<u>34,694</u>	<u>238,888</u>
		20,223,485	21,251,762
Interest payable and similar expenses	6	<u>3,069,054</u>	<u>3,201,072</u>
<b>PROFIT BEFORE TAXATION</b>		17,154,431	18,050,690
Tax on profit	7	<u>3,790,268</u>	<u>4,688,857</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		13,364,163	13,361,833
<b>OTHER COMPREHENSIVE INCOME</b>			
Unrealised foreign exchange movements		1,368,384	6,583,793
Actuarial profit/(loss)		(224,000)	(233,000)
Cashflow hedge		-	1,480,077
Income tax relating to components of other comprehensive income		<u>32,270</u>	<u>(249,415)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>1,176,654</u>	<u>7,581,455</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>14,540,817</u>	<u>20,943,288</u>
Profit attributable to: Owners of the parent		<u>13,364,163</u>	<u>13,361,833</u>
Total comprehensive income attributable to: Owners of the parent		<u>14,540,817</u>	<u>20,943,288</u>

The notes form part of these financial statements

# UK Fisheries Limited (Registered number: 05219340)

## Consolidated Balance Sheet

31st December 2017

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	9	66,189,319	66,266,354
Tangible assets	10	61,614,861	41,871,901
Investments	11	<u>9,464,700</u>	<u>8,742,968</u>
		137,268,880	116,881,223
<b>CURRENT ASSETS</b>			
Stocks	12	11,400,563	8,828,700
Debtors	13	8,738,198	7,048,860
Cash at bank		<u>17,032,589</u>	<u>22,832,046</u>
		37,171,350	38,709,606
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>14,849,401</u>	<u>14,132,864</u>
<b>NET CURRENT ASSETS</b>		<u>22,321,949</u>	<u>24,576,742</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		159,590,829	141,457,965
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(67,697,346)	(64,848,781)
<b>PROVISIONS FOR LIABILITIES</b>	19	(13,881,399)	(13,250,917)
<b>PENSION LIABILITY</b>	22	<u>(1,091,000)</u>	<u>(978,000)</u>
<b>NET ASSETS</b>		<u>76,921,084</u>	<u>62,380,267</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	5,000,000	5,000,000
Foreign currency reserves	21	2,787,921	1,419,537
Retained earnings	21	<u>69,133,163</u>	<u>55,960,730</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>76,921,084</u>	<u>62,380,267</u>

The financial statements were approved by the Board of Directors on 30th May 2018 and were signed on its behalf by:

  
H Gretarsson - Director

D Parlevliet - Director



The notes form part of these financial statements


# UK Fisheries Limited (Registered number: 05219340)

## Company Balance Sheet

31st December 2017

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	9	81,714	83,173
Tangible assets	10	-	-
Investments	11	<u>66,730,257</u>	<u>66,730,257</u>
		66,811,971	66,813,430
<b>CURRENT ASSETS</b>			
Debtors	13	42,587,140	48,709,692
Cash at bank		<u>8,324,062</u>	<u>2,432,794</u>
		50,911,202	51,142,486
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>16,540,690</u>	<u>18,433,926</u>
<b>NET CURRENT ASSETS</b>		<u>34,370,512</u>	<u>32,708,560</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		101,182,483	99,521,990
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(52,668,999)	(56,079,931)
<b>PROVISIONS FOR LIABILITIES</b>	19	-	(296,015)
<b>NET ASSETS</b>		<u>48,513,484</u>	<u>43,146,044</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	5,000,000	5,000,000
Retained earnings	21	<u>43,513,484</u>	<u>38,146,044</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>48,513,484</u>	<u>43,146,044</u>
Company's profit for the financial year		<u>5,367,440</u>	<u>5,179,633</u>

The financial statements were approved by the Board of Directors on 30th May 2018 and were signed on its behalf by:

  
H Gretarsson - Director

D Parlevliet - Director



The notes form part of these financial statements

# UK Fisheries Limited (Registered Number: 05219340)

## Consolidated Statement of Changes in Equity

for the year ended 31st December 2017

	Called up share capital £	Retained earnings £	Foreign currency reserves £	Total equity £
<b>Balance at 1st January 2016</b>	5,000,000	41,601,235	(5,164,256)	41,436,979
<b>Changes in equity</b>				
Total comprehensive income	-	14,359,495	6,583,793	20,943,288
<b>Balance at 31st December 2016</b>	<u>5,000,000</u>	<u>55,960,730</u>	<u>1,419,537</u>	<u>62,380,267</u>
<b>Changes in equity</b>				
Total comprehensive income	-	13,172,433	1,368,384	14,540,817
<b>Balance at 31st December 2017</b>	<u>5,000,000</u>	<u>69,133,163</u>	<u>2,787,921</u>	<u>76,921,084</u>

The notes form part of these financial statements

# UK Fisheries Limited (Registered Number: 05219340)

## Company Statement of Changes in Equity

*for the year ended 31st December 2017*

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1st January 2016</b>	5,000,000	31,782,349	36,782,349
<b>Changes in equity</b>			
Total comprehensive income	-	6,363,695	6,363,695
<b>Balance at 31st December 2016</b>	<u>5,000,000</u>	<u>38,146,044</u>	<u>43,146,044</u>
<b>Changes in equity</b>			
Total comprehensive income	-	5,367,440	5,367,440
<b>Balance at 31st December 2017</b>	<u>5,000,000</u>	<u>43,513,484</u>	<u>48,513,484</u>

The notes form part of these financial statements

# UK Fisheries Limited (Registered Number: 05219340)

## Consolidated Cash Flow Statement

for the year ended 31st December 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	26,546,666	27,163,473
Interest paid		(1,909,421)	(1,929,463)
Interest element of hire purchase or finance lease rental payments paid		(1,135,633)	(1,271,609)
Tax paid		<u>(6,579,769)</u>	<u>(4,604,613)</u>
Net cash from operating activities		<u>16,921,843</u>	<u>19,357,788</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(7,686)	(53,571)
Purchase of tangible fixed assets		(24,679,118)	(7,534,185)
Sale of tangible fixed assets		862,420	3,221,543
Loans granted to third parties		(1,424,213)	-
Dividends received		103,645	92,585
Interest received and other income		<u>16,283</u>	<u>134,888</u>
Net cash from investing activities		<u>(25,128,669)</u>	<u>(4,138,740)</u>
<b>Cash flows from financing activities</b>			
New loans in year		8,038,784	82,062,505
Loan repayments in year		<u>(6,093,040)</u>	<u>(80,670,466)</u>
Net cash from financing activities		<u>1,945,744</u>	<u>1,392,039</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>(6,261,082)</b>	<b>16,611,087</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>22,832,046</b>	<b>5,470,087</b>
Effect of foreign exchange rate changes		<u>461,625</u>	<u>750,872</u>
<b>Cash and cash equivalents at end of year</b>	2	<b><u>17,032,589</u></b>	<b><u>22,832,046</u></b>

The notes form part of these financial statements

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Cash Flow Statement for the year ended 31st December 2017

### 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017 £	2016 £
Profit before taxation	17,154,431	18,050,690
Depreciation charges	6,915,637	7,403,197
Profit on disposal of fixed assets	(824,667)	(1,008,036)
Exchange differences	141,208	(1,307,809)
Share of associates profit	(634,276)	(1,461,821)
Defined benefit pension scheme	(135,000)	-
Finance costs	3,069,054	3,201,072
Finance income	(34,694)	(238,888)
	<u>25,651,693</u>	<u>24,638,405</u>
(Increase)/decrease in stocks	(2,315,391)	4,654,427
Decrease in trade and other debtors	1,659,720	1,022,342
Increase/(decrease) in trade and other creditors	<u>1,550,644</u>	<u>(3,151,701)</u>
<b>Cash generated from operations</b>	<u><b>26,546,666</b></u>	<u><b>27,163,473</b></u>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

#### Year ended 31st December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>17,032,589</u>	<u>22,832,046</u>

#### Year ended 31st December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>22,832,046</u>	<u>5,470,087</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements

for the year ended 31st December 2017

### 1. STATUTORY INFORMATION

UK Fisheries Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

### 2. ACCOUNTING POLICIES

#### Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Basis of consolidation

The consolidation accounts include the accounts of the company, its subsidiary undertakings and its associate made up to the group financial year end at 31 December 2017. The consolidated profit and loss account includes the results of its subsidiary undertakings and its share of the associate from the date of their acquisition and up to the date of disposal.

The results and assets and liabilities of associates are included in the consolidation accounts using the equity method of accounting.

One subsidiary in which the group holds a 73% shareholding is not included in the consolidated accounts. Inclusion is not considered material for the purposes of giving a true and fair view.

#### Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the group, its cash flows, liquidity position and borrowing facilities are shown in the consolidated balance sheet.

The directors are confident that the group's relations with its customers and suppliers, and its current trading, leave the group well placed to manage its business risks successfully. The group meets its day to day working capital requirement through bank borrowings. The group's forecasts and projections backed by solid trading and market conditions shows that the group should be able to operate within the level of its current facilities for the foreseeable future.

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

#### Significant judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The future quota and licence environment in which the group operates. Quota and licences are estimated to have a useful economic life of between 10 and 30 years with residual values of up to 50%.



# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 2. ACCOUNTING POLICIES - continued

#### Turnover

Group turnover represents the amounts receivable for goods and services net of VAT provided to third parties in the normal course of business. The policies adopted for the recognition of turnover are as follows:

#### Fishing operations

Turnover from the sale of fish and fishing operations is recognised when significant risks and rewards of ownership of the goods and services are transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on the date of the sales invoice.

#### Interest and other income

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

#### Fishing quota and licences

Fishing quotas and licences acquired separately from a business are capitalised at cost. Fishing quota and licences acquired on business combinations are capitalised at fair value on initial recognition. Fishing quotas are amortised on a straight-line basis, less residual values, over their useful lives.

The useful life of fishing quotas and licences is between 10 and 30 years.

#### Intellectual property

Intellectual property is stated at fair value on acquisition. It is amortised over its estimated useful life of 8 years.

#### Tangible fixed assets

Depreciation of tangible fixed assets is charged by reference to cost at rates estimated to write off their cost less any residual value over their expected useful lives. The rates or lives applied are as follows:

Property and related industrial equipment	20 years
Fishing vessels	Between 5 and 17 years
Plant and equipment	25% on cost and 20% reducing balance
Fixtures and fittings	15% on cost and 15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% on cost

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated using a first in first out formula. Fish stocks include all direct costs incurred on each fishing trip. Net realisable value is based on estimated selling price less the estimated cost of disposal. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

#### Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

# **UK Fisheries Limited (Registered Number: 05219340)**

## **Notes to the Consolidated Financial Statements - continued** *for the year ended 31st December 2017*

### **2. ACCOUNTING POLICIES - continued**

#### **Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

#### **Deferred taxation**

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

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

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

#### **Foreign currencies**

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

Assets and Liabilities of overseas subsidiaries included within the consolidated group accounts are translated into sterling at the rates of exchange ruling at the balance sheet date. Transitions of overseas subsidiaries are translated at the average rate of exchange during the financial period in which they relate. Transaction differences arising on consolidation are dealt with in the foreign exchange reserve.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus, they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate of exchange.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 2. ACCOUNTING POLICIES - continued

#### **Pension costs and other post-retirement benefits**

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance income.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. A liability is recognised in the balance sheet in respect of the defined benefit plan which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. A full valuation of the liability is calculated by an independent actuary every 3 years and updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has legal or constructive obligation to settle the liability.

The group also operates a defined contribution pension scheme. The assets of this scheme are held to separately to those of the company. The annual contributions payable are charged to the profit and loss account in the period to which they relate.

#### **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in associates are measured at cost less impairment.

#### **Impairments**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit and loss.

#### **Derivatives**

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit and loss using hedge accounting.

The group uses derivatives to protect themselves against fluctuations in exchange rates. The fair value of these are determined by valuations of the agreements at 31 December 2017

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 3. TURNOVER

The turnover is attributable to the one principal activity of the group being the fishing operations.

The turnover by geographical area is as follows:

	2017 £	2016 £
United Kingdom	34,871,146	38,109,830
Europe	<u>36,053,089</u>	<u>34,359,994</u>
	<u>70,924,235</u>	<u>72,469,824</u>

### 4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	13,871,712	12,677,261
Social security costs	1,732,266	1,447,552
Other pension costs	<u>14,819</u>	<u>150,063</u>
	<u>15,618,797</u>	<u>14,274,876</u>

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

	2017	2016
Management	10	12
Administration	<u>35</u>	<u>37</u>
	45	49
Crew	<u>143</u>	<u>172</u>
	<u>188</u>	<u>221</u>

In the UK all crew members are self-employed share fishermen. In other jurisdictions in which the group operates crew members are employed.

	2017 £	2016 £
Directors' remuneration	<u>259,218</u>	<u>209,196</u>

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	<u>143,075</u>	<u>111,979</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 5. OPERATING PROFIT

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

	2017 £	2016 £
Other operating leases	21,780	17,240
Depreciation - owned assets	5,477,863	5,166,239
Profit on disposal of fixed assets	(824,667)	(1,008,036)
Fishing quota amortisation	968,082	955,893
Fishing licences amortisation	193,884	1,011,963
Intellectual property amortisation	275,808	269,101
Auditors' remuneration	17,900	19,000
Auditors remuneration - subsidiaries	43,100	45,750
Auditors' remuneration for non-audit services	19,550	9,000
Auditors' remuneration for other taxation services	8,000	-
Foreign exchange differences	901,405	1,861,950
Overseas Auditors' remuneration	<u>50,886</u>	<u>42,299</u>

### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank loan interest	1,908,935	1,909,737
Other interest	-	18,167
Interest on taxation	486	1,559
Net interest on pension scheme liability (note 22)	24,000	-
Hedging cost	<u>1,135,633</u>	<u>1,271,609</u>
	<u>3,069,054</u>	<u>3,201,072</u>

### 7. TAXATION

#### Analysis of the tax charge

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

	2017 £	2016 £
Current tax:		
UK corporation tax	1,122,158	1,391,297
Overseas taxation	1,857,015	2,913,198
Prior year under provision	99,593	-
Share of associate tax	<u>143,690</u>	<u>329,187</u>
Total current tax	<u>3,222,456</u>	<u>4,633,682</u>
Deferred tax:		
Origination and reversal of timing differences	547,232	(124,825)
Pension deficit/surplus	<u>20,580</u>	<u>180,000</u>
Total deferred tax	<u>567,812</u>	<u>55,175</u>
Tax on profit	<u>3,790,268</u>	<u>4,688,857</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 7. TAXATION - continued

#### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>17,154,431</u>	<u>18,050,690</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	3,259,342	3,610,138
Effects of:		
Expenses not deductible for tax purposes	(114,503)	(18,023)
Depreciation in excess of capital allowances	576,663	-
Adjustments to tax charge in respect of previous periods	99,593	-
Effect of Differing rates of taxation	66,287	(855)
Tax charge adjustments in overseas jurisdictions	178,321	917,597
Pension deficit	20,580	180,000
Deferred tax charge on cashflow hedge	<u>(296,015)</u>	<u>-</u>
Total tax charge	<u>3,790,268</u>	<u>4,688,857</u>

#### Tax effects relating to effects of other comprehensive income

	Gross £	2017 Tax £	Net £
Unrealised foreign exchange movements	1,368,384	-	1,368,384
Actuarial profit/(loss)	<u>(224,000)</u>	<u>32,270</u>	<u>(191,730)</u>
	<u>1,144,384</u>	<u>32,270</u>	<u>1,176,654</u>
		2016	
	Gross £	Tax £	Net £
Unrealised foreign exchange movements	6,583,793	-	6,583,793
Actuarial profit	(233,000)	46,600	(186,400)
Cashflow hedge	<u>1,480,077</u>	<u>(296,015)</u>	<u>1,184,062</u>
	<u>7,830,870</u>	<u>(249,415)</u>	<u>7,581,455</u>

### 8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

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

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 9. INTANGIBLE FIXED ASSETS

Group	Fishing quota £	Fishing licences £	Intellectual property £	Totals £
<b>COST</b>				
At 1st January 2017	60,215,008	12,764,622	2,152,805	75,132,435
Additions	-	7,686	-	7,686
Exchange differences	1,199,699	409,705	81,632	1,691,036
	<u>61,414,707</u>	<u>13,182,013</u>	<u>2,234,437</u>	<u>76,831,157</u>
At 31st December 2017				
<b>AMORTISATION</b>				
At 1st January 2017	5,729,083	2,129,811	1,007,187	8,866,081
Amortisation for year	968,082	193,884	275,808	1,437,774
Exchange differences	149,146	75,308	113,529	337,983
	<u>6,846,311</u>	<u>2,399,003</u>	<u>1,396,524</u>	<u>10,641,838</u>
At 31st December 2017				
<b>NET BOOK VALUE</b>				
At 31st December 2017	<u>54,568,396</u>	<u>10,783,010</u>	<u>837,913</u>	<u>66,189,319</u>
At 31st December 2016	<u>54,485,925</u>	<u>10,634,811</u>	<u>1,145,618</u>	<u>66,266,354</u>
<b>Company</b>				<b>Fishing quota £</b>
<b>COST</b>				
At 1st January 2017 and 31st December 2017				<u>350,200</u>
<b>AMORTISATION</b>				
At 1st January 2017				267,027
Amortisation for year				<u>1,459</u>
At 31st December 2017				<u>268,486</u>
<b>NET BOOK VALUE</b>				
At 31st December 2017				<u>81,714</u>
At 31st December 2016				<u>83,173</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 10. TANGIBLE FIXED ASSETS

#### Group

	Property & related industrial equipment £	Leasehold improvements £	Plant, fixtures & fittings £
<b>COST</b>			
At 1st January 2017	360,263	48,032	391,937
Additions	9,375	-	219,102
Disposals	-	-	(145,599)
Exchange differences	13,658	-	12,610
At 31st December 2017	<u>383,296</u>	<u>48,032</u>	<u>478,050</u>
<b>DEPRECIATION</b>			
At 1st January 2017	218,216	12,008	303,329
Charge for year	28,047	12,008	71,414
Eliminated on disposal	-	-	(108,663)
Exchange differences	8,629	-	10,141
At 31st December 2017	<u>254,892</u>	<u>24,016</u>	<u>276,221</u>
<b>NET BOOK VALUE</b>			
At 31st December 2017	<u>128,404</u>	<u>24,016</u>	<u>201,829</u>
At 31st December 2016	<u>142,047</u>	<u>36,024</u>	<u>88,608</u>
	<b>Fishing vessels £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st January 2017	63,999,604	30,577	64,830,413
Additions	24,439,156	11,485	24,679,118
Disposals	(2,801)	(12,589)	(160,989)
Exchange differences	1,169,104	-	1,195,372
At 31st December 2017	<u>89,605,063</u>	<u>29,473</u>	<u>90,543,914</u>
<b>DEPRECIATION</b>			
At 1st January 2017	22,394,386	30,573	22,958,512
Charge for year	5,363,235	3,159	5,477,863
Eliminated on disposal	(1,984)	(12,589)	(123,236)
Exchange differences	597,144	-	615,914
At 31st December 2017	<u>28,352,781</u>	<u>21,143</u>	<u>28,929,053</u>
<b>NET BOOK VALUE</b>			
At 31st December 2017	<u>61,252,282</u>	<u>8,330</u>	<u>61,614,861</u>
At 31st December 2016	<u>41,605,218</u>	<u>4</u>	<u>41,871,901</u>



# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 11. FIXED ASSET INVESTMENTS

#### Group

	Shares in associated undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1st January 2017	8,579,478	163,490	8,742,968
Share of profit	386,909	32	386,941
Exchange differences	<u>328,624</u>	<u>6,167</u>	<u>334,791</u>
At 31 <sup>st</sup> December 2017	<u>9,295,011</u>	<u>169,689</u>	<u>9,464,700</u>
<b>NET BOOK VALUE</b>			
At 31st December 2017	<u>9,295,011</u>	<u>169,689</u>	<u>9,464,700</u>
At 31st December 2016	<u>8,579,478</u>	<u>163,490</u>	<u>8,742,968</u>

#### Company

	Shares in group undertakings £
<b>COST</b>	
At 1st January 2017 and 31st December 2017	<u>66,730,257</u>
<b>NET BOOK VALUE</b>	
At 31st December 2017	<u>66,730,257</u>
At 31st December 2016	<u>66,730,257</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 11. FIXED ASSET INVESTMENTS - continued

#### Group

The associate holding comprises a 50% holding in Groupe Compagnie des Peches Saint Malo, a company registered in France.

	2017 £	2016 £
Carrying value of investment	<u>9,295,011</u>	<u>8,579,478</u>
Represented by:		
Intangible fixed assets	210,560	210,695
Tangible fixed assets	10,201,029	4,531,207
Fixed asset investments	280,348	181,467
Current assets	<u>12,035,965</u>	<u>9,966,600</u>
	22,727,902	14,889,969
Current liabilities	(10,938,925)	(4,013,183)
Minority Interest	<u>(2,493,966)</u>	<u>(2,297,308)</u>
	<u>9,295,011</u>	<u>8,579,478</u>
Share of associate results for the year		
Turnover	<u>19,085,078</u>	<u>16,966,063</u>
Profit before tax	634,244	1,461,821
Taxation	<u>(143,690)</u>	<u>(329,187)</u>
Profit after tax	<u>490,554</u>	<u>1,132,633</u>

The unlisted investments includes a 73% shareholding in GIE Plasticofres a company held by Euronor SAS. The relevant assets and liabilities have not been included in the consolidation as inclusion is not considered material for the purpose of giving a true and fair view.

Details of the investments in subsidiaries and associates in which the company holds any class of share capital are as follows:

Name of company	Country of incorporation	Proportion of voting rights and shares held	Nature of business
Boyd Line Limited	England and Wales	100%	Holding company
J Marr (Fishing) Limited	England and Wales	100%	Holding company
Kirkella Limited	England and Wales	100% *	Vessel owners and operators

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 11. FIXED ASSET INVESTMENTS - continued

Jacinta Limited	England and Wales	100%	*	Vessel owners and operators
Marr Management Limited	England and Wales	100%	*	Management services
Lionman Limited	England and Wales	100%	*	Dormant
Armana Limited	England and Wales	100%	*	Dormant
Swanella Limited	England and Wales	100%	*	Dormant
Pesqura Ancora S.L.	Spain	100%		Vessel owners and operators
Absolutely Genuine - Unipessoal, Lda	Portugal	100%		Vessel owners and operators
Euronor S.A.S.	France	100%		Vessel owners and operators
Euronor Distribution	France	100%	*	Support services
Groupe Compagnie des Peches Saint Malo S.A.S.	France	50%		Holding company
Compagnie des Peches Saint Malo S.A	France	39.38%	**	Vessel owners and operators
Compagnie des Peches Distribution S.A.S	France	39.38%	**	Seafood processing
Compagnie des Peches Production S.A.S.	France	39.38%	**	Seafood processing
Unipeche	France	33.27%	**	Seafood processing
Compagnie des Peches Sante	France	39.38%	**	Operations

\* Held by subsidiary undertakings

\*\* Held by associate

### 12. STOCKS

	Group	
	2017 £	2016 £
Fish	8,743,493	6,524,763
Fuel, gear and provisions	2,657,070	2,303,937
	<u>11,400,563</u>	<u>8,828,700</u>

### 13. DEBTORS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	4,611,661	4,473,245	-	-
Amounts owed by group undertakings	-	-	29,812,757	24,651,965
Corporation tax	1,768,700	-	-	-
Other debtors	2,198,603	1,044,623	1,458,769	-
Derivative	7,601	1,139,040	7,601	1,139,040
Prepayments and accrued income	151,633	58,764	-	-
	<u>8,738,198</u>	<u>6,715,672</u>	<u>31,279,127</u>	<u>25,791,005</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 13. DEBTORS - continued

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	11,308,013	22,585,499
Derivative	-	333,188	-	333,188
	<u>-</u>	<u>333,188</u>	<u>11,308,013</u>	<u>22,918,687</u>
Aggregate amounts	<u>8,738,198</u>	<u>7,048,860</u>	<u>42,587,140</u>	<u>48,709,692</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 16)	5,893,975	5,253,096	4,205,442	3,662,144
Trade creditors	3,488,748	2,455,455	29,528	-
Amounts owed to group undertakings	-	-	12,031,568	14,622,462
Corporation tax	502,454	2,160,703	-	-
Social security and other taxes	2,271,365	89,173	-	-
Other creditors	772,368	910,993	-	-
Derivative	255,652	-	255,652	-
Accruals and deferred income	1,684,839	3,263,444	18,500	149,320
	<u>14,869,401</u>	<u>14,132,864</u>	<u>16,540,690</u>	<u>18,433,926</u>

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 16)	<u>67,697,346</u>	<u>64,848,781</u>	<u>52,668,999</u>	<u>56,079,931</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year or on demand:				
Bank loans	<u>5,893,975</u>	<u>5,253,096</u>	<u>4,205,442</u>	<u>3,662,144</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>5,994,141</u>	<u>5,732,196</u>	<u>4,331,249</u>	<u>4,109,855</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>18,742,717</u>	<u>17,858,909</u>	<u>13,788,882</u>	<u>13,086,055</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 years by instalments	<u>42,960,488</u>	<u>41,257,676</u>	<u>34,548,868</u>	<u>38,884,021</u>

The bank loan interest rate varies between 1.80% and 3.70% per annum for the duration of the term of the loan.

### 17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2017 £	2016 £
Bank loans	<u>73,591,321</u>	<u>70,101,877</u>

Bank borrowings are secured by mortgages on certain vessels together with their fishing quotas and fishing licences.

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 18. FINANCIAL INSTRUMENTS

#### Foreign Currency Swaps

UK Fisheries Limited entered into a number of forward contract arrangements to protect the company against exchange rate movements between the Norwegian Krone and the Euro. The dates to which these were entered into and are due to expire are as follows, and subsequently the periods to which the cashflows/profit and loss are expected to occur:

#### Within one year

Arrangement 1 – entered into 1<sup>st</sup> April 2016, due to expire on 28<sup>th</sup> February 2018

Arrangement 2 – entered into 12<sup>th</sup> December 2017, due to expire on 31<sup>st</sup> January 2018

The change in fair value of the hedged instruments recognised in other comprehensive income for the period was £584,645

The excess of the fair value of the hedging instrument over the change in the fair value of the expected cash flows recognised in the profit and loss for the period was £1,135,633.

### 19. PROVISIONS FOR LIABILITIES

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax	<u>13,881,399</u>	<u>13,250,917</u>	<u>-</u>	<u>296,015</u>
<b>Group</b>				
				<b>Deferred tax</b>
				<b>£</b>
Balance at 1st January 2017				13,250,917
Charge to profit and loss				547,232
Exchange rate differences				115,520
Charged to other comprehensive income				(32,270)
				<hr/>
Balance at 31st December 2017				<u>13,881,399</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 19. PROVISIONS FOR LIABILITIES - continued

#### Company

	Deferred tax £
Balance at 1st January 2017	296,015
Utilised during year	<u>(296,015)</u>
Balance at 31st December 2017	<u><u>-</u></u>

Deferred tax is principally in respect of accelerated capital allowances.

### 20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2017 £	2016 £
5,000,000	Ordinary		<u>5,000,000</u>	<u>5,000,000</u>

### 21. RESERVES

#### Group

	Retained earnings £	Foreign currency reserves £	Totals £
At 1st January 2017	55,960,730	1,419,537	57,380,267
Profit for the year	13,364,163	-	13,364,163
Actuarial loss	(191,730)	-	(191,730)
Unrealised exchange losses	<u>-</u>	<u>1,368,384</u>	<u>1,368,384</u>
At 31st December 2017	<u>69,133,163</u>	<u>2,787,921</u>	<u>71,921,084</u>

#### Company

	Retained earnings £
At 1st January 2017	38,146,044
Profit for the year	<u>5,367,440</u>
At 31st December 2017	<u>43,513,484</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued

for the year ended 31st December 2017

### 22. EMPLOYEE BENEFIT OBLIGATIONS

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 6 April 2015 and updated to 31 December 2017 by a qualified independent actuary. The scheme was closed to new members and is wholly for past directors and employees. The assets are held separately from those of the company in an independently administered fund.

The expected contributions to be paid to the scheme over the next accounting year are £135,000.

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(3,381,000)	(3,347,000)
Fair value of plan assets	<u>2,290,000</u>	<u>2,369,000</u>
	(1,091,000)	(978,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(1,091,000)</u>	<u>(978,000)</u>
Net liability	<u>(1,091,000)</u>	<u>(978,000)</u>

The amounts recognised in profit or loss are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	-	-
Net interest from net defined benefit liability	24,000	31,000
Past service cost	<u>-</u>	<u>-</u>
	<u>24,000</u>	<u>31,000</u>
Actual return on plan assets	<u>(17,000)</u>	<u>58,000</u>



# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 22. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	3,347,000	3,015,000
Interest cost	85,000	108,000
Actuarial losses	146,000	214,000
Benefits paid	(197,000)	(56,000)
Change in secured pensioners value due to scheme experience	-	66,000
	<u>3,381,000</u>	<u>3,347,000</u>

Changes in the fair value of scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	2,369,000	2,166,000
Contributions by employer	135,000	135,000
Expected return	61,000	77,000
Actuarial losses	(78,000)	(19,000)
Benefits paid	(197,000)	(56,000)
Change in secured pensioners value due to scheme experience	-	66,000
	<u>2,290,000</u>	<u>2,369,000</u>

The amounts recognised in other comprehensive income are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on pension scheme assets	(78,000)	(19,000)
Experience and assumption losses underlying the present value of the scheme	<u>(146,000)</u>	<u>(214,000)</u>
	<u>(224,000)</u>	<u>(233,000)</u>

# UK Fisheries Limited (Registered Number: 05219340)

## Notes to the Consolidated Financial Statements - continued for the year ended 31st December 2017

### 22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other assets	<u>2,290,000</u>	<u>2,369,000</u>
	<u>2,290,000</u>	<u>2,369,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2017</b>	<b>2016</b>
Discount rate	2.40%	2.60%
Inflation	3.10%	3.30%
Future pension increases	3.05%	3.20%

The mortality assumptions used in the valuation of the pensions liabilities were: -

Post-retirement mortality is based 100% of the SAPS 'S2' Normal tables, based on members' year of birth, improving in line with CMI 2016 projections with a 1.25% long term trend rate.

Included in other creditors is a pension liability of £198,902 relating to one of the overseas subsidiaries.

### 23. CAPITAL COMMITMENTS

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for in the financial statements	<u>23,375,885</u>	<u>38,831,664</u>

### 24. RELATED PARTY DISCLOSURES

Details of the related party transactions that occurred during the year are as follows:

The company is under the joint control of Onward Fishing Company Limited (owned by Samherji hf a company registered in Iceland) and Tory B.V. (owned by Parlevliet & Van Der Plas B.V), both companies are registered in the Netherlands.

Key management remuneration in the year totalled £1,567,640 (2016 £1,609,975).

Information about related party transactions and outstanding balances relating to these transactions is outlined below:

#### Entities with control, joint control or significant influence over the entity

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Sales	38,834,142	29,121,149
Purchases	6,988,903	3,919,044
Management Charges	838,336	1,190,650
Interest charged	-	18,167
Year end Debtors	3,486,968	495,808
Year end Creditors	<u>1,463,044</u>	<u>847,439</u>