

Company Registration No. SC195923 (Scotland)

LOCH DUART LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2014

THURSDAY



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11/12/2014
COMPANIES HOUSE

LOCH DUART LIMITED

DIRECTORS AND ADVISERS

Directors

A Balfour
A Bing
N Joy
Dr A Barbour
A Williamson
M Woods
J Goerke
S Maguire (Appointed 14 May 2014)

Secretary

S Maguire

Company number

SC195923

Registered office

15 Atholl Cresecent
Edinburgh
Midlothian
EH3 8HA

Registered auditors

Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

LOCH DUART LIMITED

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LOCH DUART LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2014

The directors present their report and financial statements for the period ended 31 March 2014.

Review of the business

Loch Duart Limited is owned by a number of private shareholders and institutions, none of whom individually hold a majority. The company operates throughout Scotland.

The results for the year are set out on page 7 and the Directors are delighted to report a return to profitability recording a profit after tax of £912,312. The development of fish farming operations through the production phase prior to first sales from any location is by its very nature, loss making. Company results, as well as the Group position, have been included to show the performance of the Scottish salmon farming operations.

SCOTLAND

The company continues to invest significantly in Research and Development to improve certain areas of production. That includes production processes and strategic improvements. During the year, the company continued to implement the evolution of its unique fallowing process in order to minimise the exposure of fish to sea lice and enhance the impact of fallow periods. The strategy will take a full production cycle to implement fully, but indications so far are that it is having a positive impact.

Our markets remain strong. The increase in production volumes from the previous year, although good, still does not represent the company's full potential with part of that due to the implementation of the new fallowing strategy mentioned above. Despite that, the company's brand strength allowed it to achieve strong prices. It is important to the company to emerge rapidly from last year's performance. That has depended on the quality and hard work of our staff who responded with commitment and imagination to the difficult conditions faced during the year.

CANADA

The Canadian operation completed its first production cycle with the reduced volumes of fish which remained after the February 2013 weather related losses. The feedback from customers who received that fish has been very positive and has encouraged the group's belief that expansion into Canada is a positive strategic step. The political environment in which site permissions are granted has been changing with a wider aquaculture review being conducted. The company, and the wider industry, has required to wait for the conclusion of that review before permissions for new sites can be granted. It remains committed to the pursuit of new sites with which to increase its production.

MOZAMBIQUE

The joint venture operation has successfully grown fish to the desired market size with good production metrics such as survival levels and feed conversion rates. During the year sales to the anticipated home market of South Africa began and the quality and taste of the fish was well received. Unfortunately a combination of the collapse of the South African Rand and the deterioration in the Mozambique security situation prevented the completion of a funding round required to expand this very successful pilot to economic production levels.

As a result, the directors of the joint venture resolved to wind its activities down and the company has provided in full for its investment. Although it is hoped that the knowledge base which was acquired during this pilot can be exploited later there is no immediate prospect of that happening.

LOCH DUART LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

Principal risks and uncertainties

The company exports a significant percentage of its production and is therefore exposed to exchange rate movements. The company seeks to manage this risk via appropriate treasury management.

The geographic diversification spreads the group risk over more locations, sales markets and health & welfare issues. This pursuit of this diversification will reduce the operational and hence financial risk faced by the business.

As part of the structural and trading changes made during the year, the investors in the company who held convertible debt and long dated loan notes converted that debt as disclosed in the notes to the accounts. This reinforcement of both the Balance Sheet and the investors' confidence in the company provides a solid financial platform from which to pursue the objectives outlined above.

The company has historically enjoyed good prices and been resilient to the more extreme market movements but remains exposed to some potential price volatility around issues of supply levels in the wider market.

Risks in relation to fish health and mortality levels are inevitable in aquaculture, but the company considers that its husbandry and welfare practices are capable of minimising such risks to the extent that they can be addressed.

On behalf of the board



S Maguire

Director

19/11/14

LOCH DUART LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2014

The directors present their report and financial statements for the period ended 31 March 2014.

Results and dividends

The consolidated profit and loss account for the period is set out on page 7.

Directors

The following directors have held office since 31 March 2013:

A Balfour
A Bing
N Joy
Dr A Barbour
A Williamson
M Woods
J Goerke
S Maguire

(Appointed 14 May 2014)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

LOCH DUART LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

Environment and welfare

The welfare of both staff and fish are crucial to the company both for the quality of the product and the sustainability of the business. These are areas of differentiation on which the company was founded and which influence every area of operation. As well as being accredited to ISO 14001 and being an approved Freedom Food producer of salmon it is committed to continuous environmental and welfare improvement through its Policies and Principles. Those are available on the website at www.lochduart.com.

On behalf of the board



S Maguire

Director

19/11/14

LOCH DUART LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LOCH DUART LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Loch Duart Limited for the period ended 31 March 2014 set out on pages 7 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2014 and of the group's profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

LOCH DUART LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LOCH DUART LIMITED

Matters on which we are required to report by exception

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.

Johnston Carmichael LLP

David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

2 December 2014

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

LOCH DUART LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2014

		2014	2013
	Notes	£	as restated £
Turnover	2	23,986,467	18,286,136
Cost of sales		(18,352,647)	(19,564,198)
Gross profit/(loss)		5,633,820	(1,278,062)
Administrative expenses		(4,363,605)	(4,974,832)
Operating profit/(loss)	3	1,270,215	(6,252,894)
Provision against associate debtor		-	(934,226)
Profit/(loss) on ordinary activities before interest		1,270,215	(7,187,120)
Income from interests in associated undertakings		88,483	(37,951)
Interest payable and similar charges	4	(657,309)	(786,981)
Profit/(loss) on ordinary activities before taxation		701,389	(8,012,052)
Tax on profit/(loss) on ordinary activities	5	210,923	300,907
Profit/(loss) on ordinary activities after taxation		912,312	(7,711,145)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LOCH DUART LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Profit/(loss) for the financial period		912,312	(7,711,145)
Currency translation differences on foreign currency net investments	17	<u>(356,216)</u>	<u>(15,161)</u>
Total recognised gains and losses relating to the period		556,096	(7,726,306)
Prior year adjustment	17	<u>(2,160,168)</u>	<u>-</u>
Total gains and losses recognised since last financial statements		<u><u>(1,604,072)</u></u>	<u><u>(7,726,306)</u></u>

LOCH DUART LIMITED

COMPANY PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Turnover		23,200,711	16,439,665
Cost of sales		(17,022,532)	(16,086,460)
Gross profit		6,178,179	353,205
Administrative expenses		(4,163,985)	(4,834,106)
Operating profit/(loss) before exceptionals		2,014,194	(4,480,901)
Provision against subsidiary undertaking debtor		-	(1,750,000)
Provision against associate debtor		-	(934,226)
Operating profit/(Loss)		2,014,194	(7,165,127)
Interest payable and similar charges		(613,034)	(708,553)
Profit/(loss) on ordinary activities before taxation		1,401,160	(7,873,680)
Tax on profit/(loss) on ordinary activities		210,923	277,580
Profit/(loss) for the period		1,612,083	(7,596,100)

LOCH DUART LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2014

		Group 2014	2013 as restated	Company 2014	2013 as restated
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6	2,163,073	2,434,466	1,114,762	1,100,292
Tangible assets	7	7,221,499	7,987,399	6,179,258	6,527,222
Investments	8	-	(183,490)	3,208,041	21
		<u>9,384,572</u>	<u>10,238,375</u>	<u>10,502,061</u>	<u>7,627,535</u>
Current assets					
Stocks	9	8,121,697	7,818,704	8,107,401	7,587,901
Debtors	10	3,367,322	4,775,813	3,258,887	6,683,008
Cash at bank and in hand		86,994	38,763	62,001	5,364
		<u>11,576,013</u>	<u>12,633,280</u>	<u>11,428,289</u>	<u>14,276,273</u>
Creditors: amounts falling due within one year	11	<u>(7,113,179)</u>	<u>(12,174,227)</u>	<u>(6,599,451)</u>	<u>(10,830,580)</u>
Net current assets		<u>4,462,834</u>	<u>459,053</u>	<u>4,828,838</u>	<u>3,445,693</u>
Total assets less current liabilities		<u>13,847,406</u>	<u>10,697,428</u>	<u>15,330,899</u>	<u>11,073,228</u>
Creditors: amounts falling due after more than one year	12	<u>(1,360,812)</u>	<u>(7,144,478)</u>	<u>(1,175,129)</u>	<u>(6,907,089)</u>
Accruals and deferred income	14	<u>(511,449)</u>	<u>(611,619)</u>	<u>(511,449)</u>	<u>(611,619)</u>
		<u>11,975,145</u>	<u>2,941,331</u>	<u>13,644,321</u>	<u>3,554,520</u>
Capital and reserves					
Called up share capital	16	316,812	166,666	316,812	166,666
Share premium account	17	3,979,716	283,334	3,979,716	283,334
Revaluation reserve	17	597,987	597,987	597,987	597,987
Other reserves	17	4,259,812	(15,162)	4,631,190	-
Profit and loss account	17	2,820,818	1,908,506	4,118,616	2,506,533
Shareholders' funds	18	<u>11,975,145</u>	<u>2,941,331</u>	<u>13,644,321</u>	<u>3,554,520</u>

Approved by the Board and authorised for issue on

19 November 2014



S Maguire
Director

Company Registration No. SC195923

LOCH DUART LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2014

	£	2014 £	£	2013 £
Net cash inflow/(outflow) from operating activities		1,827,512		(3,241,171)
Returns on investments and servicing of finance				
Interest paid	(416,438)		(736,009)	
Net cash outflow for returns on investments and servicing of finance		(416,438)		(736,009)
Taxation		51,835		307,560
Capital expenditure and financial investment				
Payments to acquire intangible assets	(14,470)		(514,283)	
Payments to acquire tangible assets	(233,071)		(1,219,186)	
Receipts from sales of tangible assets	51,668		53,488	
Net cash (outflow)/inflow for capital expenditure		(195,873)		(1,679,981)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		(440)	
Net cash outflow for acquisitions and disposals		-		(440)
Net cash inflow/(outflow) before management of liquid resources and financing		1,267,036		(5,350,041)
Financing				
New invoice financing	113,285		(1,300)	
Other new long term loans	19,812		7,510,115	
Repayment of long term bank loan	(19,433)		(313,365)	
Capital element of hire purchase contracts	(889,859)		(1,110,457)	
Net cash (outflow)/inflow from financing		(776,195)		6,084,993
Increase in cash in the period		490,841		734,952

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2014

1	Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities	2014	2013
		£	£
	Operating profit/(loss)	1,270,215	(6,252,894)
	Depreciation of tangible assets	1,335,737	1,571,424
	Amortisation of intangible assets	-	177,925
	Profit on disposal of tangible assets	(20,731)	(50,547)
	(Increase)/decrease in stocks	(89,592)	1,598,249
	Decrease/(increase) in debtors	1,567,579	(2,069,179)
	(Decrease)/Increase in creditors within one year	(2,140,785)	1,917,168
	Net effect of foreign exchange differences	5,259	(32,033)
	Movement on grant provision	(100,170)	(101,284)
	Net cash inflow/(outflow) from operating activities	1,827,512	(3,241,171)

2	Analysis of net debt	31 March 2013	Cash flow	Other non-cash changes	31 March 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	38,763	53,490	(5,259)	86,994
	Bank overdrafts	(1,394,347)	437,351	-	(956,996)
		<u>(1,355,584)</u>	<u>490,841</u>	<u>(5,259)</u>	<u>(870,002)</u>
	Finance leases	(1,719,255)	889,859	(811,905)	(1,641,301)
	Debts falling due within one year	(4,647,282)	93,473	2,053,412	(2,500,397)
	Debts falling due after one year	(6,287,389)	19,433	5,874,200	(393,756)
		<u>(12,653,926)</u>	<u>1,002,765</u>	<u>7,115,707</u>	<u>(4,535,454)</u>
	Net debt	(14,009,510)	1,493,606	7,110,448	(5,405,456)

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

3	Reconciliation of net cash flow to movement in net debt	2014 £	2013 £
	Increase in cash in the period	490,841	734,952
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	1,002,765	(6,084,993)
	Change in net debt resulting from cash flows	1,493,606	(5,350,041)
	Net effect of foreign exchange differences	85,535	-
	New finance lease	(811,905)	(100,390)
	Debt for equity conversion	7,836,818	-
	Movement in net debt in the period	8,604,054	(5,450,431)
	Opening net debt	(14,009,510)	(8,559,079)
	Closing net debt	<u>(5,405,456)</u>	<u>(14,009,510)</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Entities, other than subsidiary undertakings in which the group has a participating interest and over whose operating and financial policies the group exercises significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method, with the share of profits or losses of associated undertakings included in the profit and loss account.

The group's investment in associated companies is shown as the share of net assets or liabilities of the associates.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Sales are recognised when goods are despatched.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years. Provision is made for any impairment when identified.

1.6 Sea sites

Sea site leases and associated rights are capitalised at cost. They are reviewed annually for impairment but are not subject to amortisation if it is considered likely that the lease will be renewed indefinitely.

1.7 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	50 years
Plant and machinery	2-10 years
Motor vehicles	2-4 years

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

1 Accounting policies

(continued)

Certain classes of land and buildings are stated in the balance sheet at their revalued amounts. In the directors' opinion, any depreciation on the revalued land and buildings would be immaterial and no depreciation charge has been booked. A review for impairment is carried out each year to ensure there has been no diminution in value of land and buildings.

Where depreciation charges are increased following revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserve.

1.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Stock

Stock is valued at the lower of cost and net realisable value with due allowance being made for estimated stock losses due to weather, predation and disease. Cost includes fish purchases, feed, direct labour and all other costs directly associated with the rearing of fish. An element of indirect overheads, including depreciation, has also been included within the stock valuation.

1.11 Pensions

The company makes contributions to a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. The deferred tax asset and/or liability balance has not been discounted.

1.13 Foreign currency translation

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year end rate of exchange. The resulting profits or losses are dealt with in the profit and loss account.

The accounts of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange rate difference arising on the retranslation of opening net assets is taken directly to reserves.

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

1 Accounting policies

(continued)

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.15 Prior year adjustments

The profit and loss account format has been revised to include a more detailed analysis of costs. The prior year profit and loss account has been restated accordingly. This has no impact on profit for the period or brought forward reserves.

The accounts have also been restated to include sea sites at cost rather than the previously stated revalued amounts, on the basis that this is more reflective of current industry practice. The impact of this adjustment has been to reduce opening reserves at 1 April 2012 by £2,160,168.

1.16 Share options

The company has considered the requirements of FRS20 "share based payment". The group issues equity settled share-based payments to certain employees of Loch Duart Limited. Equity settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity settled share-based payment, where material, is expensed on a straight line basis over the vesting period, based on the company's estimate of shares that will eventually vest.

2 Turnover

In the opinion of the directors it would be seriously prejudicial to the company's interests to disclose the geographical analysis of turnover.

3 Operating profit/(loss)

	2014	2013
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	-	20,412
Depreciation of tangible assets	1,335,737	1,571,424
Impairment of goodwill	-	157,513
Fees payable to the group's auditor for the audit of the group's annual accounts	23,650	21,000
and after crediting:		
Rents receivable	9,736	7,450
Government grants	113,233	101,284
Profit on disposal of tangible assets	20,731	50,547

£213,401 of depreciation charged in the year is included in the year end stock valuation (2013: £105,607).

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	528,077	567,920
	Hire purchase interest	129,232	168,089
	Share of associates interest	-	50,972
		<u>657,309</u>	<u>786,981</u>
5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	(52,074)
	Foreign corporation tax		
	Foreign corporation tax	-	(23,327)
	Total current tax	-	(75,401)
	Deferred tax		
	Deferred tax credit current year	(210,923)	(225,506)
		<u>(210,923)</u>	<u>(300,907)</u>
	Factors affecting the tax charge for the period		
	Profit/(loss) on ordinary activities before taxation	701,389	(8,012,052)
		<u>701,389</u>	<u>(8,012,052)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	161,319	(1,922,892)
		<u>161,319</u>	<u>(1,922,892)</u>
	Effects of:		
	Non deductible expenses	45,158	39,000
	Capital allowances	29,681	89,000
	Tax losses (utilised)/unrelieved	(408,081)	1,115,000
	Unrelieved foreign tax losses	160,948	653,565
	Adjustments to previous periods	-	(52,074)
	Other tax adjustments	10,975	3,000
		<u>(161,319)</u>	<u>1,847,491</u>
	Current tax charge for the period	-	(75,401)
		<u>-</u>	<u>(75,401)</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

6 Intangible fixed assets			
Group	as restated Sea sites £	Goodwill £	as restated Total £
Cost			
At 31 March 2013	2,461,528	392,192	2,853,720
Additions	14,470	-	14,470
Foreign exchange	(190,856)	-	(190,856)
Disposals	-	(168,437)	(168,437)
	<u>2,285,142</u>	<u>223,755</u>	<u>2,508,897</u>
Amortisation			
At 31 March 2013	122,069	297,185	419,254
Amortisation on disposals	-	(73,430)	(73,430)
	<u>122,069</u>	<u>223,755</u>	<u>345,824</u>
Net book value			
At 31 March 2014	<u>2,163,073</u>	<u>-</u>	<u>2,163,073</u>
At 30 March 2013	<u>2,339,459</u>	<u>95,007</u>	<u>2,434,466</u>

The remaining goodwill arising on the group's investment in Aquapemba Limitada has been written-off as the business has wound down operations subsequent to the year end.

Company	as restated Sea sites £	Goodwill £	as restated Total £
Cost			
At 31 March 2013	1,222,361	223,755	1,446,116
Additions	14,470	-	14,470
	<u>1,236,831</u>	<u>223,755</u>	<u>1,460,586</u>
Amortisation			
At 31 March 2013 & at 31 March 2014	<u>122,069</u>	<u>223,755</u>	<u>345,824</u>
Net book value			
At 31 March 2014	<u>1,114,762</u>	<u>-</u>	<u>1,114,762</u>
At 30 March 2013	<u>1,100,292</u>	<u>-</u>	<u>1,100,292</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

7 Tangible fixed assets

Group	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 31 March 2013	1,836,587	13,062,982	467,735	15,367,304
Additions	1,259	941,932	101,785	1,044,976
Foreign exchange	(58,091)	(191,379)	(3,492)	(252,692)
Disposals	-	(49,264)	(83,510)	(132,774)
At 31 March 2014	1,779,755	13,764,271	482,518	16,026,544
Depreciation				
At 31 March 2013	191,830	6,867,458	320,617	7,379,905
Foreign exchange	(539)	(21,537)	(85)	(22,161)
On disposals	-	(22,490)	(79,347)	(101,837)
Charge for the period	22,014	1,445,769	81,355	1,549,138
At 31 March 2014	213,305	8,269,200	322,540	8,805,045
Net book value				
At 31 March 2014	1,566,450	5,495,071	159,978	7,221,499
At 30 March 2013	1,644,757	6,195,524	147,118	7,987,399

Certain classes of the company's land and buildings were revalued to £947,500 on an existing use basis by Knight Frank LLP Property Consultants, on 21 November 2012. The directors consider this valuation to approximate to the value in use basis of the relevant assets at 31 March 2014.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 31 March 2013 & at 31 March 2014	879,019
Depreciation based on cost	
At 31 March 2013	109,806
Charge for the period	-
At 31 March 2014	109,806
Net book value	
At 31 March 2014	769,213
At 30 March 2013	769,213

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

7 Tangible fixed assets

(Continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2014	2,197,789	153,635	2,351,424
At 30 March 2013	2,622,396	114,619	2,737,015
Depreciation charge for the period			
31 March 2014	464,603	34,721	499,324
30 March 2013	722,170	48,683	770,853

Company

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 31 March 2013	1,473,185	11,847,658	445,558	13,766,401
Additions	1,259	935,297	101,734	1,038,290
Disposals	-	(22,897)	(83,510)	(106,407)
At 31 March 2014	1,474,444	12,760,058	463,782	14,698,284
Depreciation				
At 31 March 2013	188,410	6,730,689	320,080	7,239,179
On disposals	-	(9,304)	(79,347)	(88,651)
Charge for the period	15,131	1,276,167	77,200	1,368,498
At 31 March 2014	203,541	7,997,552	317,933	8,519,026
Net book value				
At 31 March 2014	1,270,903	4,762,506	145,849	6,179,258
At 30 March 2013	1,284,775	5,116,969	125,478	6,527,222

Certain classes of the company's land and buildings were revalued at £947,500 on an existing use basis by Knight Frank LLP Property Consultants, on 21 November 2012. The directors consider this valuation to approximate to the value in use basis of the relevant assets at 31 March 2014.

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

7 Tangible fixed assets (Continued)

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 31 March 2013 & at 31 March 2014	879,019
Depreciation based on cost	
At 31 March 2013	109,806
Charge for the period	-
At 31 March 2014	109,806
Net book value	
At 31 March 2014	769,213
At 30 March 2013	769,213

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2014	2,197,789	136,531	2,334,320
At 30 March 2013	2,622,396	114,619	2,737,015
Depreciation charge for the period			
31 March 2014	464,603	32,525	497,128
30 March 2013	722,170	48,683	770,853

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

8 Fixed asset investments Group

Investment in
associate
£

Share of associate profit/(losses)

At 31 March 2013	(183,490)
Disposal	183,490
At 31 March 2014	-
At 30 March 2013	(183,490)

Post year end Aquapemba Limitada has wound down operations.

Company

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 31 March 2013	154,053	-	154,053
Additions	-	3,208,020	3,208,020
At 31 March 2014	154,053	3,208,020	3,362,073
Provisions for diminution in value			
At 31 March 2013 & at 31 March 2014	154,032	-	154,032
Net book value			
At 31 March 2014	21	3,208,020	3,208,041
At 30 March 2013	21	-	21

Amounts due from group undertakings were recategorised from debtors to investments during the year as in the directors view, these balances now represent longer term funding.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Salar Smokehouse Limited	Scotland	Ordinary	100
Drumbeg Salmon Limited	Scotland	Ordinary	100
The Sustainable Salmon Company Limited	Scotland	Ordinary	100
The Sustainable Food Company Limited	Scotland	Ordinary	100

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

8	Fixed asset investments			(continued)
	Snow Island Salmon Inc	Canada	Ordinary	90
	Loch Duart (Mozambique) Limited	Scotland	Ordinary	100
	Atlantic Sea Smolt Inc*	Canada	Ordinary	100
	Participating interests			
	Aquapemba Limitada	Mozambique	Ordinary	27

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Salar Smokehouse Limited	Dormant
Drumbeg Salmon Limited	Dormant
The Sustainable Salmon Company Limited	Dormant
The Sustainable Food Company Limited	Dormant
Snow Island Salmon Inc	Salmon farming
Loch Duart (Mozambique) Limited	Holding company
Atlantic Sea Smolt Inc*	Salmon farming
Aquapemba Limitada	Production and commercialisation of fish

*Investment held directly by Snow Island Salmon Inc

9	Stocks	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
	Raw materials and consumables	226,804	281,955	226,804	281,955
	Finished goods and goods for resale	7,894,893	7,536,749	7,880,597	7,305,946
		<u>8,121,697</u>	<u>7,818,704</u>	<u>8,107,401</u>	<u>7,587,901</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

10 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	2,812,703	4,319,331	2,701,735	2,353,005
Amounts owed by group undertakings	-	-	-	3,890,052
Corporation tax	-	51,835	-	51,835
Other debtors	226,162	82,515	231,929	82,515
Prepayments and accrued income	117,534	322,132	114,300	305,601
Deferred tax asset (see note 13)	210,923	-	210,923	-
	<u>3,367,322</u>	<u>4,775,813</u>	<u>3,258,887</u>	<u>6,683,008</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013	2014	2013
	£	£	£	£
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,955,410</u>

11 Creditors : amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Debt factoring account	1,319,813	1,433,098	1,319,813	1,433,098
Bank overdrafts	956,996	1,394,347	956,996	1,394,347
Other loans	1,180,584	3,214,184	815,000	2,815,000
Net obligations under finance lease and hire purchase contracts	674,245	862,166	671,903	859,542
Trade creditors	2,648,966	4,189,046	2,571,549	3,608,844
Taxes and social security costs	69,583	66,430	69,583	66,430
Accruals and deferred income	195,047	934,311	194,607	653,319
Preference shares classed as a financial liability	67,945	80,645	-	-
	<u>7,113,179</u>	<u>12,174,227</u>	<u>6,599,451</u>	<u>10,830,580</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

12 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Other loans	393,756	6,287,389	213,182	6,050,000
Net obligations under finance leases and hire purchase agreements	967,056	857,089	961,947	857,089
	<u>1,360,812</u>	<u>7,144,478</u>	<u>1,175,129</u>	<u>6,907,089</u>
Analysis of loans				
Wholly repayable within five years	1,574,340	9,102,389	1,028,182	8,865,000
Included in current liabilities	(1,180,584)	(2,815,000)	(815,000)	(2,815,000)
	<u>393,756</u>	<u>6,287,389</u>	<u>213,182</u>	<u>6,050,000</u>
Loan maturity analysis				
In less than one year	1,180,584	3,214,184	-	2,815,000
In more than two years but not more than five years	180,574	6,287,389	-	6,050,000
In more than five years	213,182	-	213,182	-
	<u>1,574,340</u>	<u>9,501,573</u>	<u>213,182</u>	<u>8,865,000</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	674,245	862,166	671,903	859,542
Repayable between one and five years	967,056	857,089	961,947	857,089
	<u>1,641,301</u>	<u>1,719,255</u>	<u>1,633,850</u>	<u>1,716,631</u>
Included in liabilities falling due within one year	(674,245)	(862,166)	(671,903)	(859,542)
	<u>967,056</u>	<u>857,089</u>	<u>961,947</u>	<u>857,089</u>

Loans due in greater than 5 years represent interest free convertible loan notes repayable on 31 October 2024. The loan notes automatically convert in to fully paid A preference shares on the earlier of the next fundraising or a change of control at a conversion price of £1 per A preference share.

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Balance at 31 March 2013	-	225,506	-	225,506
Profit and loss account	(210,923)	(225,506)	(210,923)	(225,506)
Balance at 31 March 2014	(210,923)	-	(210,923)	-

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Accelerated capital allowances	96,591	225,506	96,591	225,506
Tax losses available	(307,514)	(225,506)	(307,514)	(225,506)
	(210,923)	-	(210,923)	-

Deferred tax assets are recognised to the extent that it is regarded as recoverable. Unrecognised deferred tax assets at 31 March 2014 amounted to £219,365 (2013: £1,042,491).

14 Accruals and deferred income

Group	Government grants £
Balance at 31 March 2013	611,619
Amortisation in the period	(100,170)
Balance at 31 March 2014	511,449

Company	Government grants £
Balance at 31 March 2013	611,619
Amortisation in the period	(100,170)
Balance at 31 March 2014	511,449

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

15 Pension and other post-retirement benefit commitments

Defined contribution

	2014 £	2013 £
Contributions payable by the group for the period	54,832	26,307

16 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
103,646 Ordinary shares of each	103,646	103,646
63,020 B Preference shares of each	63,020	63,020
150,146 A Preference shares of each	150,146	-
	<u>316,812</u>	<u>166,666</u>

During the year, investors made the decision to convert convertible debt and make a capital contribution. This resulted in 150,146 A preference shares being issued at a total premium of £3,696,382, a Capital Contribution Account of £4,631,190 and the issue of convertible loan notes totalling £213,182.

The terms of the A and B preference shares provide the following preferred rights:

(a) A dividend accruing at an annual rate equivalent to 8% of the price at which the preference shares were acquired, but payable only in the event of a sale or liquidation (and only if the preference shares had not been converted into Ordinary shares);

(b) A preference on liquidation or sale in respect of the amount paid by the investors when they acquired their shares, plus the amount of the accrued dividend referred to at (a) above;

(c) The right to convert into Ordinary shares.

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2014

17 Statement of movements on reserves

Group

	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss account £
Balance at 31 March 2013	283,334	2,758,155	(15,162)	1,908,506
Prior year adjustment (see note 1.15)	-	(2,160,168)	-	-
Balance as restated at 31 March 2013	283,334	597,987	(15,162)	1,908,506
Profit for the period	-	-	-	912,312
Foreign currency translation differences	-	-	(356,216)	-
Premium on shares issued during the year	3,696,382	-	-	-
Movement during the year	-	-	4,631,190	-
Balance at 31 March 2014	3,979,716	597,987	4,259,812	2,820,818

Other reserves

Capital contribution reserve (see note 16)

Capital contribution	4,631,190
Balance at 31 March 2014	4,631,190

Foreign exchange reserve

Balance at 31 March 2013	(15,162)
Currency translation reserve movement	443,108
Exchange movement on long term intercompany loan in subsidiary	(799,324)
Balance at 31 March 2014	(371,378)

Company

	Share premium account £	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 31 March 2013	283,334	2,758,155	-	2,506,533
Prior year adjustment (see note 1.15)	-	(2,160,168)	-	-
Balance as restated at 31 March 2013	283,334	597,987	-	2,506,533
Profit for the period	-	-	-	1,612,083
Premium on shares issued during the year	3,696,382	-	-	-
Movement during the year	-	-	4,631,190	-
Balance at 31 March 2014	3,979,716	597,987	4,631,190	4,118,616

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

17	Statement of movement on reserves	(continued)	
	Other reserves		
	Capital contribution reserve (see note 18)		
	Capital contribution	4,631,190	
		<u>4,631,190</u>	
	Balance at 31 March 2014	<u>4,631,190</u>	
18	Reconciliation of movements in shareholders' funds	2014	2013
	Group	£	£
	Profit/(Loss) for the financial period	912,312	(7,711,145)
	Other recognised gains and losses	(356,216)	-
	Proceeds from issue of shares	3,846,528	-
	Capital contribution	4,631,190	-
		<u>9,033,814</u>	<u>(7,711,145)</u>
	Net addition to/(depletion in) shareholders' funds	2,941,331	10,652,476
	Opening shareholders' funds (as restated)	<u>11,975,145</u>	<u>2,941,331</u>
	Closing shareholders' funds	<u>11,975,145</u>	<u>2,941,331</u>
		2014	2013
	Company	£	£
	Profit/(Loss) for the financial period	1,612,083	(7,596,100)
	Proceeds from issue of shares	3,846,528	-
	Capital contribution	4,631,190	-
		<u>10,089,801</u>	<u>(7,596,100)</u>
	Net addition to/(depletion in) shareholders' funds	3,554,520	11,150,620
	Opening shareholders' funds (as restated)	<u>13,644,321</u>	<u>3,554,520</u>
	Closing shareholders' funds	<u>13,644,321</u>	<u>3,554,520</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

19 Security

Group and company

The HSBC Bank plc and HSBC Invoice Finance (UK) Limited hold a floating charge over the assets of the group and parent company.

The various properties owned by the parent company are subject to a standard security in favour of HSBC Bank plc.

In addition, Eksport Kreditt hold a bond and floating charge.

The above securities are subject to a ranking agreement.

A cross guarantee is in place between the parent company and its subsidiary undertakings. At 31 March 2014 the group had bank borrowings of £1,686,100.

20 Financial commitments

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	-	17,850	-	859
Between two and five years	-	22,446	3,454	5,360
In over five years	271,214	227,500	-	-
	<u>271,214</u>	<u>267,796</u>	<u>3,454</u>	<u>6,219</u>

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within one year	-	17,850	-	859
Between two and five years	-	22,446	3,454	2,680
In over five years	271,214	227,500	-	-
	<u>271,214</u>	<u>267,796</u>	<u>3,454</u>	<u>3,539</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

21 Capital commitments

	Group 2014 £	2013 £	Company 2014 £	2013 £
Contracted for but not provided in the financial statements	<u>255,000</u>	<u>-</u>	<u>255,000</u>	<u>-</u>

22 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	573,787	453,637
Company pension contributions to defined contribution schemes	26,600	15,561
	<u>600,387</u>	<u>469,198</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>129,680</u>	<u>104,392</u>
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23 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2014 Number	2013 Number
Management	5	5
Administration	10	10
Operations	99	122
	<u>114</u>	<u>137</u>

Employment costs

	2014 £	2013 £
Wages and salaries	2,775,443	3,080,406
Social security costs	249,437	311,836
Other pension costs	54,832	26,307
	<u>3,079,712</u>	<u>3,418,549</u>

LOCH DUART LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2014

24 Share based payments

On 30 September 2013, options were granted in respect of 64,540 ordinary shares of £1 each with an exercise price of £9.96. These options have a maximum life of 10 years and will become exercisable before that date if the parent company is sold. 60% of the options are exercisable based on meeting performance criteria to 31 March 2015 based on the companies EBITDA at that date. 20% of the remaining options vest at 31 March 2016 and a further 20% at 31 March 2017 provided the option holder is still employed by the company at that date. No options have been exercised in the period since grant.

Under Financial Reporting Standard 20: Share Based Payments ("FRS20"), companies are required to estimate the fair value of share options granted and to recognise this fair value annually as a cost in the profit and loss account, over the life of the options.

Accordingly, the fair value of the parent company's share options has been estimated using a Black Scholes option pricing model. Based on the assumptions used the expense to be recognised in the profit and loss account at the period end is immaterial.

Adoption of accounting standards is not mandatory where the transaction balances to which they relate are not material, on this basis the directors have decided not to adopt FRS20 for these accounts.

25 Contingent liabilities

Group and company

The A and B preference share dividend payment is dependent on uncertain future events, being the sale or liquidation of the business. As a result the potential liability at the balance sheet date amounting to £32,090 has not been provided for in these financial statements.

26 Related party relationships and transactions

Other transactions

Group

During the year, the company rented land and buildings for £49,776 from Scourie Estate which is jointly owned by a director and other members of his family.

The company paid interest of £6,500 to C Balfour, the wife of a director in respect of a loan. At the year end, the loan balance outstanding was £65,000.

Company

During the year, the company rented land and buildings for £49,776 from Scourie Estate which is jointly owned by a director and other members of his family.

The company paid interest of £6,500 to C Balfour, the wife of a director in respect of a loan. At the year end, the loan balance outstanding was £65,000.