

REGISTERED NUMBER: SC409689 (Scotland)

Strategic Report, Report of the Directors and

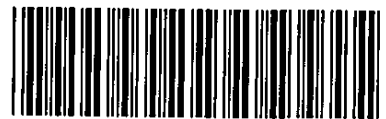
Financial Statements

for the Year Ended 31 October 2013

for

Moray Seafoods Limited

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Moray Seafoods Limited (Registered number: SC409689)

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for the Year Ended 31 October 2013**

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Moray Seafoods Limited

**Company Information
for the Year Ended 31 October 2013**

DIRECTORS:

J W Hazeldean
V West

SECRETARY:

Mclay Murray & Spens LLP

REGISTERED OFFICE:

1 George Square
Glasgow
G2 1AL

REGISTERED NUMBER:

SC409689 (Scotland)

AUDITORS:

Campbell Dallas LLP
Chartered Accountants
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

**Strategic Report
for the Year Ended 31 October 2013**

The directors present their strategic report for the year ended 31 October 2013.

Moray Seafoods Limited is a premium quality shellfish processor, based in Morayshire, Scotland.

REVIEW OF BUSINESS

2013 has been a mixed year for the company. On one hand, it has been a very exciting time, as the Associated Seafoods group continued unabated with its restructure and investment plans. Principally this involved the refurbishment of the factory into a fully accredited BRC compliant site with state of the art production areas for Smoked Salmon and Langoustine, a new High Care Crab processing area, and increased capacity to facilitate the group's growth strategy.

The newly refurbished factory opened in September 2013 and allowed for the consolidation of the production operations of GlenIsle, Lossie Seafoods and Moray Seafoods into the one factory. As a result, synergies across the group are now being realised.

However, this was set against a difficult trading backdrop. Although turnover for the year was £5.977m (2012: £5.083m) with gross margin of 10% (2012: 10%), the operating loss for the year was £600,559 (2012: 386,304).

During the year, the trade and assets of fellow subsidiary Glen Isla Pride of Scotland Limited were hived across into Moray Seafoods. This resulted in the increased turnover seen during the year. However, when taken in conjunction with last years Glen Isla results, there has been an overall decrease in turnover from Shellfish related activities.

The decrease in turnover can be wholly attributed to the lack of raw material availability. Throughout 2012 and 2013 there has been a declining level of langoustine catches in Scotland as a whole, with 2013 seeing the lowest number of landings since records began. The reasons for the decline in catches are complex and arise through a mixture of biological and environmental factors. Consequently, the company did not produce the level of results expected.

As a result of this, the overheads of the new High Care Crab processing area could not be fully absorbed. As a new line of business for the company, a sufficient volume of sales have yet to be realised to absorb these costs without assistance from other areas of the business. Management are extremely confident that the investment in this line of business will develop over the forthcoming periods.

Although the viability of the Shellfish sector will continue to be monitored closely, the directors and investors are committed to the long term strategy for the group, growing it both organically, through the expansion of existing customers and into emerging markets, and through acquisition in the coming years ahead. The directors are satisfied that the company remains on track with its long term strategy .

The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance and position of the business, given the straight forward nature of its operations.

**Strategic Report
for the Year Ended 31 October 2013**

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks affecting the company are as follows:-

- Raw material supply and pricing
- Sales volumes and overhead absorption
- Current economic conditions
- Funding availability

The directors have in place a risk management system which aims to manage and reduce the above risks to which the company is exposed.

FUTURE DEVELOPMENTS

Whilst conditions throughout the industry remain challenging, there has been a noticeable degree of optimism returning to the market.

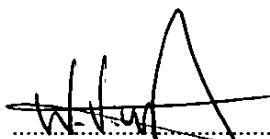
Although the low number of langoustine landings has continued into 2014, this is predominately due to poor weather conditions. All indications point to a return of langoustine stock in the sea.

This coupled with the forecast growth in the Crab business over 2014 and 2015, and the continued support of its investors, means that the company approaches the forthcoming period with confidence.

The Company is looking forward to strengthening its relationships with its customers and suppliers and identifying and exploiting growth opportunities.

No other events have occurred since the balance sheet date which significantly affect the company.

ON BEHALF OF THE BOARD:



V West - Director

Date: 25-4-2014

**Report of the Directors
for the Year Ended 31 October 2013**

The directors present their report with the financial statements of the company for the year ended 31 October 2013.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2012 to the date of this report.

J W Hazeldean
R Porteous
V West

Other changes in directors holding office are as follows:

R Porteous ceased to be a director after 31 October 2013 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

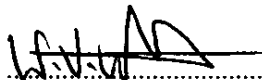
Moray Seafoods Limited (Registered number: SC409689)

**Report of the Directors
for the Year Ended 31 October 2013**

AUDITORS

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
V West - Director

Date: 25-4-2014.....

Report of the Independent Auditors to the Members of Moray Seafoods Limited

We have audited the financial statements of Moray Seafoods Limited for the year ended 31 October 2013 on pages eight to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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 October 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.

**Report of the Independent Auditors to the Members of
Moray Seafoods Limited**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Campbell Dallas LLP

Peter Gallanagh (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP

Chartered Accountants

Statutory Auditors

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: *8 April 2014*

Moray Seafoods Limited (Registered number: SC409689)

**Profit and Loss Account
for the Year Ended 31 October 2013**

		Year Ended 31.10.13 £	Period 19.10.11 to 31.10.12 £
	Notes		
TURNOVER	2	5,977,017	5,083,956
Cost of sales		5,364,434	4,553,954
GROSS PROFIT		612,583	530,002
Administrative expenses		1,230,158	927,903
		(617,575)	(397,901)
Other operating income		17,016	11,597
OPERATING LOSS	4	(600,559)	(386,304)
Reorganisation costs	5	150,000	180,500
		(750,559)	(566,804)
Interest payable and similar charges	6	46,155	43,521
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(796,714)	(610,325)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(796,714)</u>	<u>(610,325)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous period.

The notes form part of these financial statements

Moray Seafoods Limited (Registered number: SC409689)

**Balance Sheet
31 October 2013**

		2013		2012	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		1,372,891		1,290,731
Tangible assets	9		894,496		793,851
Investments	10		-		1
			<u>2,267,387</u>		<u>2,084,583</u>
CURRENT ASSETS					
Stocks	11	587,812		727,841	
Debtors	12	813,602		1,694,855	
Cash at bank		-		331,481	
		<u>1,401,414</u>		<u>2,754,177</u>	
CREDITORS					
Amounts falling due within one year	13	2,489,965		2,736,923	
		<u>2,489,965</u>		<u>2,736,923</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,088,551)</u>		<u>17,254</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,178,836</u>		<u>2,101,837</u>
CREDITORS					
Amounts falling due after more than one year	14		(2,420,000)		(2,498,772)
PROVISIONS FOR LIABILITIES	18		(150,000)		(180,500)
ACCRUALS AND DEFERRED INCOME			<u>(15,873)</u>		<u>(32,888)</u>
NET LIABILITIES			<u><u>(1,407,037)</u></u>		<u><u>(610,323)</u></u>

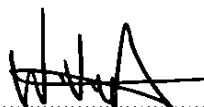
The notes form part of these financial statements

Moray Seafoods Limited (Registered number: SC409689)

Balance Sheet - continued
31 October 2013

		2013		2012	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	20		2		2
Profit and loss account	21		(1,407,039)		(610,325)
SHAREHOLDERS' FUNDS	25		<u>(1,407,037)</u>		<u>(610,323)</u>

The financial statements were approved by the Board of Directors on24/11..... and
were signed on its behalf by:



.....
V West - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 October 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

At 31 October 2013 the company had net liabilities of £1,407,037. The directors are satisfied that the company's ultimate parent will continue to provide financial support to facilitate the restructure and development of the business and to meet the long term objectives of its investors.

As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Moray Seafoods Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Associated Seafoods Limited, a company registered in Scotland.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover relates to the principal activity of the company. It is recognised when the principal risks and rewards have been transferred and is represented by net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill relates to the acquisition of the trade and assets of MSL Low Limited in 2012 and Glenisla Pride of Scotland Limited in 2013. It is being amortised evenly over its estimated useful life of 10 years.

Tangible fixed assets

Depreciation is provided at rates calculate to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- Straight Line over fifty years on valuation
Plant and machinery	- 10% Straight Line on cost
Motor vehicles	- 25% Straight Line on cost

Impairment losses are provided for in respect of assets for which the carrying value is in excess of the recoverable amount.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2013**

1. ACCOUNTING POLICIES - continued

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value with proper provision being made for obsolete and slow moving stock. Cost comprises the invoiced price of goods and materials purchased on a first in first out basis. The cost of work in progress and finished goods comprises cost of materials, direct labour and attributable overheads according to the stage of manufacture. Net realisable value is based on estimated selling price, less any further costs expected to be incurred to completion and disposal.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but have not reversed at the balance sheet date.

Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to provide a consistent periodic rate of charge on the net obligation outstanding in each period.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

2. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year Ended 31.10.13 £	Period 19.10.11 to 31.10.12 £
United Kingdom	2,933,189	3,610,626
Europe	3,043,828	1,473,330
	<u>5,977,017</u>	<u>5,083,956</u>

3. **STAFF COSTS**

	Year Ended 31.10.13 £	Period 19.10.11 to 31.10.12 £
Wages and salaries	1,101,906	901,585
Social security costs	99,487	59,977
Other pension costs	19,046	17,126
	<u>1,220,439</u>	<u>978,688</u>

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

	Year Ended 31.10.13	Period 19.10.11 to 31.10.12
Production and administration	59	59
Administration and sales	17	16
	<u>76</u>	<u>75</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Year Ended 31.10.13 £	Period 19.10.11 to 31.10.12 £
Hire of plant and machinery	-	604
Other operating leases	3,757	1,753
Depreciation - owned assets	61,267	29,816
Profit on disposal of fixed assets	(10,670)	(58,532)
Goodwill amortisation	153,257	96,005
Auditors' remuneration	9,325	9,760
Defined contribution pension costs	19,046	17,126
Deferred Grants released	(17,016)	(11,597)
Foreign exchange gains / losses	(35,775)	-
	<u>-</u>	<u>14,583</u>
Directors' remuneration	-	14,583
	<u>-</u>	<u>14,583</u>

5. EXCEPTIONAL ITEMS

The company has recognised costs of £150,000 in respect of the restructure and reorganisation of the company which the directors consider to be exceptional (2012: £180,500). This is disclosed separately within the profit and loss statement.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.10.13 £	Period 19.10.11 to 31.10.12 £
Bank interest	5,582	4,753
Hire purchase	690	740
Factoring interest	22,683	22,125
Factoring charges	17,200	15,903
	<u>46,155</u>	<u>43,521</u>

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2013 nor for the period ended 31 October 2012.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

7. TAXATION - continued

The company has an unrecognised deferred tax asset of £1,017,204. This has not been recognised due to uncertainty as to when sufficient future profits will arise to offset the company's carried forward losses.

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 November 2012	1,386,736
Additions	235,417
	<u>1,622,153</u>
At 31 October 2013	
AMORTISATION	
At 1 November 2012	96,005
Amortisation for year	153,257
	<u>249,262</u>
At 31 October 2013	
NET BOOK VALUE	
At 31 October 2013	<u>1,372,891</u>
At 31 October 2012	<u>1,290,731</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 November 2012	501,119	297,100	25,448	823,667
Additions	-	214,508	1,000	215,508
Disposals	(44,266)	(13,848)	-	(58,114)
	<u>456,853</u>	<u>497,760</u>	<u>26,448</u>	<u>981,061</u>
At 31 October 2013				
DEPRECIATION				
At 1 November 2012	6,105	16,169	7,542	29,816
Charge for year	8,435	45,620	7,212	61,267
Eliminated on disposal	(2,201)	(2,317)	-	(4,518)
	<u>12,339</u>	<u>59,472</u>	<u>14,754</u>	<u>86,565</u>
At 31 October 2013				
NET BOOK VALUE				
At 31 October 2013	<u>444,514</u>	<u>438,288</u>	<u>11,694</u>	<u>894,496</u>
At 31 October 2012	<u>495,014</u>	<u>280,931</u>	<u>17,906</u>	<u>793,851</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

9. TANGIBLE FIXED ASSETS - continued

At the year end the company held assets under hire purchase agreements with a net book value of £26,700. Depreciation of £5,340 was charged on these assets during the year.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 November 2012	1
Disposals	(1)
	<u>-</u>
At 31 October 2013	-
NET BOOK VALUE	
At 31 October 2013	-
	<u>-</u>
At 31 October 2012	1
	<u>1</u>

The company's dormant subsidiary, MSL Low Limited, was dissolved on 7 December 2012.

11. STOCKS

	2013 £	2012 £
Raw materials	325,904	257,468
Work-in-progress	134,339	54,820
Finished goods	127,569	415,553
	<u>587,812</u>	<u>727,841</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	774,631	1,427,804
Amounts owed by group undertakings	-	224,691
Other debtors	-	1,594
VAT	27,038	33,109
Prepayments and accrued income	11,933	7,657
	<u>813,602</u>	<u>1,694,855</u>

Trade debtors are subject to an invoice discounting arrangement.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts (see note 15)	785,670	1,128,631
Hire purchase contracts (see note 16)	3,693	9,280
Trade creditors	651,776	1,078,031
Amounts owed to group undertakings	721,928	-
Social security and other taxes	46,303	24,449
Other creditors	19,927	16,367
Accrued expenses	260,668	480,165
	<u>2,489,965</u>	<u>2,736,923</u>

Included within bank loans and overdrafts at the year end is £415,263 in relation to invoice discounting.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans (see note 15)	-	75,000
Hire purchase contracts (see note 16)	-	3,772
Amounts owed to group undertakings	2,420,000	2,420,000
	<u>2,420,000</u>	<u>2,498,772</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due within one year or on demand:		
Bank overdrafts	710,670	1,038,631
Bank loans	75,000	90,000
	<u>785,670</u>	<u>1,128,631</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	75,000
	<u>-</u>	<u>75,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2013 £	2012 £
Net obligations repayable:		
Within one year	3,693	9,280
Between one and five years	-	3,772
	<u>3,693</u>	<u>13,052</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2013 £	2012 £
Bank overdrafts	710,670	1,038,631
Bank loans	75,000	165,000
Other creditors	2,420,000	2,420,000
	<u>3,205,670</u>	<u>3,623,631</u>

Bank loans and overdrafts are secured over the whole of the company's assets by a floating charge together with a standard security over the company's property holdings.

Balances due to debt factor are included within bank overdrafts and secured over the related debts and a floating charge over other assets.

Net obligations under hire purchase contracts are secured over the assets to which they relate.

Other creditors relate to the company's inter-company loan with its parent company, Associated Seafoods Limited. This is secured by floating charge over the company's assets.

Ranking in respect of all secured debt is dependent on asset category.

18. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Other provisions	<u>150,000</u>	<u>180,500</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2013

18. PROVISIONS FOR LIABILITIES - continued

	Other provisions £
Balance at 1 November 2012	180,500
Provided during year	150,000
Utilised during year	(180,500)
Balance at 31 October 2013	<u>150,000</u>

A provision of £150,000 has been made in relation to restructure costs to be incurred.

19. ACCRUALS AND DEFERRED INCOME

	2013 £	2012 £
Deferred government grants	<u>15,873</u>	<u>32,888</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2013	2012
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

21. RESERVES

	Profit and loss account £
At 1 November 2012	(610,325)
Deficit for the year	(796,714)
At 31 October 2013	<u>(1,407,039)</u>

22. CONTINGENT LIABILITIES

Under the terms of capital grants received from the Scottish Executive and the European Fisheries Fund, the company will be required to repay up to 100% of grants received of £132,076, should any of the grant conditions be breached.

**Notes to the Financial Statements - continued
for the Year Ended 31 October 2013**

23. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in Paragraph 3(c) in FRS 8 "Related party disclosures" from disclosing transactions with other wholly owned group members.

During the year the company made sales of £102,821 to Loch Fyne Oysters Limited. At the year end there was a balance due to the company amounting to £25,890.

Loch Fyne Oysters Limited is a subsidiary of the ultimate parent company.

24. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Associated Seafoods Limited, a company incorporated in Scotland.

The company's ultimate parent is Scottish Seafood Investments Limited, a company registered in Jersey under number 108431. Scottish Seafood Investments Limited is under the control of its board of directors.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Loss for the financial year	(796,714)	(610,325)
New share capital subscribed	-	2
	<hr/>	<hr/>
Net reduction of shareholders' funds	(796,714)	(610,323)
Opening shareholders' funds	(610,323)	-
	<hr/>	<hr/>
Closing shareholders' funds	(1,407,037)	(610,323)