

**Kames Fish Farming Limited**  
**Abbreviated accounts**  
**For the year ended 28 February 2005**

**Grant Thornton** 



**Company No. SC051158**

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## Independent auditors' report to the company pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the balance sheet, principal accounting policies and the related notes, together with the financial statements of the company for the year ended 28 February 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

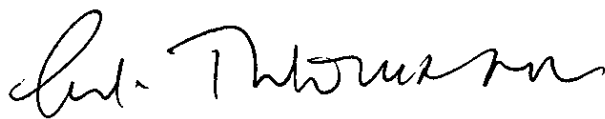
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

### Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts which comprise the balance sheet, principal accounting policies and the related notes are properly prepared in accordance with those provisions.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

9 March 2006

## Principal accounting policies

### Basis of preparation

The financial statements have been prepared on the basis of continued financial support from the Company's parent for a period of not less than 12 months from the date of approval of these financial statements.

The Company meets its day to day working capital requirements as part of a Group overdraft facility together with its subsidiary company, Kames Marine Fish Farming Limited, which is repayable on demand.

The Group's overdraft facilities are due for renewal at the end of July 2005. The directors believe that there is sufficient flexibility within the Group's cash requirement to allow the Company's overall cash position to be managed for the foreseeable future.

Accordingly, the directors consider that the Company is a going concern and therefore that it is appropriate to prepare the accounts on a going concern basis.

If the Company's bankers were to withdraw their support, or if the directors were unable to sufficiently manage the Group's cash requirement, the going concern basis may no longer be appropriate. The financial statements do not include any adjustments that would result from this.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a small group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Plant & Machinery	- 20% straight line
Motor Vehicles	- 20% straight line
Hatchery leasehold improvements	- over the period of the lease

## **Stocks**

Stocks are stated at lower of cost and net realisable value.

## **Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

## **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

## **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## **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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

## **Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

## Abbreviated balance sheet

	Note	2005 £	2004 £
<b>Fixed assets</b>	1		
Tangible assets		566,973	613,318
Investments		978,551	982,234
		<u>1,545,524</u>	<u>1,595,552</u>
<b>Current assets</b>			
Stocks		786,661	664,421
Debtors	2	273,985	252,292
Cash at bank and in hand		980	1,796
		<u>1,061,626</u>	<u>918,509</u>
<b>Creditors: amounts falling due within one year</b>	3	<u>858,664</u>	<u>920,236</u>
<b>Net current assets/(liabilities)</b>		<u>202,962</u>	<u>(1,727)</u>
<b>Total assets less current liabilities</b>		<u>1,748,486</u>	<u>1,593,825</u>
<b>Creditors: amounts falling due after more than one year</b>		138,599	84,945
<b>Provisions for liabilities and charges</b>		3,135	1,435
		<u>1,606,752</u>	<u>1,507,445</u>
<b>Capital and reserves</b>			
Called-up equity share capital	4	26,267	26,267
Share premium account		27,715	27,715
Other reserves		74,495	74,495
Profit and loss account		1,478,275	1,378,968
<b>Shareholders' funds</b>		<u>1,606,752</u>	<u>1,507,445</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 9 December 2005 and are signed on their behalf by:

.....  
Mr Stuart G Cannon



The accompanying accounting policies and notes form part of these abbreviated accounts.

## Notes to the abbreviated accounts

### 1 Fixed assets

	<b>Tangible Assets £</b>	<b>Investments £</b>	<b>Total £</b>
Cost			
At 1 March 2004	2,214,834	982,234	3,197,068
Additions	91,436	–	91,436
Disposals	(1,300)	(3,683)	(4,983)
At 28 February 2005	<u>2,304,970</u>	<u>978,551</u>	<u>3,283,521</u>
Depreciation			
At 1 March 2004	1,601,516	–	1,601,516
Charge for year	137,716	–	137,716
On disposals	(1,235)	–	(1,235)
At 28 February 2005	<u>1,737,997</u>	<u>–</u>	<u>1,737,997</u>
Net book value			
At 28 February 2005	<u>566,973</u>	<u>978,551</u>	<u>1,545,524</u>
At 29 February 2004	<u>613,318</u>	<u>982,234</u>	<u>1,595,552</u>

At 28 February 2005 the company held more than 20% of the allotted share capital of the following undertakings:

	<b>Country of registration</b>	<b>Class of share capital held</b>	<b>Proportion held</b>	<b>Nature of business</b>	<b>Capital and reserves £</b>	<b>Profit for the financial year £</b>
Subsidiaries:						
Kames Marine Fish Farming Limited	Scotland	Ordinary	87%	Fish farming	44,290	7,757
Associates:						
Fusion Marine Chile SA	Chile	Ordinary	45%	Fish farming	(441,376)	(1,111,471)
Scot Trout Limited				Processing and sale of trout and salmon		
	Scotland	Ordinary	25%		2,316,848	(91,488)

The company owns 177,379 shares in Selonda SA at a cost of £215,778. At the balance sheet date the market value of these shares was £97,956 (2003: £94,876). The directors consider this to be a temporary drop in value and as such, and taking into account the fact that the shares are held for long term investment, the shares remain in the balance sheet at the original cost.

### 2 Debtors

Debtors include amounts of £10,607 (2004 - £10,607) falling due after more than one year.



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

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	360,503	276,739
Trade creditors	135,326	314,771
	<u>495,829</u>	<u>591,510</u>

**4 Share capital**

Authorised share capital:

	2005	2004
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>26,267</u>	<u>26,267</u>	<u>26,267</u>	<u>26,267</u>

**5 Capital Commitments**

The company had no capital commitments at 28 February 2005 or 29 February 2004.

**6 Contingent liabilities**

There were no contingent liabilities at 28 February 2005 or 29 February 2004.