

Company Registration No. SC434438 (Scotland)

LOCHFYN LANGOUSTINES LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

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LOCHFYNE LANGOUSTINES LTD

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LOCHFYN LANGOUSTINES LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Non-current assets					
Intangible assets	3		155,000		300,000
Property, plant and equipment	4		454,920		532,452
Investments	5		950,002		-
			<u>1,559,922</u>		<u>832,452</u>
Current assets					
Inventories		20,327		30,000	
Trade and other receivables	6	238,566		275,472	
Cash and cash equivalents		153		4,610	
		<u>259,046</u>		<u>310,082</u>	
Current liabilities	8	(645,185)		(635,714)	
Net current liabilities			(386,139)		(325,632)
Total assets less current liabilities			<u>1,173,783</u>		<u>506,820</u>
Non-current liabilities	9		(1,163,068)		(494,579)
Net assets			<u>10,715</u>		<u>12,241</u>
Equity					
Called up share capital	10		100		100
Other reserves			40,000		40,000
Retained earnings			(29,385)		(27,859)
Total equity			<u>10,715</u>		<u>12,241</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial 14 month period ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the 14 month period in question in accordance with section 476.

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

LOCHFYNE LANGOUSTINES LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 26 September 2019 and are signed on its behalf by:

Andrew McMillan
Director

Company Registration No. SC434438

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Lochfyne Langoustines Ltd is a private company limited by shares incorporated in Scotland. The registered office is The Old Surgery, School Road, Tarbert, Argyll, PA29 6UL.

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, modified to include the revaluation of boats and licences and certain boats and licences at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

The financial statements are presented for the 14 month period ended 31 December 2018. The reason the directors have elected to present a longer period is that they consider 31 December to be a more appropriate time in the business cycle for the company's year end. In addition they acquired a subsidiary company in the year which had a 31 December year end and the directors wanted to align the year ends of the two companies. As a consequence of presenting the accounts for 14 months to 31 December the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.3 Revenue

Revenue 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.

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 on dispatch of the goods), 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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Licences	NIL
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1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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:

Processing plant	NIL
Boats	NIL
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance

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 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of non-current 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.

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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.

1.8 Inventories

Inventories 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 inventories to their present location and condition.

1.9 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.

1.10 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 statement of financial position 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 trade and other receivables 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.

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 trade and other payables, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

1.11 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.

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

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 non-current 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 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.14 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 are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the 14 month period was 15 (2017 - 12).

3 Intangible fixed assets

	Other £
Cost or valuation	
At 31 October 2017	300,000
Additions	90,000
Disposals	(185,000)
Revaluation	(50,000)
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At 31 December 2018	155,000
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Amortisation and impairment	
At 31 October 2017 and 31 December 2018	-
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Carrying amount	
At 31 December 2018	155,000
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At 30 October 2017	300,000
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LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

3 Intangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	110,000	150,300
Accumulated amortisation	-	-
Carrying value	110,000	150,300

The revaluation surplus is disclosed in note 3.

4 Property, plant and equipment

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 31 October 2017	105,450	465,698	571,148
Additions	-	40,761	40,761
Disposals	-	(120,000)	(120,000)
Revaluation	-	20,000	20,000
At 31 December 2018	105,450	406,459	511,909
Depreciation and impairment			
At 31 October 2017	-	40,969	40,969
Depreciation charged in the 14 month period	-	16,020	16,020
At 31 December 2018	-	56,989	56,989
Carrying amount			
At 31 December 2018	105,450	349,470	454,920
At 30 October 2017	107,723	424,729	532,452

Boats with a carrying amount of £275,000 were revalued at 24 October 2017 by Sunderland Marine, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar boats.

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

4 Property, plant and equipment

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	263,142	333,142
Accumulated depreciation	-	-
Carrying value	<u>263,142</u>	<u>333,142</u>

The revaluation surplus is disclosed in note 3.

5 Fixed asset investments

	2018 £	2017 £
Investments	<u>950,002</u>	<u>-</u>

The investment represents the whole of the issued share capital of Loch Fyne Seafarms Ltd.

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 31 October 2017	-
Additions	1,161,408
Valuation changes	(211,406)
At 31 December 2018	<u>950,002</u>
Carrying amount	
At 31 December 2018	<u>950,002</u>
At 30 October 2017	<u>-</u>

LOCHFYN LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

6 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade receivables	213,670	201,653
Other receivables	24,896	73,819
	<u>238,566</u>	<u>275,472</u>

7 Capital Reserves

During 2017 the directors capitalised £40,000 of amounts due to them to increase the company's capital base.

8 Current liabilities

	2018	2017
	£	£
Bank loans and overdrafts	80,157	39,588
Trade payables	355,148	264,083
Amounts owed to group undertakings	(17,987)	-
Taxation and social security	17,738	4,865
Other payables	210,129	327,178
	<u>645,185</u>	<u>635,714</u>

Included in other payables is an amount of £30,000 due to Andrew MacMillan.

AM Seafoods and Gordon Goldsworthy have a boat mortgage over the MFV Margaritta, MFV Morning Light and certain licences and the premises at Church Hill, Campbeltown Road, Tarbert.

The Royal Bank of Scotland and Royal Bank Invoice Financing Ltd have a fixed charge over Church Hill, Campbeltown Road, Tarbert and floating charge over the other assets of the company.

9 Non-current liabilities

	2018	2017
	£	£
Bank loans and overdrafts	13,649	26,755
Other payables	1,149,419	467,824
	<u>1,163,068</u>	<u>494,579</u>

Included in other payables is an amount of £435,709 due to Andrew MacMillan and £15,709 to James MacMillan directors of the company.

LOCHFYNE LANGOUSTINES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 14 MONTH PERIOD ENDED 31 DECEMBER 2018

10	Called up share capital	2018	2017
		£	£
	Ordinary share capital		
	Issued and fully paid		
	100 Ordinary shares of £1 each	100	100
		<hr/>	<hr/>
		100	100
		<hr/>	<hr/>

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