

NOLAN SEAFOODS (UK) LIMITED
SC239960

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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NOLAN SEAFOODS (UK) LIMITED

COMPANY INFORMATION

Directors	G V Nolan D R Hutchins C. G. Hanratty
Secretary	C. Mackie
Company number	SC239960
Registered office	Craigshaw Drive West Tullos Industrial Estate Aberdeen AB12 3AN
Business address	Craigshaw Drive West Tullos Industrial Estate Aberdeen AB12 3AN
Auditors	Hall Morrice 6 & 7 Queens Terrace Aberdeen AB10 1XL
Bankers	Allied Irish Bank 19 Charlotte Square Edinburgh EH2 4DE Clydesdale Bank Unit 19, North Esplanade West Aberdeen AB11 5RJ
Solicitors	Stronachs 34 Albyn Place Aberdeen AB10 1FW

NOLAN SEAFOODS (UK) LIMITED

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NOLAN SEAFOODS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and audited financial statements for the year ended 31 March 2010.

Principal activity

The principal activity of the company is that of fish merchants. There have not been any significant changes in the company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the next year.

Business review

During the year the company continued to expand in both white fish and salmon production sales with turnover showing an increase of 12%. The prices paid at market for white fish and salmon have been high during the year and this has continued post year end. The other key measurement used by the company to monitor the effectiveness of its operations is the gross margins. For 2010 the gross margin was 22% which is the same as it was in 2009.

There have been no dividends paid or proposed in respect of the year ended 31 March 2010 (2009 - £nil).

The main regulation issues relate to health and safety which are continually monitored by the company. The company has retained its BRC Accreditation Certificate.

The balance sheet shows that the company's financial position at the year end has, in net asset terms, increased as expected given the profits for the year. The company continues to fund its operations internally with no external finance having been used in the current or comparative year.

The directors are looking to continue expanding operations in 2010/11 both nationally and internationally but believe this will continue to be difficult in the current economic climate.

The directors are not aware of any significant events since the balance sheet date.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including credit risk and foreign exchange risk.

Credit risk

The company's credit risk is primarily attributable to trade debtors. The amounts in the balance sheet are net of any provisions required for bad debts. The company does carry out credit checks on customers as and when required and generally the risk is spread over a wide customer base.

Foreign exchange risk

the company's activities expose it to the financial risks in the movement of foreign currency exchange rates. The directors monitor the exposure and minimise this exposure where possible.

Directors

The following directors have held office since 1 April 2009:

G V Nolan
D R Hutchins
C. G. Hanratty

Charitable contributions

During the year the company made charitable donations totalling £nil (2009 - £200).

Auditors

The auditors, Hall Morrice, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

NOLAN SEAFOODS (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

Directors' responsibilities

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

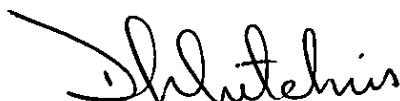
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information.

On behalf of the board



D R Hutchins

Director

24 August 2010

NOLAN SEAFOODS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOLAN SEAFOODS (UK) LIMITED

We have audited the financial statements of Nolan Seafoods (UK) Limited for the year ended 31 March 2010 which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. 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 auditor's 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 as set out in the Directors' report, 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NOLAN SEAFOODS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF NOLAN SEAFOODS (UK) 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Shonagh L. Fraser, MA, CA

Senior Statutory Auditor

For and on behalf of Hall Morrice

Statutory Auditor

Aberdeen

24 August 2010

NOLAN SEAFOODS (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Turnover	2	21,067,904	18,874,837
Cost of sales		(16,459,177)	(14,676,232)
Gross profit		4,608,727	4,198,605
Distribution costs		(434,143)	(470,951)
Administrative expenses		(3,842,422)	(3,336,558)
Other operating income		87,039	48,543
Operating profit	3	419,201	439,639
Investment income	4	16,000	25,000
Other interest receivable and similar income	4	87	2,354
Interest payable and similar charges	5	(5,603)	(7,205)
Profit on ordinary activities before taxation		429,685	459,788
Tax on profit on ordinary activities	6	(125,357)	(116,456)
Profit for the financial year	15	304,328	343,332

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


There are no recognised gains and losses other than those passing through the profit and loss account.

NOLAN SEAFOODS (UK) LIMITED

BALANCE SHEET AS AT 31 MARCH 2010

	Notes	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	7		701,658		662,579
Investments	8		29,388		29,388
			<u>731,046</u>		<u>691,967</u>
Current assets					
Stocks	9	148,437		363,713	
Debtors	10	2,632,756		1,937,973	
Cash at bank and in hand		1,060		10	
		<u>2,782,253</u>		<u>2,301,696</u>	
Creditors: amounts falling due within one year	11	(1,845,753)		(1,616,521)	
Net current assets			<u>936,500</u>		<u>685,175</u>
Total assets less current liabilities			<u>1,667,546</u>		<u>1,377,142</u>
Creditors: amounts falling due after more than one year	12		(6,742)		(31,478)
Provisions for liabilities and charges	13		(85,231)		(74,419)
Net assets			<u>1,575,573</u>		<u>1,271,245</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account	15		1,574,573		1,270,245
Equity shareholders' funds	16		<u>1,575,573</u>		<u>1,271,245</u>

The financial statements were authorised for issue and approved by the directors on 24 August 2010


D R Hutchins
Director


G V Nolan
Director

NOLAN SEAFOODS (UK) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	£	2010 £	£	2009 £
Net cash inflow from operating activities		427,407		91,262
Returns on investments and servicing of finance				
Interest received	87		2,354	
Interest paid	(5,603)		(7,205)	
Dividends received	16,000		25,000	
Net cash inflow for returns on investments and servicing of finance		10,484		20,149
Taxation		(118,769)		(136,884)
Capital expenditure				
Payments to acquire tangible assets	(208,678)		(53,675)	
Receipts from sales of tangible assets	3,000		10,500	
Net cash outflow for capital expenditure		(205,678)		(43,175)
Net cash inflow/(outflow) before management of liquid resources and financing		113,444		(68,648)
Financing				
Other new short term loans	120,000		-	
Capital element of hire purchase contracts	(45,220)		(61,511)	
Net cash inflow/(outflow) from financing		74,780		(61,511)
Increase/(decrease) in cash in the year		188,224		(130,159)

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

1	Reconciliation of operating profit to net cash inflow from operating activities	2010 £	2009 £
	Operating profit	419,201	439,639
	Depreciation of tangible assets	156,039	161,944
	Loss on disposal of tangible assets	10,560	(4,203)
	Decrease/(increase) in stocks	215,276	(280,669)
	Increase in debtors	(694,783)	(401,152)
	Increase in creditors within one year	321,114	175,703
	Net cash inflow from operating activities	427,407	91,262

2	Analysis of net debt	1 April 2009 £	Cash flow £	Other non- cash changes £	31 March 2010 £
	Net cash:				
	Cash at bank and in hand	10	1,050	-	1,060
	Bank overdrafts	(327,561)	187,174	-	(140,387)
		<u>(327,551)</u>	<u>188,224</u>	<u>-</u>	<u>(139,327)</u>
	Debt:				
	Finance leases	(76,698)	45,220	-	(31,478)
	Debts falling due within one year	-	(120,000)	-	(120,000)
		<u>(76,698)</u>	<u>(74,780)</u>	<u>-</u>	<u>(151,478)</u>
	Net debt	(404,249)	113,444	-	(290,805)

3	Reconciliation of net cash flow to movement in net debt	2010 £	2009 £
	Increase/(decrease) in cash in the year	188,224	(130,159)
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(74,780)	61,511
	Change in net debt resulting from cash flows	113,444	(68,648)
	New finance lease	-	(60,000)
	Movement in net debt in the year	113,444	(128,648)
	Opening net debt	(404,249)	(275,601)
	Closing net debt	(290,805)	(404,249)

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	20% Reducing balance

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over 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 charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 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. The deferred tax balance has not been discounted. Deferred tax assets are recognised only when recovery is likely.

2 Turnover

In the opinion of the directors it would be seriously prejudicial to disclose segmental information.

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging:		
	Depreciation		
	- Owned fixed assets	137,360	129,795
	- Assets held under hire purchase contracts	18,679	32,149
	Loss on disposal of tangible assets	10,560	-
	Auditor's remuneration	9,095	6,500
	and after crediting:		
	Profit on disposal of tangible assets	-	(4,203)
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	2010	2009
		£	£
	Income from shares in group undertakings	16,000	25,000
	Bank interest received	67	1,994
	Interest on early payment of taxation	20	360
		<u> </u>	<u> </u>
		<u>16,087</u>	<u>27,354</u>
5	Interest payable	2010	2009
		£	£
	Hire purchase interest	5,603	7,205
		<u> </u>	<u> </u>

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U.K. corporation tax	114,545	118,769
	Adjustment for prior years	-	78
	Current tax charge	114,545	118,847
	Deferred tax		
	Deferred tax charge/credit current year	10,812	(2,391)
		125,357	116,456
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	429,685	459,788
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009: 28.00%)	120,312	128,741
	Effects of:		
	Non deductible expenses	5,121	(8,174)
	Depreciation add back	43,691	45,345
	Capital allowances	(48,602)	(41,776)
	Adjustments to previous periods	-	78
	Dividends and distributions received	(4,480)	-
	Other tax adjustments	(1,497)	(5,367)
		(5,767)	(9,894)
	Current tax charge	114,545	118,847

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2009	838,388	67,848	158,996	1,065,232
Additions	162,625	16,115	29,938	208,678
Disposals	(10,837)	-	(10,550)	(21,387)
At 31 March 2010	990,176	83,963	178,384	1,252,523
Depreciation				
At 1 April 2009	305,126	26,409	71,118	402,653
Charge for the year	122,970	10,170	22,899	156,039
On disposals	(1,494)	-	(6,333)	(7,827)
At 31 March 2010	426,602	36,579	87,684	550,865
Net book value				
At 31 March 2010	563,574	47,384	90,700	701,658
At 31 March 2009	533,262	41,439	87,878	662,579

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

	Plant and machinery £
Net book values	
At 31 March 2010	74,717
At 31 March 2009	143,598
Depreciation charge for the year	
31 March 2010	18,679
31 March 2009	32,149

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

8 Fixed asset investments

	Shares in related undertakings £
Cost	
At 1 April 2009 & at 31 March 2010	29,388

9 Stocks	2010 £	2009 £
Finished goods and goods for resale	148,437	363,713

10 Debtors	2010 £	2009 £
Trade debtors	2,227,770	1,715,853
Amounts owed by group undertakings	309,586	160,356
Other debtors	95,400	61,764
	2,632,756	1,937,973

11 Creditors: amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	140,387	327,561
Net obligations under hire purchase contracts	24,736	45,220
Trade creditors	795,412	676,428
Amounts owed to parent undertakings	475,585	216,750
Corporation tax	114,545	118,769
Other taxes and social security costs	56,312	56,868
Directors' current accounts	169,700	49,700
Other creditors	5,018	5,018
Accruals and deferred income	64,058	120,207
	1,845,753	1,616,521

The Clydesdale Bank holds a bond and floating charge over the assets of the company.

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

12 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Net obligations under hire purchase contracts	6,742	31,478
Net obligations under hire purchase contracts		
Repayable within one year	20,538	50,873
Repayable between one and five years	6,742	35,589
	27,280	86,462
Finance charges and interest allocated to future accounting periods	(1,455)	(9,764)
	25,825	76,698
Included in liabilities falling due within one year	(24,736)	(45,220)
	1,089	31,478

13 Provisions for liabilities and charges

	Deferred tax liability
	£
Balance at 1 April 2009	74,419
Profit and loss account	10,812
Balance at 31 March 2010	85,231

The deferred tax liability is made up as follows:

	2010	2009
	£	£
Accelerated capital allowances	85,231	74,419

14 Share capital

	2010	2009
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2009	1,270,245
Profit for the financial year	304,328
	<u>1,574,573</u>
Balance at 31 March 2010	<u>1,574,573</u>

16 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Profit for the financial year	304,328	343,332
Opening shareholders' funds	1,271,245	927,913
	<u>1,575,573</u>	<u>1,271,245</u>
Closing shareholders' funds	<u>1,575,573</u>	<u>1,271,245</u>

17 Contingent liabilities

As at 31 March 2010 there were guarantees in favour of Fishsalesmans Association for £145,000 covering indemnities held by the Allied Irish Bank (2009 - £145,000) and £125,000 covering indemnities held by the Clydesdale Bank (2009 - £125,000).

18 Financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows:

	2010 £	2009 £
Expiry date:		
Within one year	-	2,787
	<u>-</u>	<u>2,787</u>

19 Capital commitments	2010 £	2009 £
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At 31 March 2010 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	20,000	14,000
	<u>20,000</u>	<u>14,000</u>

20 Directors' emoluments	2010 £	2009 £
Emoluments for qualifying services	57,600	112,000
	<u>57,600</u>	<u>112,000</u>

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

21 Employees

Number of employees

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

	2010 Number	2009 Number
Administrative staff	8	8
Factory staff	98	92
	<u>106</u>	<u>100</u>

Employment costs

	£	£
Wages and salaries	2,658,149	2,390,869
Social security costs	192,654	178,614
	<u>2,850,803</u>	<u>2,569,483</u>

22 Related party transactions

During the year sales totalling £1,530,079 (2009 - £1,656,316) were made by the company to the parent company, H J Nolan (Dublin) Limited, and made purchases of £94,787 (2009 - £476) from the parent company. The parent company also charged management fees of £40,000 (2009 - £40,000) during the year to the company. As at 31 March 2010 the company was due H J Nolan (Dublin) Limited £458,870 (2009 - £216,750) and this is included within Note 11 to the Accounts.

During the year the company made sales of £2,771,831 (2009 - £1,969,588) to its related company, Lossie Seafoods Limited and made purchases of £310,822 (2009 - £558,230) and purchased fixed assets of £nil (2009 - £6,000). The company also charged management fees totalling £25,000 (2009 - £25,000) during the year to Lossie Seafoods Limited. As at 31 March 2010 Lossie Seafoods Limited was due to the company £16,715 (2009 - £160,356 due from the company) and these are included within Notes 10 and 11 to the Accounts.

During the year the company made sales of £326 (2009 - £nil) and made purchases of £76,472 (2009 - £nil) to D & G Nolan Limited, a company owned by Derek Hutchins and George Nolan. As at 31 March 2010 D & G Nolan Limited was due the company £309,856 (2009 - £nil).

As at 31 March 2010 the company was due the directors:

	2010 £	2009 £
D. R. Hutchins	40,850	24,850
C. G. Hanratty	24,850	24,850
G. V. Nolan	104,000	-

During the year the director D. R. Hutchins rented a flat to the company for £4,000 (2009 - £2,000).

NOLAN SEAFOODS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

23 Control

The company was controlled during the current and previous period by H J Nolan (Dublin) Limited, a company incorporated in Ireland by virtue of its 60% holding of the issued shares of the company. There is no ultimate controlling party.