

**Company Registration No. SC513398 (Scotland)**

**Organic Sea Harvest Limited**

**Financial statements  
for the year ended 31 December 2021**

**Pages for filing with the Registrar**

**Organic Sea Harvest Limited**

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**Organic Sea Harvest Limited**

**Statement of financial position  
As at 31 December 2021**

			2021	2020
	Notes	£	£	£
<b>Fixed assets</b>				
Intangible assets	4		1,335,707	1,382,307
Tangible assets	5		9,588,249	4,173,975
			<u>10,923,956</u>	<u>5,556,282</u>
<b>Current assets</b>				
Stocks		12,115,848	5,751,484	
Debtors	6	913,702	3,667,758	
Cash at bank and in hand		41,413	521,848	
		<u>13,070,963</u>	<u>9,941,090</u>	
<b>Creditors: amounts falling due within one year</b>	7	(11,421,565)	(6,237,782)	
<b>Net current assets</b>			<u>1,649,398</u>	<u>3,703,308</u>
<b>Total assets less current liabilities</b>			<u>12,573,354</u>	<u>9,259,590</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(1,030,627)		(14,226)
<b>Net assets</b>			<u><u>11,542,727</u></u>	<u><u>9,245,364</u></u>
<b>Capital and reserves</b>				
Called up share capital	10		1,389	935
Share premium account			14,731,455	9,873,449
Profit and loss reserves			(3,190,117)	(629,020)
<b>Total equity</b>			<u><u>11,542,727</u></u>	<u><u>9,245,364</u></u>

The directors of the company have elected not to include a copy of the income statement 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.

**Organic Sea Harvest Limited**

**Statement of financial position (continued)**

**As at 31 December 2021**

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The financial statements were approved by the board of directors and authorised for issue on 15 July 2022 and are signed on its behalf by:

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**Director**

**Company Registration No. SC513398**

**Organic Sea Harvest Limited**

**Statement of changes in equity  
For the year ended 31 December 2021**

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 April 2020</b>		597	2,873,462	(237,997)	2,636,062
<b>Period ended 31 December 2020:</b>					
Loss and total comprehensive income for the period		-	-	(391,023)	(391,023)
Issue of share capital	10	-	6,999,987	-	6,999,987
Conversion of loan to shares	10	338	-	-	338
<b>Balance at 31 December 2020</b>		935	9,873,449	(629,020)	9,245,364
<b>Period ended 31 December 2021:</b>					
Loss and total comprehensive income for the period		-	-	(2,561,097)	(2,561,097)
Issue of share capital	10	-	4,858,006	-	4,858,006
Conversion of loan to shares	10	454	-	-	454
<b>Balance at 31 December 2021</b>		1,389	14,731,455	(3,190,117)	11,542,727

## **Organic Sea Harvest Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

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#### **1 Accounting policies**

##### **Company information**

Organic Sea Harvest Limited is a private company limited by shares incorporated in Scotland. The registered office is 3 Kings House, The Green, Portree, Isle of Skye, IV51 9BT.

##### **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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Going concern**

The financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future, and be able to meet its liabilities as they fall due.

The company has reported a loss for the period, which is not unexpected. To date, significant investment has been made in establishing the two farming sites and related infrastructure needed to operate the fish farms. This has been financed by a combination of shareholder loans and equity, credit facilities from key suppliers and a bank overdraft facility. Having assessed the future working capital and capital expenditure investment, and considering the expecting trading cashflows for the 12 month period from the date of approving these financial statements, the directors are confident that sufficient facilities will be available to enable the business to continue operating and to meet its liabilities as they fall due. Accordingly, the financial statements are prepared on a going concern basis

##### **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.

Revenue from the sale of fish is recognised when the significant risks and rewards of ownership of the fish have passed to the buyer (usually on dispatch of the fish), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **1.4 Farming licences**

Farming licences are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

**1 Accounting policies (continued)**

Amortisation 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:

Farming licences	4% straight line per annum
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**1.5 Tangible fixed assets**

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line per annum
Plant and equipment	10% - 25% straight line per annum
Barges and work boats	5% - 20% straight line per annum
Computers	33% straight line per annum
Motor vehicles	25% straight line per annum

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.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.7 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value. Cost comprises the purchase of and rearing of fish, direct labour and overheads incurred in bringing the stock to its present location and condition.

**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, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank and other loans, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest 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.

**1.11 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.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



**1 Accounting policies (continued)**

**1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

**1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Critical accounting 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.

The following judgements (apart from those involving estimates) have had the most significant impact on the financial statements:

**Licenses**

Fish farm licenses have indefinite lives, subject to certain requirements and conditions. FRS 102 does not permit non-amortisation of indefinite life assets and so these licenses have been amortised over the directors' estimate of useful lives of 25 years.

The following are the key sources of estimation uncertainty:

**Depreciation**

During the year, the directors changed the depreciation rate applicable to leasehold improvements from 2% straight line to 10% straight line. The net book value of leasehold improvements at 31 December 2021 under the previous rate would have been £63,314 compared with actual net book value at 31 December 2021 of £61,000.

**Stocks**

Fish stocks are stated at the lower of cost and net realisable value. The estimation of net realisable value requires a number of assumptions, including the number and biomass of fish, fish health and grading. The company regularly monitors fish in each pen including the number of mortalities, and compares actual to estimated volumes when sites are harvested. Volume deviations for normal losses are usually low and within expectations for a year class of fish, and these are absorbed into the cost of remaining stocks. Abnormal losses, due to incidents or disease are expensed as incurred.

A key element in the estimated net realisable value is estimated selling price less future costs to be incurred to the point of sale. There is uncertainty over future selling prices and future costs such as feed, medicines and labour costs. The estimates used are derived from past experiences, knowledge of the market and current economic conditions.

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

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**3 Employees**

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Total	15	6

**4 Intangible fixed assets**

	<b>Farming licences £</b>
<b>Cost</b>	
At 1 January 2021	1,405,736
Additions - internally developed	10,031
At 31 December 2021	1,415,767
<b>Amortisation and impairment</b>	
At 1 January 2021	23,429
Amortisation charged for the year	56,631
At 31 December 2021	80,060
<b>Carrying amount</b>	
At 31 December 2021	1,335,707
At 31 December 2020	1,382,307

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**5 Tangible fixed assets**

	<b>Leasehold improvements</b>	<b>Plant and machinery etc</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2021	4,316	4,301,459	4,305,775
Additions	60,022	6,116,445	6,176,467
At 31 December 2021	64,338	10,417,904	10,482,242
<b>Depreciation and impairment</b>			
At 1 January 2021	5	131,795	131,800
Depreciation charged in the year	3,333	758,860	762,193
At 31 December 2021	3,338	890,655	893,993
<b>Carrying amount</b>			
At 31 December 2021	61,000	9,527,249	9,588,249
At 31 December 2020	4,311	4,169,664	4,173,975

**6 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	659,649	-
Other debtors	254,053	3,667,758
	913,702	3,667,758

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

**7 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
<b>Notes</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	3,056,994	-
Convertible loans	1,000,000	4,583,324
Trade creditors	6,697,891	1,462,555
Amounts owed to group undertakings	36,187	24,503
Taxation and social security	23,222	12,121
Other creditors	607,271	155,279
	<u>11,421,565</u>	<u>6,237,782</u>

**8 Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	1,030,627	14,226
	<u>1,030,627</u>	<u>14,226</u>

**9 Loans and overdrafts**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	3,056,994	-
	<u>3,056,994</u>	<u>-</u>
Payable within one year	3,056,994	-
	<u>3,056,994</u>	<u>-</u>

Virgin Money UK PLC holds a floating charge over all the assets and undertakings of the company. They hold a charge over the stock insurance policy alongside first legal charge over both the Invertote and Culacnoc sites.

The bank overdraft carries an interest rate of +4.5% over base rate per annum.

**Organic Sea Harvest Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

**10 Called up share capital**

	December 2021 Number	December 2020 Number	December 2021 £	December 2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 2.5p each	30,143	11,970	935	327
A Ordinary shares of 2.5p each	25,438	25,438	454	608
	<u>55,581</u>	<u>37,408</u>	<u>1,389</u>	<u>935</u>

On 28 January 2021 £4,857,915 of loans (including interest) were converted in exchange for 18,173 new ordinary shares of 2.5p each.

The ordinary and A ordinary shares carry the same rights regarding voting and dividends.

**11 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.

The senior statutory auditor was Eunice McAdam and the auditor was Saffery Champness LLP.

**12 Ultimate controlling party**

In the opinion of the directors there is no ultimate controlling party.

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.