

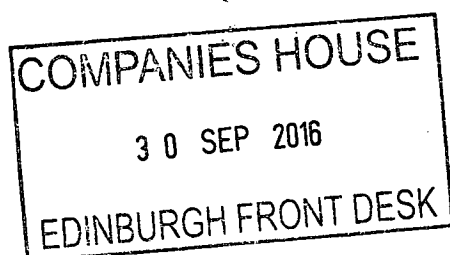
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NOR-SEA FOODS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



NOR-SEA FOODS LIMITED



COMPANY INFORMATION

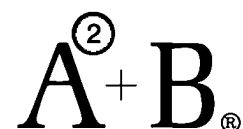
DIRECTORS
M W G Clark OBE
F Clark
J R Rennie

COMPANY SECRETARY
Burness Paul LLP

REGISTERED NUMBER
SC054204

REGISTERED OFFICE
Broadfold Road
Bridge of Don
Aberdeen
AB23 8EE

NOR-SEA FOODS LIMITED



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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

INTRODUCTION

The principal activity of the company is that of fish processors and curers.

Continued improvements on efficiencies have resulted in an improvement in profitability.

BUSINESS REVIEW

We will continue to invest in the business to improve efficiencies and drive down costs, where possible, to achieve a level of profitability that is commensurate with the scale of the business and the investment involved.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks, including competition in the market and availability of appropriate quantities and quality of raw materials.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.


.....
J R Rennie
Director

Date:

16/6/14

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,192,869 (2015 - £426,623).

DIRECTORS

The directors who served during the year were:

M W G Clark OBE
F Clark
J R Rennie

FUTURE DEVELOPMENTS

We will continue to invest in the business to improve efficiencies and drive down costs, where possible, to achieve a level of profitability that is commensurate with the scale of the business and the investment involved.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing their employees with information about the company continued through the information board, quarterly newsletters and regular meetings.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

NOR-SEA FOODS LIMITED



**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

AUDITORS

The auditors, Anderson Anderson & Brown LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
J R Rennie
Director

Date: 16/6/16

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 judgments 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
NOR-SEA FOODS LIMITED**

We have audited the financial statements of Nor-Sea Foods Limited for the year ended 31 March 2016, set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, 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 Financial Reporting Council'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 Strategic report and the Directors' 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 Company's affairs as at 31 March 2016 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
NOR-SEA FOODS LIMITED**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

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.

Anderson Anderson & Brown LLP

John Black (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date:

16 JUNE 2016


**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover		26,643,999	26,854,403
Cost of sales		(21,983,308)	(23,647,484)
Gross profit		<u>4,660,691</u>	<u>3,206,919</u>
Distribution costs		(1,204,000)	(1,008,725)
Administrative expenses		(2,102,919)	(1,577,792)
Other operating income		1,871	1,305
Operating profit		<u>1,355,643</u>	<u>621,707</u>
Interest payable and expenses	9	(37,899)	(77,325)
Profit before tax		<u>1,317,744</u>	<u>544,382</u>
Tax on profit	10	(124,875)	(117,759)
Profit for the year		<u><u>1,192,869</u></u>	<u><u>426,623</u></u>
 Total comprehensive income for the year		 <u><u>1,192,869</u></u>	 <u><u>426,623</u></u>

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	2,149,371	2,530,004
Investments	12	5,880	5,880
		<u>2,155,251</u>	<u>2,535,884</u>
Current assets			
Stocks	13	647,547	2,276,800
Debtors: amounts falling due within one year	14	8,301,927	8,527,673
Cash at bank and in hand	15	1,976,004	25,684
		<u>10,925,478</u>	<u>10,830,157</u>
Creditors: amounts falling due within one year	16	(4,044,015)	(5,404,753)
Net current assets		<u>6,881,463</u>	<u>5,425,404</u>
Total assets less current liabilities		<u>9,036,714</u>	<u>7,961,288</u>
Creditors: amounts falling due after more than one year	17	(2,725,852)	(2,788,741)
Provisions for liabilities			
Deferred tax		(12,524)	(41,993)
		<u>(12,524)</u>	<u>(41,993)</u>
Accruals and deferred income	21	(196,886)	(221,971)
Net assets		<u><u>6,101,452</u></u>	<u><u>4,908,583</u></u>
Capital and reserves			
Called up share capital	22	51,000	51,000
Profit and loss account		6,050,452	4,857,583
		<u><u>6,101,452</u></u>	<u><u>4,908,583</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J R Rennie
Director

Date: 16/6/16

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2016**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	51,000	4,857,583	4,908,583
Profit for the year	-	1,192,869	1,192,869
AT 31 March 2016	51,000	6,050,452	6,101,452

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2015**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	51,000	4,430,960	4,481,960
Profit for the year	-	426,623	426,623
At 31 March 2015	51,000	4,857,583	4,908,583

The notes on pages 11 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES

1.1 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors therefore have made an informed judgment, at the time of approving the financial statements, that the company 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 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

L/Term Leasehold Property	-	straight line over period of the lease
Plant & machinery	-	straight line over 3 to 10 years
Motor vehicles	-	straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.5 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.10. Financial instruments (continued)

value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

1.13 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.14 Pension costs

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.17 Cash flow

The company has taken the available exemption from the requirement to draw up a cash flow statement in accordance with paragraph 1.12b of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors

The company makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience.

Valuation of stock

The company makes an assessment of any provision necessary for slow-moving and obsolete stock. When assessing impairment of stock, management consider various factors including the ageing of the stock and the physical condition of the stock.

Taxation

The company establishes reasonable provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

3. ANALYSIS OF TURNOVER

	2016 £	2015 £
Processed fish sales	26,643,999	26,854,403
	<u>26,643,999</u>	<u>26,854,403</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	26,224,764	26,584,091
Rest of Europe	54,167	16,610
Rest of the world	365,068	253,702
	<u>26,643,999</u>	<u>26,854,403</u>

Turnover relates entirely to amounts received for sales of processed and cured fish.

4. OTHER OPERATING INCOME

	2016 £	2015 £
Investment income	1,871	1,305
	<u>1,871</u>	<u>1,305</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	477,612	448,632
Exchange differences	20,029	(25,342)
Defined contribution pension cost	99,123	110,706
	<u>596,764</u>	<u>533,996</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Auditors' remuneration	10,000	13,750
	<u>10,000</u>	<u>13,750</u>
Auditors' remuneration - non audit fees in respect of taxation services	2,500	4,350
	<u>2,500</u>	<u>4,350</u>

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	4,940,985	5,297,733
Social security costs	359,230	396,010
Cost of defined contribution scheme	99,123	110,706
	<u>5,399,338</u>	<u>5,804,449</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Management and administration	29	29
Fish buying / processing	267	289
	<u>296</u>	<u>318</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	844,834	544,094
Company contributions to defined contribution pension schemes	-	1,633
	<u>844,834</u>	<u>545,727</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £385,387 (2015 - £245,492).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £NIL).

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Bank interest payable	34,384	71,104
Finance leases and hire purchase contracts	3,515	6,221
	<u>37,899</u>	<u>77,325</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	188,773	75,786
Adjustments in respect of previous periods	(34,429)	(20)
	<u>154,344</u>	<u>75,766</u>
Total current tax	<u>154,344</u>	<u>75,766</u>
Deferred tax		
Origination and reversal of timing differences	(30,415)	56,623
Adjustments in respect of prior periods	946	(14,630)
Total deferred tax	<u>(29,469)</u>	<u>41,993</u>
Taxation on profit on ordinary activities	<u>124,875</u>	<u>117,759</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,317,744</u>	<u>544,382</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	263,549	114,147
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,102	4,461
Capital allowances for year in excess of depreciation	-	(19,329)
Adjustments to tax charge in respect of prior periods	(34,429)	(20)
Other short term timing differences	-	1,868
Dividends from UK companies	(374)	(521)
Fixed asset differences	21,898	29,891
Group relief	(128,871)	(12,738)
Total tax charge for the year	<u>124,875</u>	<u>117,759</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

11. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2015	3,796,312	7,725,738	107,660	11,629,710
Additions	-	96,979	-	96,979
At 31 March 2016	<u>3,796,312</u>	<u>7,822,717</u>	<u>107,660</u>	<u>11,726,689</u>
Depreciation				
At 1 April 2015	2,077,477	6,961,210	61,019	9,099,706
Charge owned for the period	157,413	263,101	34,333	454,847
Charge financed for the period	-	22,765	-	22,765
At 31 March 2016	<u>2,234,890</u>	<u>7,247,076</u>	<u>95,352</u>	<u>9,577,318</u>
At 31 March 2016	<u>1,561,422</u>	<u>575,641</u>	<u>12,308</u>	<u>2,149,371</u>
AT 31 March 2015	<u>1,718,835</u>	<u>764,528</u>	<u>46,641</u>	<u>2,530,004</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	77,927	28,026
Motor vehicles	-	42,974
	<u>77,927</u>	<u>71,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. FIXED ASSET INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 April 2015	5,880
At 31 March 2016	5,880
At 31 March 2016	5,880
AT 31 March 2015	5,880

The market value of the listed investments at 31 March 2016 was £33,364 (2015 - £33,464).

13. STOCKS

	2016 £	2015 £
Raw materials, ingredients & packaging	438,467	1,925,280
Work in progress	106,925	163,815
Finished goods and goods for resale	102,155	187,705
	<u>647,547</u>	<u>2,276,800</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	2,890,899	2,974,703
Amounts owed by group undertakings	4,817,662	5,142,623
Other debtors	57,267	93,789
Prepayments and accrued income	161,022	112,013
Tax recoverable	375,077	204,545
	<u>8,301,927</u>	<u>8,527,673</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	1,976,004	25,684
	<u>1,976,004</u>	<u>25,684</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,841,370	1,945,958
Amounts owed to group undertakings	130,000	429,270
Corporation tax	185,295	75,786
Taxation and social security	143,073	77,378
Obligations under finance lease and hire purchase contracts	61,545	72,989
Working capital facility	-	1,784,378
Other creditors	99,085	120,952
Accruals and deferred income	1,583,647	898,042
	<u>4,044,015</u>	<u>5,404,753</u>

17. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	-	62,889
Amounts owed to group undertakings	2,725,852	2,725,852
	<u>2,725,852</u>	<u>2,788,741</u>

Secured loans

Bank loans and overdrafts are part of a group facility secured by cross guarantees, standard and floating securities.

The finance lease creditor is secured by the assets held under the relevant agreement.

Included within creditors is a working capital facility balance of £nil (2015 - £1,784,378) which is secured over the trade debtors of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

18. HIRE PURCHASE & FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within 1 year	61,545	72,989
Between 1-2 years	-	62,889
	<u>61,545</u>	<u>135,878</u>

19. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>7,765,828</u>	<u>8,211,115</u>
	<u>7,765,828</u>	<u>8,211,115</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,379,954)</u>	<u>(6,118,031)</u>
	<u>(6,379,954)</u>	<u>(6,118,031)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed to group undertakings. Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed by group undertakings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**
20. DEFERRED TAXATION

	Deferred tax £
At 1 April 2015	(41,993)
Charged to the profit or loss	29,469
At 31 March 2016	(12,524)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	22,869	48,186
Short term timing differences	(10,345)	(6,193)
	<u>12,524</u>	<u>41,993</u>

21. ACCRUALS AND DEFERRED INCOME

	2016 £	2015 £
Grants at beginning of year	221,971	247,881
Released during the year	(25,085)	(25,910)
	<u>196,886</u>	<u>221,971</u>

22. SHARE CAPITAL

	2016 £	2015 £
Authorised		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid		
51,000 Ordinary shares of £1 each	<u>51,000</u>	<u>51,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**
23. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme for its directors and staff. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £99,123 (2015 - £110,706). Contributions totalling £31,779 (2015 - £nil) were payable to the fund at the balance sheet date.

24. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	22,460	28,456
Later than 1 year and not later than 5 years	27,851	50,311
Total	50,311	78,767

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in section 33 of FRS 102 not to disclose transactions or balances with entities which form part of the group.

26. CONTROLLING PARTY

The immediate parent undertaking is Nor-Sea (Holdings) Limited, a company registered in Scotland.

The ultimate parent undertaking for which group financial statements are prepared is IFC Holdings Limited, a company registered in Scotland. Copies of group financial statements are available from its registered office: Burness Paull LLP, Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

27. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.