

Company registration number SC119825 (Scotland)

MIGDALE SMOLT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
PAGES FOR FILING WITH REGISTRAR

A9 Accountancy Limited
Chartered Accountants
Elm House
Cradlehall Business Park
Inverness
United Kingdom
IV2 5GH

MIGDALE SMOLT LIMITED

BALANCE SHEET

AS AT 30 APRIL 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		606,294		600,853
Investment property	6		631,591		619,631
			<u>1,237,885</u>		<u>1,220,484</u>
Current assets					
Stocks	8	73,890		56,963	
Debtors	9	462,228		768,307	
Biological assets	7	641,890		417,020	
Cash at bank and in hand		2,077,050		1,985,675	
		<u>3,255,058</u>		<u>3,227,965</u>	
Creditors: amounts falling due within one year	10	<u>(514,031)</u>		<u>(612,188)</u>	
Net current assets			<u>2,741,027</u>		<u>2,615,777</u>
Total assets less current liabilities			<u>3,978,912</u>		<u>3,836,261</u>
Provisions for liabilities			<u>(55,434)</u>		<u>(36,944)</u>
Net assets			<u><u>3,923,478</u></u>		<u><u>3,799,317</u></u>
Capital and reserves					
Called up share capital	11	49,999		49,999	
Profit and loss reserves		3,873,479		3,749,318	
Total equity			<u><u>3,923,478</u></u>		<u><u>3,799,317</u></u>

The directors of the company have elected not to include a copy of the profit and loss account 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 29 August 2023 and are signed on its behalf by:

H G Murray
Director

Company Registration No. SC119825

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Company information

Migdale Smolt Limited is a private company limited by shares incorporated in Scotland. The registered office is Ledingham Chalmers Llp, Kintail House, Beechwood Business Park, Inverness, Scotland, IV2 3BW.

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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 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.

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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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 accrual basis.

1.4 Tangible fixed assets

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

Depreciation 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:

Freehold land and buildings	5% straight line
Plant and equipment	15% reducing balance and 16.5% straight line

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.

Also included within tangible fixed assets are the following depreciation policies:

Motor vehicles: 25% reducing balance
Leasehold buildings: straight line over the life of the lease

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.5 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 profit or loss.

1.6 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).

1.7 Stocks

Stocks are 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 profit or loss. Reversals of impairment losses are also recognised in profit or loss.

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.

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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

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.

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, 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.

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.

Changes in the fair value 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.

1.11 Taxation

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.

1.12 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.

1.13 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.

1.14 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 leases asset are consumed.

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.15 Government grants

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

1.16 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.

2 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.

3 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,395	8,790
	<u> </u>	<u> </u>

4 Employees

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

	2023	2022
	Number	Number
Total	20	18
	<u> </u>	<u> </u>

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

5 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Total £
Cost			
At 1 May 2022	171,124	2,457,495	2,628,619
Additions	-	124,714	124,714
Disposals	-	(86,999)	(86,999)
At 30 April 2023	171,124	2,495,210	2,666,334
Depreciation and impairment			
At 1 May 2022	132,454	1,895,312	2,027,766
Depreciation charged in the year	8,239	110,335	118,574
Eliminated in respect of disposals	-	(86,300)	(86,300)
At 30 April 2023	140,693	1,919,347	2,060,040
Carrying amount			
At 30 April 2023	30,431	575,863	606,294
At 30 April 2022	38,670	562,183	600,853

6 Investment property

	2023 £
Fair value	
At 1 May 2022	619,631
Additions	11,960
At 30 April 2023	631,591

Investment property comprises land and buildings. The fair value of the investment property 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.

7 Biological assets

	Smolts £
Cost	
At 1 May 2022	417,020
Change in inventory	224,870
At 30 April 2023	641,890

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

8 Stocks

	2023 £	2022 £
Other inventories	73,890	56,963

9 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	53,793	440,033
Amounts owed by group undertakings	250,503	246,795
Other debtors	157,932	81,479
	462,228	768,307

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	405,390	358,349
Amounts owed to group undertakings	-	79,539
Corporation tax	13,147	84,441
Other taxation and social security	36,236	29,073
Other creditors	59,258	60,786
	514,031	612,188

11 Called up share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	49,999	49,999	49,999	49,999

12 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:
Statutory Auditor:

Paul Capewell
A9 Accountancy Limited

MIGDALE SMOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

13 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.

14 Parent company

The immediate and ultimate parent company is Badbea Crofters Limited, a company registered in Scotland with a registered office address of Dornoch Road, Bonar Bridge, IV24 3EB. 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.