

Company Registration No. SC409689 (Scotland)

MORAY SEAFOODS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
PAGES FOR FILING WITH REGISTRAR

MORAY SEAFOODS LIMITED

COMPANY INFORMATION

Directors	Mr J W Hazeldean Mr V West
Company number	SC409689
Registered office	5-13 Low Street Buckie Banffshire AB56 1UX
Auditor	Azets Audit Services Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

MORAY SEAFOODS LIMITED

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MORAY SEAFOODS LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	5		84,492		119,715
Current assets					
Stocks		547,669		483,403	
Debtors	6	2,361,551		1,454,632	
Cash at bank and in hand		21,561		97,083	
		<u>2,930,781</u>		<u>2,035,118</u>	
Creditors: amounts falling due within one year	7	<u>(3,933,985)</u>		<u>(3,976,074)</u>	
Net current liabilities			(1,003,204)		(1,940,956)
Net liabilities			<u>(918,712)</u>		<u>(1,821,241)</u>
Capital and reserves					
Called up share capital	10		2		2
Other reserves	11	2,420,000		2,420,000	
Profit and loss reserves		<u>(3,338,714)</u>		<u>(4,241,243)</u>	
Total equity			<u>(918,712)</u>		<u>(1,821,241)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:

Mr V West
Director

Company Registration No. SC409689

MORAY SEAFOODS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2021

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 November 2019	2	2,420,000	(4,815,381)	(2,395,379)
Year ended 31 October 2020:				
Profit and total comprehensive income for the year	-	-	574,138	574,138
Balance at 31 October 2020	2	2,420,000	(4,241,243)	(1,821,241)
Year ended 31 October 2021:				
Profit and total comprehensive income for the year	-	-	902,529	902,529
Balance at 31 October 2021	2	2,420,000	(3,338,714)	(918,712)

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

Company information

Moray Seafoods Limited is a private company limited by shares incorporated in Scotland. The registered office is 5-13 Low Street, Buckie, Banffshire, AB56 1UX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Associated Seafoods Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In satisfaction of their responsibility, the directors have considered the company's ability to meet its liabilities as they fall due. This assessment considers the company's principal risks and uncertainties, including those in respect of Covid-19, and is dependent on a number of factors including financial performance and available financial resources.

At 31 October 2021 the company had net liabilities of £0.9m and the company continues to rely on the continued support of the group in order to meet its liabilities as they fall due.

The group has provided written representation that it will continue to provide financial support to the company for at least twelve months from the date of the report.

The directors are confident that the financial resources available and support from our investors will provide sufficient headroom to meet the forecast cash requirements of the business.

The directors acknowledge that had these assurances not been secured then uncertainty would exist which may cast doubt over the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. However, on the basis of the assurances received, no such uncertainty exists. As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually when goods are shipped and title has passed), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.4 Intangible fixed assets - 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 initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill was fully amortised in 2018.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	- 10% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Deferred tax asset

The calculation of a deferred tax asset requires management to make judgements and estimates in respect of the extent to which it is probable that future taxable profit will be available to offset unused tax losses or other credits. The company estimates the most probable amount of future taxable profits using assumptions consistent with those in impairment calculations. The company has concluded using approved business plans for the next 5 years. No tax asset is booked for anticipated taxable income beyond that 5 year period. Any remaining losses remain unrecognised. The losses can be carried forward indefinitely and have no expiry date.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	39	39

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2020 and 31 October 2021	1,622,153
Amortisation and impairment	
At 1 November 2020 and 31 October 2021	1,622,153
Carrying amount	
At 31 October 2021	-
At 31 October 2020	-

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 November 2020	381,126
Additions	1,550
	<hr/>
At 31 October 2021	382,676
	<hr/>
Depreciation and impairment	
At 1 November 2020	261,411
Depreciation charged in the year	36,773
	<hr/>
At 31 October 2021	298,184
	<hr/>
Carrying amount	
At 31 October 2021	84,492
	<hr/>
At 31 October 2020	119,715
	<hr/>

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	419,900	353,994
Amounts owed by group undertakings	1,381,177	653,248
Other debtors	11,316	14,940
Prepayments and accrued income	38,678	38,960
	<hr/>	<hr/>
	1,851,071	1,061,142
	<hr/>	<hr/>
Amounts falling due after more than one year:		
	£	£
Deferred tax asset (note 9)	510,480	393,490
	<hr/>	<hr/>
Total debtors	2,361,551	1,454,632
	<hr/>	<hr/>

Trade debtors are subject to an invoice finance arrangement.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

7 Creditors: amounts falling due within one year

		2021 £	2020 £
Bank loans and overdrafts	8	272,537	195,542
Other borrowings	8	3,320,628	3,320,628
Trade creditors		268,324	302,272
Taxation and social security		20,152	18,158
Other creditors		13,480	11,280
Accruals and deferred income		38,864	128,194
		<u>3,933,985</u>	<u>3,976,074</u>

8 Loans and overdrafts

		2021 £	2020 £
Bank overdrafts		272,537	195,542
Loans from group undertakings and related parties		3,320,628	3,320,628
		<u>3,593,165</u>	<u>3,516,170</u>
Payable within one year		<u>3,593,165</u>	<u>3,516,170</u>

All balances due in respect of invoice finance facilities are included within bank overdrafts and secured over the related debts and a floating charge over other assets.

Other borrowings relate to the loan received from the company's parent entity, Associated Seafoods Limited. This loan is interest free and due on demand and is secured by floating charge over the company's assets.

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

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2021 £	Assets 2020 £
Balances:		
Accelerated capital allowances	50,499	31,939
Tax losses	459,677	361,340
Other	304	211
	<u>510,480</u>	<u>393,490</u>

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

9	Deferred taxation	(Continued)
		2021 £
	Movements in the year:	
	Asset at 1 November 2020	(393,490)
	Credit to profit or loss	(35,118)
	Effect of change in tax rate - profit or loss	(81,872)
	Asset at 31 October 2021	<u>(510,480)</u>

The Finance Bill 2021 was substantively enacted on 24 May 2021 changing the main rate of corporation tax from 19% to 25% after 1 April 2023. The closing deferred tax asset has been measured in accordance with the rate substantively enacted at the Balance Sheet date that would be expected to apply on reversal of the timing differences.

Given the company's continued improving performance, the directors have recognised a further deferred tax asset during the year in respect of losses and timing differences it expects to be able to utilise against profits in the foreseeable future.

Deferred tax is not recognised in respect of tax losses of £3.61m (2020 - £4.85m) due to uncertainty over when they will be recovered against the reversal of deferred tax liabilities or future taxable profits. This is an unrecognised deferred tax asset of £0.90m (2020 - £0.83m).

10	Called up share capital	2021 Number	2020 Number	2021 £	2020 £
	Ordinary share capital				
	Issued and fully paid				
	Ordinary of £1 each	2	2	2	2

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends or the repayment of capital.

11	Other reserves	Capital contribution £
	At the beginning of the prior year	<u>2,420,000</u>
	At the end of the prior year	<u>2,420,000</u>
	At the end of the current year	<u>2,420,000</u>

Other reserves relate to capital contributions provided by the company's parent entity.

MORAY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2021

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Alan Brown.

The auditor was Azets Audit Services.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
-	40,260
<u> </u>	<u> </u>

14 Related party transactions

Transactions with related parties

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

15 Parent company

The company is a wholly owned subsidiary of Associated Seafoods Limited, a company incorporated in Scotland. Its registered office is Capital Square, 58 Morrison Street, Edinburgh, Scotland, EH3 8BP.

The company's ultimate parent is Scottish Seafood Investments Limited, an investment company registered in British Virgin Islands under registration number 2019384. Its registered office is 3rd Floor, Yamraj Building, Market Square, PO Box 3175, Road Town, Tortola, British Virgin Islands.

Associated Seafoods Limited is the largest group into which the entity is consolidated. Copies of the group accounts can be obtained publicly from Companies House.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.