

**REGISTERED NUMBER: SC409689 (Scotland)**

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 31 October 2014  
for  
Moray Seafoods Limited**

THURSDAY



SCT      \*S4CQHY6W\*      #468  
30/07/2015  
COMPANIES HOUSE

**Moray Seafoods Limited (Registered number: SC409689)**

**Contents of the Financial Statements  
for the Year Ended 31 October 2014**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Profit and Loss Account</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10</b>

**Moray Seafoods Limited**

**Company Information  
for the Year Ended 31 October 2014**

---

**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 2014**

---

The directors present their strategic report for the year ended 31 October 2014.

Moray Seafoods Limited is a leading producer of the highest quality Scottish Shellfish supplying to the wholesale and retail sectors for both UK and international customers.

**REVIEW OF BUSINESS**

For the year to 31 October 2014, the company posted an operating loss before tax of £1.44m compared to a prior year operating loss of £0.61m.

In the prior year we reported that the viability of the shellfish division would be monitored closely. This resulted from a particularly difficult fishing season for whole langoustine, which the industry expected to quickly rectify back to historically buoyant levels. However, during 2014, the consistency of availability of this particular raw material deteriorated further, which had a highly detrimental effect on operational efficiency and margin. A decision was taken to either scale down or exit from this sector.

As a result, turnover dropped to £5.72m from £5.98m in the prior year.

In other shellfish species the development of the business continues, and a number of new UK and export customers have been added during the year. Although the rationalisation from one sector (Whole Frozen Langoustine) has delayed the planned growth of the shellfish business, management remain confident that their investment will develop into a profitable line of business over the coming periods.

Reorganisation costs arising from the withdrawal of Whole Frozen Langoustine amounted to £0.16m and contributed directly to the overall loss for the year.

As a result of the continued losses, the directors have carried out an impairment review on the company's goodwill. Following this, an impairment provision against acquisition goodwill has been made amounting to £1.06m.

The directors and investors are committed to the long term strategy for the company.

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.

**FINANCIAL INSTRUMENTS**

Our financial risk management objectives are to ensure sufficient working capital and cash flow for the company and to ensure there is sufficient support for its growth strategy. This is achieved through careful management of our cash resources, through inter-company loans and by obtaining external invoice discounting and loan finance where necessary. No treasury transactions or derivatives are entered into.

**Strategic Report  
for the Year Ended 31 October 2014**

---

**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.

**ON BEHALF OF THE BOARD:**



.....  
V West - Director

Date: ..... 8/7/15 .....

**Report of the Directors  
for the Year Ended 31 October 2014**

---

The directors present their report with the financial statements of the company for the year ended 31 October 2014.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 October 2014.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2013 to the date of this report.

J W Hazeldean  
V West

Other changes in directors holding office are as follows:

R Porteous - resigned 3 December 2013

**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)**

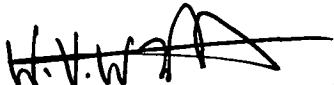
**Report of the Directors  
for the Year Ended 31 October 2014**

---

**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: ..... 8/7/15 .....

## **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 2014 on pages eight to nineteen. 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 2014 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 July 2015*

**Moray Seafoods Limited (Registered number: SC409689)**

**Profit and Loss Account  
for the Year Ended 31 October 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>	2	5,717,258	5,977,017
Cost of sales		5,911,560	5,364,434
<b>GROSS (LOSS)/PROFIT</b>		(194,302)	612,583
Administrative expenses		1,363,166	1,230,158
		(1,557,468)	(617,575)
Other operating income		118,595	17,016
<b>OPERATING LOSS</b>	4	(1,438,873)	(600,559)
Exceptional items	5	1,217,420	150,000
		(2,656,293)	(750,559)
Interest payable and similar charges	6	37,940	46,155
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,694,233)	(796,714)
Tax on loss on ordinary activities	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(2,694,233)	(796,714)

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

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

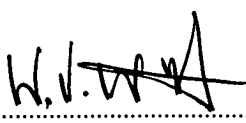
The notes form part of these financial statements

**Moray Seafoods Limited (Registered number: SC409689)**

**Balance Sheet  
31 October 2014**

		2014		2013	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	8		150,000		1,372,891
Tangible assets	9		835,941		894,496
			<u>985,941</u>		<u>2,267,387</u>
<b>CURRENT ASSETS</b>					
Stocks	10	548,128		587,812	
Debtors	11	961,024		813,602	
		<u>1,509,152</u>		<u>1,401,414</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	4,176,363		2,489,965	
		<u>4,176,363</u>		<u>2,489,965</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,667,211)</u>		<u>(1,088,551)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,681,270)</u>		<u>1,178,836</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(2,420,000)		(2,420,000)
<b>PROVISIONS FOR LIABILITIES</b>	17		-		(150,000)
<b>ACCRUALS AND DEFERRED INCOME</b>			-		(15,873)
<b>NET LIABILITIES</b>			<u>(4,101,270)</u>		<u>(1,407,037)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		2		2
Profit and loss account	20		(4,101,272)		(1,407,039)
<b>SHAREHOLDERS' FUNDS</b>	24		<u>(4,101,270)</u>		<u>(1,407,037)</u>

The financial statements were approved by the Board of Directors on 8/11/15 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 2014**

---

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

At 31 October 2014 the company had net liabilities of £4,101,270. The directors are satisfied that the company's ultimate parent will continue to provide financial support to facilitate the 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.

The company assesses whether there is an indication that goodwill may be impaired at the date of the first full year following acquisition and thereafter at each reporting date.

If any such indications exist, the company makes an assessment of the recoverable amount by reference to its value in use. Where the carrying amount exceeds its recoverable amount, goodwill is considered impaired and is written down to its recoverable amount.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

---

**1. ACCOUNTING POLICIES - continued**

**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.

**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 pro use 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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

---

**1. ACCOUNTING POLICIES - continued**

**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.

**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:

	2014 £	2013 £
United Kingdom	2,874,460	2,933,189
Europe	2,842,798	3,043,828
	<u>5,717,258</u>	<u>5,977,017</u>

**3. STAFF COSTS**

	2014 £	2013 £
Wages and salaries	1,557,822	1,101,906
Social security costs	121,314	99,487
Other pension costs	21,751	19,046
	<u>1,700,887</u>	<u>1,220,439</u>

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

	2014	2013
Production and administration	75	59
Administration and sales	17	17
	<u>92</u>	<u>76</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

---

**4. OPERATING LOSS**

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

	2014	2013
	£	£
Other operating leases	13,791	3,757
Depreciation - owned assets	59,283	61,267
Loss/(profit) on disposal of fixed assets	31,042	(10,670)
Goodwill amortisation	162,215	153,257
Auditors' remuneration	8,500	9,325
Defined contribution pension costs	21,751	19,046
Deferred Grants released	(15,873)	(17,016)
Foreign exchange gains / losses	(8,337)	(35,775)
	<u>          </u>	<u>          </u>
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

**5. EXCEPTIONAL ITEMS**

During the year it became evident that certain product lines were not generating adequate returns and a decision was made to either scale down or exit from these lines. Reorganisation costs of £156,744 have been recognised in this regard.

Furthermore, the company reviewed the level of goodwill in the business and an impairment provision against acquisition goodwill has been made amounting to £1,060,676.

The total amounts to £1,217,420 and is shown as a non operating exceptional item.

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014	2013
	£	£
Bank interest	1,475	5,582
Hire purchase	104	690
Factoring charges	36,361	39,883
	<u>          </u>	<u>          </u>
	37,940	46,155
	<u>          </u>	<u>          </u>

**7. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2014 nor for the year ended 31 October 2013.

The company has an unrecognised deferred tax asset of £1.13m. This has not been recognised due to uncertainty as to when sufficient future profits will arise to offset the carried forward losses.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 November 2013	
and 31 October 2014	1,622,153
<b>AMORTISATION</b>	
At 1 November 2013	249,262
Amortisation for year	162,215
Impairments	1,060,676
At 31 October 2014	1,472,153
<b>NET BOOK VALUE</b>	
At 31 October 2014	150,000
At 31 October 2013	1,372,891

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 November 2013	456,853	497,760	26,448	981,061
Additions	-	38,844	20,308	59,152
Disposals	-	(70,488)	(10,995)	(81,483)
At 31 October 2014	456,853	466,116	35,761	958,730
<b>DEPRECIATION</b>				
At 1 November 2013	12,339	59,472	14,754	86,565
Charge for year	9,136	42,479	7,668	59,283
Eliminated on disposal	-	(13,863)	(9,196)	(23,059)
At 31 October 2014	21,475	88,088	13,226	122,789
<b>NET BOOK VALUE</b>				
At 31 October 2014	435,378	378,028	22,535	835,941
At 31 October 2013	444,514	438,288	11,694	894,496

At the year end the company held assets under hire purchase agreements with a net book value of £16,108 (2013: £26,700). Depreciation of £4,027 was charged on these assets during the year.



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014

10. STOCKS

	2014	2013
	£	£
Raw materials	134,358	325,904
Work-in-progress	212,825	134,339
Finished goods	200,945	127,569
	<u>548,128</u>	<u>587,812</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade debtors	870,268	774,631
VAT	27,861	27,038
Prepayments and accrued income	62,895	11,933
	<u>961,024</u>	<u>813,602</u>

Trade debtors are subject to an invoice discounting arrangement.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts (see note 14)	703,982	785,670
Hire purchase contracts (see note 15)	3,044	3,693
Trade creditors	771,745	651,776
Amounts owed to group undertakings	2,144,389	721,928
Social security and other taxes	47,980	46,303
Other creditors	6,298	19,927
Accruals & deferred Income	498,925	260,668
	<u>4,176,363</u>	<u>2,489,965</u>

Included within bank loans and overdrafts at the year end is £601,698 (2013: £415,263) in relation to the invoice discounting facility.

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

	2014	2013
	£	£
Amounts owed to group undertakings	<u>2,420,000</u>	<u>2,420,000</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

---

**14. LOANS**

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due within one year or on demand:		
Bank overdrafts	703,982	710,670
Bank loans	-	75,000
	<u>703,982</u>	<u>785,670</u>

**15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	Hire purchase contracts	
	2014 £	2013 £
Net obligations repayable:		
Within one year	<u>3,044</u>	<u>3,693</u>

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2014 £	2013 £
Expiring:		
Between one and five years	<u>43,852</u>	<u>47,368</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2014 £	2013 £
Bank overdrafts	703,982	710,670
Bank loans	-	75,000
Other creditors	2,420,000	2,420,000
	<u>3,123,982</u>	<u>3,205,670</u>

Bank facilities 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.

**17. PROVISIONS FOR LIABILITIES**

	2014 £	2013 £
Other provisions	<u>-</u>	<u>150,000</u>
		Other provisions £
Balance at 1 November 2013		150,000
Credit to Profit and Loss Account during year		<u>(150,000)</u>
Balance at 31 October 2014		<u>-</u>

**18. ACCRUALS AND DEFERRED INCOME**

	2014 £	2013 £
Deferred government grants	<u>-</u>	<u>15,873</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014

---

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2014	2013
Number:	Class:		£	£
2	Ordinary		<u>2</u>	<u>2</u>

20. RESERVES

	Profit and loss account £
At 1 November 2013	(1,407,039)
Deficit for the year	<u>(2,694,233)</u>
At 31 October 2014	<u>(4,101,272)</u>

21. 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.

22. 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 £50,071 to Loch Fyne Oysters Limited. At the year end there was a balance due to the company amounting to £nil.

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

23. 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.

**Notes to the Financial Statements - continued  
for the Year Ended 31 October 2014**

---

**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2014	2013
	£	£
Loss for the financial year	(2,694,233)	(796,714)
<b>Net reduction of shareholders' funds</b>	<b>(2,694,233)</b>	<b>(796,714)</b>
Opening shareholders' funds	(1,407,037)	(610,323)
<b>Closing shareholders' funds</b>	<b>(4,101,270)</b>	<b>(1,407,037)</b>