



Smailes Goldie Group
CREATING ADVANTAGE

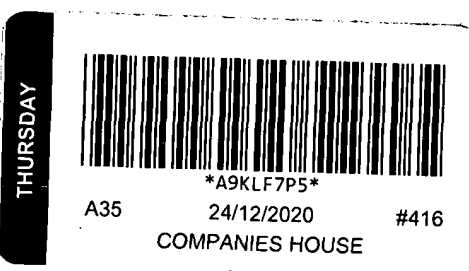
REGISTERED NUMBER: 03817237



Kirkella Limited

Financial Statements

31st December 2019



Kirkella Limited (Registered number: 03817237)

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Kirkella Limited

Company Information

for the year ended 31st December 2019

DIRECTORS:

D Parlevliet
J C Van Der Plas
H Gretarsson
J Sandell

SECRETARY:

Mackinnons Solicitors

REGISTERED OFFICE:

The Orangery
Hesslewood Country Office Park
Ferriby Road
Hessle
East Yorkshire
HU13 0LH

REGISTERED NUMBER:

03817237 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Kirkella Limited (Registered number: 03817237)

Directors Strategic Report *for the year ended 31st December 2019*

The directors present their strategic report for the year ended 31st December 2019.

REVIEW OF BUSINESS

The company has continued its fishing operations throughout the year utilising available fishing quotas.

Turnover has increased by £5,088,770 in 2019; the principle reasons for this being an increase in the landed fish quantities sold compared to 2018.

Pre-tax profits are £12,349,895 compared to £14,732,117 in 2018.

The company has net assets at 31 December 2019 of £15,120,018 compared to £11,683,055 at 2018.

The directors are satisfied with the company performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the group are considered to relate to competition and market dynamics and the availability of fishing opportunities in the company's key areas of operation.

Management continue to monitor the effects that the UK Brexit vote will have, if any on the company operations. Due to the spread of the fishing opportunities throughout the wider group they do not envisage that the company results will be materially impacted by the political environment.


KEY PERFORMANCE INDICATORS

The shareholders are closely involved in the company's operations and therefore the directors believe that an analysis of the company's performance for the year using key performance indicators is not necessary as the shareholders already understand the development, performance and financial position of the company.

FUTURE DEVELOPMENT AND PERFORMANCE

The commercial environment is expected to remain competitive and challenging but the directors remain confident that the company will continue to trade profitably in the future as demonstrated by the investment in a new vessel.

ON BEHALF OF THE BOARD:



J. Sandell – Director
24 June 2020

Kirkella Limited (Registered number: 03817237)

Report of the Directors

for the year ended 31st December 2019

The directors present their report with the financial statements of the company for the year ended 31st December 2019.

DIVIDENDS

Interim dividends of £6,000,000 were paid during the year. The directors recommend that no final dividend be paid.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of fishing vessel owners and operators.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2019 to the date of this report.

D Parlevliet
J C Van Der Plas
H Gretarsson
J Sandell
T Mar Baldvinsson - (resigned 20 November 2019)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 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.

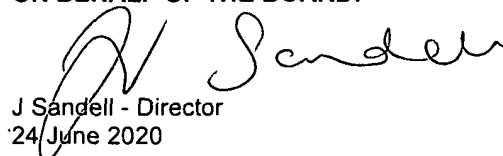
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


J Sandell - Director
24 June 2020

Report of the Independent Auditors to the Members of Kirkella Limited (Registered number: 03817237)

Opinion

We have audited the financial statements of Kirkella Limited (the 'company') for the year ended 31st December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement on the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Kirkella Limited (Registered number: 03817237)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

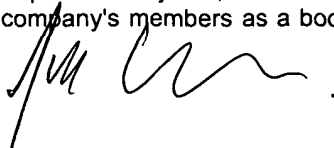
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



James Sharpley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

24 June 2020

Kirkella Limited (Registered number: 03817237)

Profit and loss account

for the year ended 31st December 2019

	Notes	2019 £	2018 £
TURNOVER	3	27,439,216	22,350,446
Cost of sales		<u>14,183,562</u>	<u>13,247,531</u>
GROSS PROFIT		13,255,654	9,102,915
Profit on disposal of fixed assets		381,637	6,230,694
Administrative expenses		<u>1,159,258</u>	<u>586,387</u>
OPERATING PROFIT	5	12,475,033	14,747,222
Interest payable and similar expenses		<u>128,138</u>	<u>15,105</u>
PROFIT BEFORE TAXATION		12,349,895	14,732,117
Tax on profit	6	<u>2,912,932</u>	<u>2,115,689</u>
PROFIT FOR THE FINANCIAL YEAR		<u>9,436,963</u>	<u>12,616,428</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,436,963</u>	<u>12,616,428</u>

The notes form part of these financial statements

Kirkella Limited (Registered number: 03817237)

Balance Sheet

31st December 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	8	70,245	71,546
Tangible assets	9	<u>34,105,028</u>	<u>36,260,956</u>
		34,175,273	36,332,502
CURRENT ASSETS			
Stocks	10	476,044	2,843,826
Debtors	11	6,019,630	95,071
Cash at bank		<u>-</u>	<u>84,604</u>
		6,495,674	3,023,501
CREDITORS			
Amounts falling due within one year	12	<u>22,283,156</u>	<u>24,245,266</u>
NET CURRENT LIABILITIES		<u>(15,787,482)</u>	<u>(21,221,765)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,387,791	15,110,737
PROVISIONS FOR LIABILITIES	13	<u>(3,267,773)</u>	<u>(3,427,682)</u>
NET ASSETS		<u>15,120,018</u>	<u>11,683,055</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Retained earnings		<u>15,119,018</u>	<u>11,682,055</u>
SHAREHOLDERS' FUNDS		<u>15,120,018</u>	<u>11,683,055</u>

The financial statements were approved by the Board of Directors on 24 June 2020 and were signed on its behalf by:



J. Sandell - Director

The notes form part of these financial statements

Kirkella Limited (Registered number: 03817237)

Statement of Changes in Equity for the year ended 31st December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2018	1,000	3,565,627	3,566,627
Changes in equity			
Dividends	-	(4,500,000)	(4,500,000)
Total comprehensive income	-	<u>12,616,428</u>	<u>12,616,428</u>
Balance at 31st December 2018	<u>1,000</u>	<u>11,682,055</u>	<u>11,683,055</u>
Changes in equity			
Dividends	-	(6,000,000)	(6,000,000)
Total comprehensive income	-	<u>9,436,963</u>	<u>9,436,963</u>
Balance at 31st December 2019	<u>1,000</u>	<u>15,119,018</u>	<u>15,120,018</u>

The notes form part of these financial statements

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements

for the year ended 31st December 2019

1. STATUTORY INFORMATION

Kirkella Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value

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

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of fish is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on the date of the sales invoice.

Fishing licences

Intangible assets are capitalised at cost and amortised at cost less residual value on a straight-line basis over their useful lives. The useful life of the fishing licences are 30 years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fishing vessels - 15 years

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the stock to its present location and condition. Cost is calculated using a first in, first out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2019

2. ACCOUNTING POLICIES - continued

Taxation

Current tax represents the amount payable or receivable in respect of the taxable profit or loss for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. TURNOVER

The turnover is attributable to the one principal activity of the company being the fishing operations.

The turnover by geographical area is as follows:

	2019 £	2018 £
United Kingdom	26,028,611	18,744,392
Europe	<u>1,410,605</u>	<u>3,606,054</u>
	<u>27,439,216</u>	<u>22,350,446</u>

4. EMPLOYEES AND DIRECTORS

There were no staff costs in the year. All crew members are self-employed share fishermen.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	2,155,928	2,269,682
Fishing Licences amortisation	1,301	1,301
Auditors' remuneration	6,300	9,225
Foreign exchange differences (gain)/loss	<u>(10,569)</u>	<u>(102,291)</u>

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued

for the year ended 31st December 2019

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax		
UK Corporation tax	2,577,011	1,315,694
Prior year under provision	<u>495,830</u>	<u>1,135,373</u>
Total current tax	<u>3,072,841</u>	<u>2,451,067</u>
Deferred tax:		
Origination and reversal of timing differences	<u>159,909</u>	<u>(335,378)</u>
Tax on profit	<u>2,912,932</u>	<u>2,115,689</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>12,349,895</u>	<u>14,732,117</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	2,346,480	2,799,102
Effects of:		
Expenses not deductible for tax purposes		-
Adjustments to tax charge in respect of previous periods	495,830	1,135,373
Excess of capital allowances over depreciation	<u>70,622</u>	<u>(1,818,786)</u>
Total tax charge	<u>2,912,932</u>	<u>2,115,689</u>

The expected net reversal of deferred tax assets and liabilities in 2019 is £216,000.

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Interim	<u>6,000,000</u>	<u>4,500,000</u>

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued

for the year ended 31st December 2019

8. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1st January 2019 and 31st December 2019	<u>78,050</u>
AMORTISATION	
At 1st January 2019	6,504
Charge for year	<u>1,301</u>
At 31st December 2019	<u>7,805</u>
NET BOOK VALUE	
At 31st December 2019	<u>70,245</u>
At 31st December 2018	<u>71,546</u>

9. TANGIBLE FIXED ASSETS

	Fishing vessels £
COST	
At 1st January 2019 and 31 December 2019	<u>37,338,920</u>
DEPRECIATION	
At 1st January 2019	1,077,964
Charge for year	<u>2,155,928</u>
At 31st December 2019	<u>3,233,892</u>
NET BOOK VALUE	
At 31st December 2019	<u>34,105,028</u>
At 31st December 2018	<u>36,260,956</u>

10. STOCKS

	2019 £	2018 £
Fish	274,759	2,548,913
Fuel, gear and provisions	<u>201,285</u>	<u>294,913</u>
	<u>476,044</u>	<u>2,843,826</u>

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued for the year ended 31st December 2019

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	6,019,630	92,670
Other debtors	-	2,401
	<u>6,019,630</u>	<u>95,071</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	20,416,640	23,013,161
Accruals and deferred income	12,505	15,200
Corporation tax	1,854,011	1,216,905
	<u>22,283,156</u>	<u>24,245,266</u>

13. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax		
Accelerated capital allowances	<u>3,267,773</u>	<u>3,427,682</u>
		Deferred tax
		£
Balance at 1st January 2019		3,427,682
Credit to Statement of Comprehensive Income during year		<u>(159,909)</u>
Balance at 31st December 2019		<u>3,267,773</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Kirkella Limited (Registered number: 03817237)

Notes to the Financial Statements - continued

for the year ended 31st December 2019

15. CONTINGENT LIABILITIES

The company is party to a joint guarantee with its ultimate parent undertaking and fellow subsidiary undertakings in respect of the group borrowings which are secured, in part, by mortgages on certain vessels.

16. RESERVES

	£
At 1st January 2019	11,682,055
Profit for the year	9,436,963
Dividends	<u>(6,000,000)</u>
At 31st December 2019	<u>15,119,018</u>

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

17. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

18. ULTIMATE PARENT COMPANY

The parent company of the group of undertakings for which group financial statements are drawn up and of which the company is a member is UK Fisheries Limited, registered in England and Wales. UK Fisheries Limited is also the company's ultimate parent undertaking, and copies of its financial statements can be obtained from Companies House.