

Migdale Smolt Limited

Financial Statements
for the Year Ended 30 April 2022

Migdale Smolt Limited

(Registration number: SC119825)

Balance Sheet as at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	600,853	1,010,545
Investment property	<u>5</u>	619,631	284,255
		<u>1,220,484</u>	<u>1,294,800</u>
Current assets			
Stocks	<u>7</u>	56,963	71,264
Debtors	<u>8</u>	768,307	376,613
Biological assets	<u>6</u>	417,020	371,118
Cash at bank and in hand		<u>1,985,675</u>	<u>2,254,742</u>
		3,227,965	3,073,737
Creditors: Amounts falling due within one year	<u>9</u>	<u>(612,188)</u>	<u>(874,694)</u>
Net current assets		<u>2,615,777</u>	<u>2,199,043</u>
Total assets less current liabilities		3,836,261	3,493,843
Provisions for liabilities		<u>(36,944)</u>	<u>(29,251)</u>
Net assets		<u><u>3,799,317</u></u>	<u><u>3,464,592</u></u>
Capital and reserves			
Called up share capital	<u>10</u>	49,999	49,999
Profit and loss account		<u>3,749,318</u>	<u>3,414,593</u>
Shareholders' funds		<u><u>3,799,317</u></u>	<u><u>3,464,592</u></u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 29 September 2022 and signed on its behalf by:

.....
H G Murray
Director

Migdale Smolt Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Ledingham Chalmers
Kintail House
Beechwood Bus Pk
Inverness
Inverness Shire
IV2 3BW

The principal place of business is:

Dornoch Road
Bonar Bridge
IV24 3EB

These financial statements were authorised for issue by the Board on 29 September 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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 £.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

At the time of approving the financial statements, due to the strength of the balance sheet and the company's ability to generate sufficient cash from its operations, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 statements is provided in accordance with s444(5B) of the Companies Act 2006:

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 29 September 2022 was Paul Capewell, who signed for and on behalf of A9 Accountancy Limited.

Migdale Smolt Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Turnover for management services is recognised on an accruals basis.

Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred.

Tax

The tax expense represents the sum of the tax currently payable and deferred tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Freehold buildings

Leasehold buildings

Plant and machinery

Motor vehicles

Depreciation method and rate

5% straight line

straight line over the life of the lease

15% reducing balance and 16.5% straight line

25% reducing balance

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Notes to the Financial Statements for the Year Ended 30 April 2022

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in the profit and loss account.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and conditions valued at the lower of cost and net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

Biological assets

The company rears smolts and as a result holds fish as biological assets within current assets.

In accordance with FRS 102 these assets are defined as biological assets and are held at the lower of cost and estimated selling price less costs to complete and sell.

Leases

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 leased asset are consumed.

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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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Notes to the Financial Statements for the Year Ended 30 April 2022

Retirement benefits

The company makes contributions into the personal pension funds of certain directors and employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Financial instruments

Classification

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 statements.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies 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.

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.

Changes in the fair values of derivatives that are designed and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 18 (2021 - 20).

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Notes to the Financial Statements for the Year Ended 30 April 2022

4 Tangible assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 May 2021	488,478	2,422,177	2,910,655
Additions	-	82,429	82,429
Disposals	-	(47,111)	(47,111)
Transfers to/from investment property	(317,354)	-	(317,354)
At 30 April 2022	171,124	2,457,495	2,628,619
Depreciation			
At 1 May 2021	124,166	1,775,943	1,900,109
Charge for the year	8,288	137,392	145,680
Eliminated on disposal	-	(18,023)	(18,023)
At 30 April 2022	132,454	1,895,312	2,027,766
Carrying amount			
At 30 April 2022	38,670	562,183	600,853
At 30 April 2021	364,312	646,233	1,010,545

Included within the net book value of land and buildings above is £38,670 (2021 - £364,312) in respect of freehold land and buildings.

5 Investment properties

	2022 £
At 1 May 2021	284,255
Additions	18,022
Transfers to and from property, plant and equipment	317,354
At 30 April 2022	619,631

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Notes to the Financial Statements for the Year Ended 30 April 2022

Investment property comprises land and buildings. The fair value of the investment properties has been arrived at by the directors and is based on the cost of acquiring the assets with no subsequent changes to reflect in fair value deemed necessary.

6 Other financial assets (current and non-current)

	Smolts £	Total £
Biological assets		
Cost or valuation		
At 1 May 2021	371,118	371,118
Change in inventory	45,902	45,902
At 30 April 2022	417,020	417,020
Carrying amount		
At 30 April 2022	417,020	417,020

7 Stocks

	2022 £	2021 £
Other inventories	56,963	71,264

8 Debtors

	Note	2022 £	2021 £
Trade debtors		440,033	16,849
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>12</u>	246,795	246,795
Prepayments		38,346	54,699
Other debtors		43,133	58,270
		768,307	376,613

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Notes to the Financial Statements for the Year Ended 30 April 2022

9 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Trade creditors		358,349	587,149
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12	79,539	186,770
Taxation and social security		113,514	52,182
Accruals and deferred income		43,950	40,169
Other creditors		16,836	8,424
		<u>612,188</u>	<u>874,694</u>

10 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary of £1 each	49,999	49,999	49,999	49,999
	<u>49,999</u>	<u>49,999</u>	<u>49,999</u>	<u>49,999</u>

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £Nil (2021 - £425,663). This amount relates to the production of smolts contracted for but not provided for in the financial statements.

12 Related party transactions

The company has taken advantage of the exemption with FRS 102 Section 33 paragraph 33.1A, not to disclose transactions entered into between two or more members of the group, as the company is a wholly owned subsidiary of the group to which it is party to the transactions.

13 Relationship between entity and parents

The immediate and ultimate parent company is Badbea Crofters Limited, a company registered in Scotland. The company is included within the consolidated financial statements of Badbea Crofters Limited. Copies of group consolidated accounts can be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

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.