

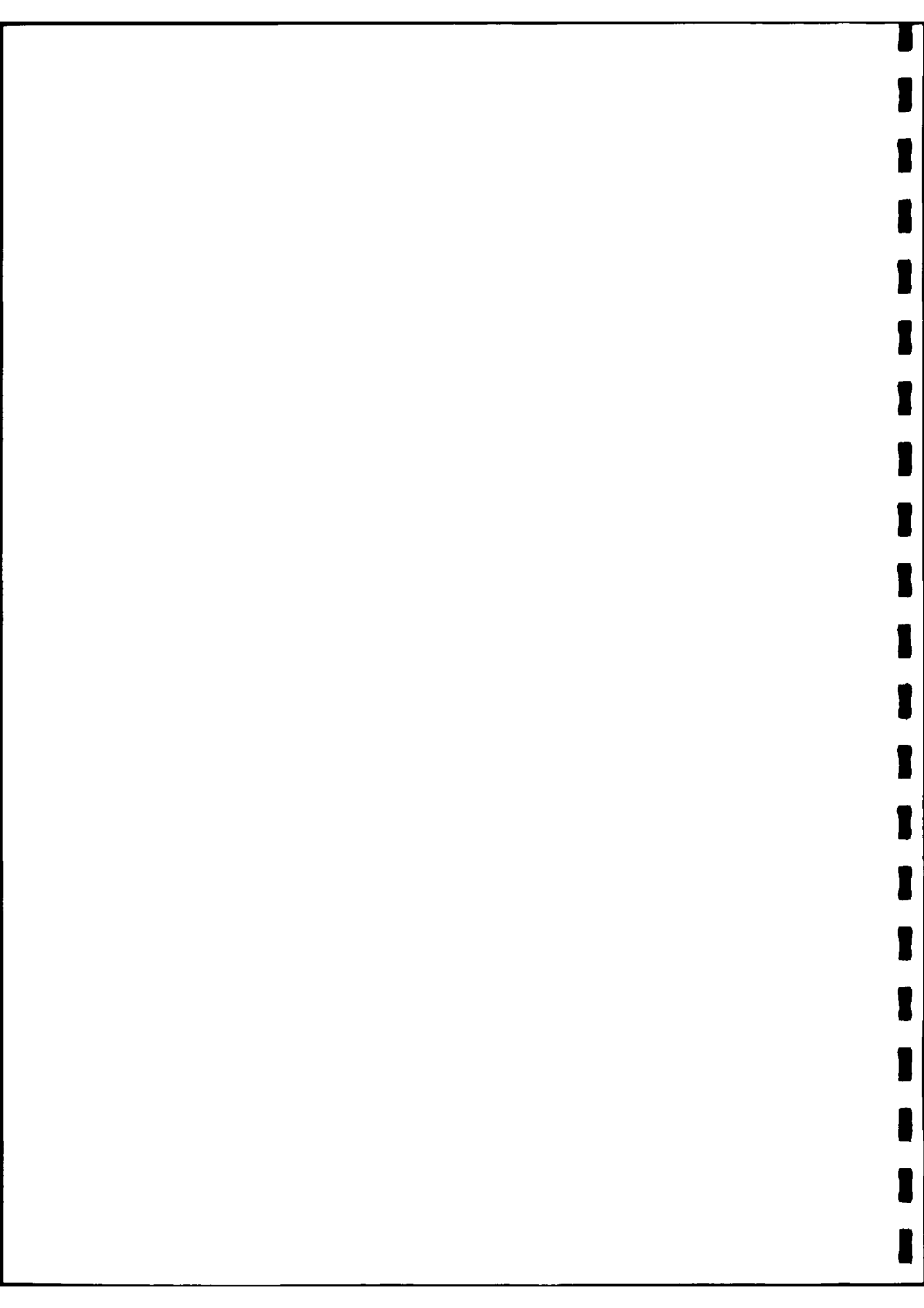
Registration number SC076613

Farne Salmon & Trout Limited
Directors' report and financial statements
for the year ended 30 June 2012

TUESDAY



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26/03/2013
COMPANIES HOUSE



Farne Salmon & Trout Limited

Company information

Directors	P D Succony C Walker D C Bones A Wycherley
Secretary	J R Smith
Company number	SC076613
Registered office	Station Road Duns Berwickshire TD11 3HS
Auditors	Constantin 25 Hosier Lane London EC1A 9LQ

Farne Salmon & Trout Limited

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Farne Salmon & Trout Limited

Directors' report for the year ended 30 June 2012

The directors present their report and the financial statements for the year ended 30 June 2012.

Principal activity

The principal activity of the company continues to be that of the processing of salmon and trout for both the wholesale and retail markets.

Review of business and future developments

Despite the continuing difficult economic situation, the Directors can report an improving result. The operating loss in the year was reduced to £930k (2011: loss of £1,317k), after increased depreciation and amortisation of £2,023k (2011: £1,736k), leading to an overall reduction in operating loss before depreciation and amortisation of £674k (2011: increase of £1,878k). Farne Salmon & Trout limited has made a loss after tax in the financial year ended 30 June 2012 of £877k (2011: loss of £1,080k). Results are set out further in the profit and loss account.

The company believes that its operations are sufficiently straightforward that the KPIs that can be derived from these accounts are sufficient to gain an understanding of the business performance in the year.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The company operates a credit insurance scheme and constant business monitoring to minimise its exposure to non-insured risk.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to hedge these exposures where appropriate and the company benefits from those contracts without taking them out directly itself.

Interest-bearing assets and liabilities are held at a fixed rate to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amount presented in the balance sheet is net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flow.

The company operates a credit insurance scheme and constant business monitoring to minimise its exposure to non-insured risks.

Price risk

The company is exposed to commodity price risk. The company manages its exposure to commodity price risk by entering into commodity supply contracts at levels deemed appropriate by the management.

Payments of creditors

Farne Salmon & Trout Limited

Directors' report for the year ended 30 June 2012

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, providing that all trading terms and conditions have been complied with. At 30 June 2012 the company had an average of 43 days purchases (30 June 2011 - 43 days) outstanding in trade creditors.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the forecast trading performance for the next financial year and extrapolated assumptions for the subsequent six months. The company currently has no debt financing and is forecast not to require any new facilities in the forthcoming year. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Employees

The company's policy is to consult and discuss with employees, through unions and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Dividends

The directors have not declared a dividend (2011: £nil).

Directors

The present membership of the Board is set out on page 1. The directors during the year and subsequently were as follows:

O E Norgaard (resigned 31 October 2011)
W L Duncanson (resigned 11 April 2012)
G M Zoltie (resigned 20 July 2012)
B W Chung (resigned 3 November 2011)
C Walker (appointed 31 October 2011)
P D Succony (appointed 23 July 2012)
D C Bones (appointed 20 July 2012)
A Wycherley (appointed 20 July 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Farne Salmon & Trout Limited

**Directors' report
for the year ended 30 June 2012**

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

Constantin are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 17th October 2012 and signed on its behalf by



D C Bones
Director

**Independent auditor's report to the members of
Farne Salmon & Trout Limited**

We have audited the financial statements of Farne Salmon & Trout Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2-3, 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 (APB'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 Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of 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 30 June 2012 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

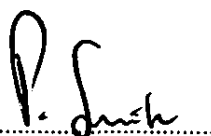
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
Farne Salmon & Trout 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.



Peter Smith FCA (Senior Statutory Auditor)
For and on behalf of Constantin, Statutory Auditor

25 Hosier Lane
London
EC1A 9LQ

Date 24 October 2012.

Farne Salmon & Trout Limited

**Profit and loss account
for the year ended 30 June 2012**

		Continuing operations	
		2012	2011
	Notes	£'000	£'000
Turnover	2	60,014	55,046
Cost of sales		(56,468)	(53,187)
Gross profit		<u>3,546</u>	<u>1,859</u>
Administrative expenses		(4,010)	(3,176)
Restructuring costs		(466)	-
Operating loss	3	<u>(930)</u>	<u>(1,317)</u>
Other interest receivable and similar income		15	-
Interest payable and similar charges	6	<u>(230)</u>	<u>(71)</u>
Loss on ordinary activities before taxation		<u>(1,145)</u>	<u>(1,388)</u>
Tax on loss on ordinary activities	7	268	308
Loss on ordinary activities after taxation	14	<u>(877)</u>	<u>(1,080)</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

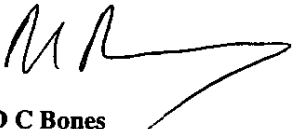
The notes on pages 8 to 17 form an integral part of these financial statements.

Farne Salmon & Trout Limited

**Balance sheet
as at 30 June 2012**

		2012		2011	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8		976		-
Tangible assets	9		7,858		8,541
			<u>8,834</u>		<u>8,541</u>
Current assets					
Stocks	10	2,432		2,636	
Debtors	11	6,350		6,817	
Cash at bank and in hand		3,900		4,821	
		<u>12,682</u>		<u>14,274</u>	
Creditors: amounts falling due within one year	12	<u>(12,264)</u>		<u>(12,686)</u>	
Net current assets			418		1,588
Net assets			<u><u>9,252</u></u>		<u><u>10,129</u></u>
Capital and reserves					
Called up share capital	13		7,599		7,599
Share premium account	14		153		153
Profit and loss account	14		1,500		2,377
Shareholders' funds	15		<u><u>9,252</u></u>		<u><u>10,129</u></u>

The financial statements were approved by the Board on 17th October 2012 and signed on its behalf by


D C Bones
 Director
 Registration number SC076613

The notes on pages 8 to 17 form an integral part of these financial statements.

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards.

1.2. Going concern

The financial statements are prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the forecast trading performance for the next financial year and extrapolated assumptions for the subsequent six months. The company currently has no debt financing and is forecast not to require any new facilities in the forthcoming year. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

1.3. Revenue recognition

Revenue is recognised when goods are despatched to customers on the basis that this is the point at which the risks and rewards of ownership transfer.

1.4. Intangible fixed assets

Softwares and licences are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 3 years.

1.5. Tangible fixed assets and depreciation

Depreciation is provided on cost over the estimated lives of the assets. The rates of the depreciation are as follows:

Buildings	- 4% reducing balance basis
Plant and machinery	- 15% to 30% straight-line basis

No depreciation is charged on land.

Assets under construction are not depreciated until they are brought into use at which point they are transferred into the relevant fixed asset class above.

1.6. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represent materials, direct labour and appropriate production overheads.

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8. Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

1.9. Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and Loss Account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

1.10. Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.11. Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking has included the company in its own published consolidated financial statements.

1.12. Related party transactions

In accordance with Financial Reporting Standard No.8, the company has taken advantage of the exemption for subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

2. Turnover

Analysis of class of business and geographical location by turnover is stated below:

	2012	2011
	£'000	£'000
Europe	<u>60,014</u>	<u>55,046</u>

Turnover represents the invoiced amount of goods sold stated net of value added tax. All turnover is attributable to the principal activity of the company and arose from operation in the United Kingdom.

3. Operating loss

	2012	2011
	£'000	£'000
Operating loss is stated after charging/(crediting):		
Depreciation and other amounts written off intangible assets	418	-
Depreciation and other amounts written off tangible assets	1,605	1,736
Net foreign exchange loss/ (gain)	52	(175)
Operating lease rentals		
- Buildings	23	23
- Motor vehicles	59	59
Auditor's remuneration	31	33
Profit on disposal of tangible fixed assets	(15)	-
Government grants amortisation	<u>(43)</u>	<u>(96)</u>

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

4. Employees

Number of employees

The average numbers of persons employed (including the directors) during the year were:

	2012	2011
Production	476	482
Administration	29	28
Marketing	5	5
Quality control	26	31
	<u>536</u>	<u>546</u>

Employment costs

	2012 £'000	2011 £'000
Wages and salaries	11,605	10,271
Social security costs	1,008	920
Pension costs-other operating charge	95	97
	<u>12,708</u>	<u>11,288</u>

4. Directors' remuneration

	2012 £'000	2011 £'000
Remuneration and other benefits	229	303
Pensions contribution	19	25
Compensation for loss of office	129	-
	<u>377</u>	<u>328</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>

	2012 £'000	2011 £'000
Highest paid director		
Amounts included above:		
Remuneration and other benefits	182	134
Pension contribution	8	11
	<u>190</u>	<u>145</u>

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

5. Pension costs

The group operates a defined contribution pension scheme for all qualified employees. The assets of the scheme are held in separate trustee administered funds. Contributions made during the year amounted to £95k (2011: £97k). £7k (2011: £12k) is included in creditors, in respect of unpaid contributions.

6. Interest payable and similar charges

	2012 £'000	2011 £'000
Bank interest	<u>230</u>	<u>71</u>

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

7. Tax on loss on ordinary activities

	Year ended 2012 £'000	Year ended 2011 £'000
Analysis of credit in period		
Current tax		
UK corporation tax	-	(104)
Group relief	(200)	(208)
Adjustments in respect of previous periods	(68)	4
Total current tax credit	(268)	(308)

Factors affecting tax charge for period

The standard rate of tax for the period based on United Kingdom standard rate of corporation tax was 25.5% (2011: 27.5%). The company is not aware of any factors that will materially affect the future tax charge apart from the proposed, phased reduction in income tax rates to 22% by 2014. The only rate change that has been substantively enacted at the balance sheet date is the change to 24%.

	2012 £'000	2011 £'000
Loss on ordinary activities before taxation	(1,145)	(1,388)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.50% (30 June 2011 : 27.50%)	(292)	(382)
Effects of:		
Expenses not deductible for tax purposes	36	44
Capital allowances for period in excess of depreciation	68	53
Adjustments to tax charge in respect of previous periods	(68)	4
Other short term timing differences	(1)	-
Effect of change to tax rates	-	(1)
Capital grant release	(11)	(26)
Current tax credit for period	(268)	(308)



Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

8. Intangible fixed assets

**Software
and licenses
£'000**

Cost

At 1 July 2011

-

Transfer from tangible fixed assets (Note 9)

1,211

Additions

183

At 30 June 2012

1,394

Amortisation

At 1 July 2011

-

Charge for year

418

At 30 June 2012

418

Net book values

At 30 June 2012

976

At 30 June 2011

-

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

9. Tangible fixed assets	Land and buildings £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost				
At 1 July 2011	3,946	16,840	1,211	21,997
Transfer to intangible fixed assets (Note 8)	-	-	(1,211)	(1,211)
Additions	-	2,133	-	2,133
Reclassifications	2	(2)		
Disposals	-	(270)	-	(270)
At 30 June 2012	<u>3,948</u>	<u>18,701</u>	<u>-</u>	<u>22,649</u>
Depreciation				
At 1 July 2011	1,624	11,832	-	13,456
On disposals	-	(270)	-	(270)
Charge for the year	90	1,515	-	1,605
At 30 June 2012	<u>1,714</u>	<u>13,077</u>	<u>-</u>	<u>14,791</u>
Net book values				
At 30 June 2012	<u>2,234</u>	<u>5,624</u>	<u>-</u>	<u>7,858</u>
At 30 June 2011	<u>2,322</u>	<u>5,008</u>	<u>1,211</u>	<u>8,541</u>

During the year £1,211K of assets under construction (mainly software and licenses) were transferred to intangible fixed assets.

Included within land and buildings is land at cost of £82,150 (2011: £82,150) that is not being depreciated.

10. Stocks	2012 £'000	2011 £'000
Raw materials and consumables	589	1,374
Work in progress	67	573
Finished goods and goods for resale	1,776	689
	<u>2,432</u>	<u>2,636</u>

Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

11. Debtors	2012 £'000	2011 £'000
Trade debtors	5,636	5,647
Amounts owed by group undertakings	234	285
Other debtors	368	464
Prepayments and accrued income	112	421
	<u>6,350</u>	<u>6,817</u>
 12. Creditors: amounts falling due within one year	 2012 £'000	 2011 £'000
Trade creditors	4,556	4,014
Amounts owed to group undertaking	5,350	6,093
Other taxes and social security costs	192	231
Other creditors	79	-
Accruals and deferred income	2,036	2,296
Government grants	51	52
	<u>12,264</u>	<u>12,686</u>
 13. Share capital	 2012 £'000	 2011 £'000
Allotted, called up and fully paid		
7,599 Ordinary shares of £1 each	<u>7,599</u>	<u>7,599</u>
 14. Equity Reserves	 Share premium account £'000	 Profit and loss account £'000
		Total £'000
At 1 July 2011	153	2,377
Loss for the year	-	(877)
At 30 June 2012	<u>153</u>	<u>1,500</u>
		<u>2,530</u>



Farne Salmon & Trout Limited

**Notes to the financial statements
for the year ended 30 June 2012**

15. Reconciliation of movements in shareholders' funds	2012	2011
	£'000	£'000
Loss for the year	(877)	(1,080)
Opening shareholders' funds	10,129	11,209
Closing shareholders' funds	<u>9,252</u>	<u>10,129</u>

16. Financial commitments

At 30 June 2012 the company had annual commitments under operating leases as follows:

	Buildings		Motor vehicles	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	-	-	20	6
Between one and five years	-	-	39	53
In over five years	23	23	-	-
	<u>23</u>	<u>23</u>	<u>59</u>	<u>59</u>

17. Capital commitments	2012	2011
	£'000	£'000
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>401</u>	<u>553</u>

18. Ultimate parent undertaking

The company's immediate parent undertaking and controlling party is Labeyrie Fine Foods SAS (formerly Financière de Kiel). The company's ultimate parent and controlling party is Lur Berri, a company incorporated in France which is the parent company of the largest and smallest groups into which the results of Farne Salmon & Trout Limited are consolidated. Consolidated accounts can be obtained from Lur Berri, Route de Sauveterre, 64120 Aicirits, France.

