

Company registration number: SC076613

Farne Salmon & Trout Limited

Annual report and financial statements

25 June 2016

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Farne Salmon & Trout Limited

Company information

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

Farne Salmon & Trout Limited

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Farne Salmon & Trout Limited

Strategic report

Period ended 25 June 2016

Introduction

The directors present their strategic report for the year ended 25 June 2016.

This strategic report has been prepared solely to provide additional information to shareholders to assess the company's strategies and the potential for those strategies to succeed.

The strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward looking information.

The directors in preparing this strategic report, have complied with S414C of the Companies Act 2006.

The strategic report is only part of the company's annual accounts and reports.

Principal activity

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

Business review

The Directors are pleased to report an improving result. The Company made an operating profit in the period of £3,517 k (2015: £2,695 k) after depreciation and amortisation of £2,113 k (2015: £1,933 k). The Company made a profit after tax in the financial period ended 25 June 2016 of £2,575 k (2015: £1,899 k). Results are set out further in the profit and loss account.

Key performance indicators

	2016	2015
Financials	£'000	£'000
Earnings before, interest, tax, depreciation and amortisation	5,630	4,621
Net trading capital (trade debtors + stock - trade creditors)	781	1,275
Return on capital employed	7.0%	5.8%

Principal risks and uncertainties

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.

Farne Salmon & Trout Limited

Strategic report (continued)

Period ended 25 June 2016

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.

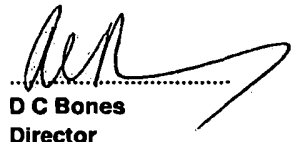
Price risk

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.

Future developments

The continued investment in production facilities continue to provide a firm base from which the business is expected to continue to grow.

This report was approved by the board of directors on 14/10/16 and signed on behalf of the board by:


D C Bones
Director

Farne Salmon & Trout Limited

Directors report

Period ended 25 June 2016

The directors present their report and the financial statements of the company for the 52 weeks ended 25 June 2016.

Directors

The directors who served the company during the period were as follows:

P D Succony
D C Bones
J C Walker

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend the payment of a dividend (2015: £nil).

Employee involvement

The Company's policy is to consult and discuss with employees, through 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.

Financial Instruments

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.

Disclosure of information in the strategic report.

The following details are disclosed within the strategic report:

- a review of the business and future developments; and
- the Company's financial risk management objectives and policies; and
- the Company's key performance indicators.

Farne Salmon & Trout Limited

**Directors report (continued)
Period ended 25 June 2016**

Statement of directors responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 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 judgments and accounting 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

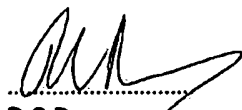
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 14/1/16 and signed on behalf of the board by:



D C Bones
Director

Farne Salmon & Trout Limited

**Independent auditor's report to the members of
Farne Salmon & Trout Limited
Period ended 25 June 2016**

We have audited the financial statements of Farne Salmon & Trout Limited for the period ended 25 June 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and related notes 1 to 26. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK".

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 auditor's 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 auditor

As explained more fully in the Statement of Directors responsibilities, 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 Annual report 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 25 June 2016 and of its profit for the period 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 and the Strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements.

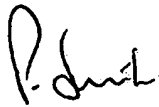
Farne Salmon & Trout Limited

**Independent auditor's report to the members of
Farne Salmon & Trout Limited (continued)
Period ended 25 June 2016**

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 the 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
Chartered Accountants and Statutory Auditor**

**25 Hosier Lane
London
EC1A 9LQ**

Date 14 October 2016.

Farne Salmon & Trout Limited

**Statement of income and retained earnings
Period ended 25 June 2016**

		52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Turnover	3	97,567	78,675
Cost of sales		(87,780)	(69,371)
Gross profit		9,787	9,304
Administrative expenses		(6,270)	(6,616)
Other operating income	4	-	7
Operating profit	5	3,517	2,695
Other interest receivable and similar income	9	7	11
Interest payable and similar charges	10	(243)	(227)
Profit on ordinary activities before taxation		3,281	2,479
Tax on profit on ordinary activities	11	(705)	(580)
Profit for the financial period and total comprehensive income		2,576	1,899
Retained earnings at the start of the period		5,079	3,180
Retained earnings at the end of the period		7,655	5,079

All the activities of the company are from continuing operations.

The notes on pages 10 to 23 form part of these financial statements.

Farne Salmon & Trout Limited

**Statement of financial position
25 June 2016**

		25/06/16		27/06/15	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible fixed assets	12	959		941	
Tangible assets	13	13,161		11,938	
			14,120		12,879
Current assets					
Stocks	14	5,146		3,292	
Debtors	15	11,938		10,929	
Cash at bank and in hand		5,760		5,686	
		22,844		19,907	
Creditors: amounts falling due within one year	16	(21,372)		(19,897)	
Net current assets			1,472		10
Total assets less current liabilities			15,592		12,889
Provisions for liabilities	17		(185)		(58)
Net assets			15,407		12,831
Capital and reserves					
Called up share capital	20		7,599		7,599
Share premium account			153		153
Profit and loss account			7,655		5,079
Shareholders funds			15,407		12,831

These financial statements were approved by the board of directors and authorised for issue on 24/11/16, and are signed on behalf of the board by:


D C Bones
Director

Company registration number: SC076613

The notes on pages 10 to 23 form part of these financial statements.

Farne Salmon & Trout Limited

**Statement of cash flows
Period ended 25 June 2016**

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Cash flows from operating activities		
Profit for the financial period	2,576	1,899
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,781	1,556
Amortisation of intangible assets	332	377
Amortisation of government grants	-	(7)
Other interest receivable and similar income	(7)	(11)
Interest payable and similar charges	243	227
Gain/(loss) on disposal of tangible assets	17	(28)
Tax on profit on ordinary activities	705	580
Accrued expenses/(income)	14	1,797
<i>Changes in:</i>		
Stocks	(1,854)	295
Trade and other debtors	(1,009)	(1,425)
Trade and other creditors	2,375	1,545
Cash generated from operations	<u>5,173</u>	<u>6,805</u>
Interest paid	(243)	(227)
Interest received	7	11
Tax paid	(470)	(600)
Net cash from operating activities	<u><u>4,467</u></u>	<u><u>5,989</u></u>
Cash flows from investing activities		
Purchase of tangible assets	(3,141)	(4,891)
Proceeds from sale of tangible assets	120	32
Purchase of intangible assets	(350)	(452)
Net cash used in investing activities	<u><u>(3,371)</u></u>	<u><u>(5,311)</u></u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	(1,022)	(90)
Net cash used in financing activities	<u><u>(1,022)</u></u>	<u><u>(90)</u></u>
Net increase/(decrease) in cash and cash equivalents	74	588
Cash and cash equivalents at beginning of period	5,686	5,098
Cash and cash equivalents at end of period	<u><u>5,760</u></u>	<u><u>5,686</u></u>

Farne Salmon & Trout Limited

Notes to the financial statements

Period ended 25 June 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Company's Information

Farne Salmon and Trout Limited is a company incorporated in England and Wales under Companies Act 2006. The nature of the company's operations and principal activities are set out in the Strategic report. The company's registered office is detailed on the company information page.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have a reasonable expectation that the company has resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 29 June 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 26.

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

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

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software licences	-	3 years straight-line basis
Assets under construction	-	not amortised

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)

Period ended 25 June 2016

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and building	-	4% reducing balance basis
Plant and machinery	-	15% to 30% straight-line basis
Fittings fixtures and equipment	-	25% straight line

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.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Government grants

Grants are credited to deferred revenue. Grant towards capital expenditure are released to the Statement of comprehensive income as the related expenditure is incurred.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)

Period ended 25 June 2016

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 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. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

3. Turnover

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

Geographical markets

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
European Union	93,920	75,379
Rest of the World	3,647	3,296
	<u>97,567</u>	<u>78,675</u>

4. Other operating income

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Government grant income	-	7
	<u>-</u>	<u>7</u>

5. Operating profit

Operating profit is stated after charging/(crediting):

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Amortisation of intangible assets	332	377
Depreciation of tangible assets	1,781	1,556
(Gain)/loss on disposal of tangible assets	17	(28)
Operating lease rentals	77	89
Foreign exchange differences	154	276
Defined contribution plans expense	233	235
	<u>233</u>	<u>235</u>

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

6. Auditors remuneration

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Fees payable to Constantin		
Fees payable for the audit of the financial statements	<u>28</u>	<u>28</u>
Fees payable in respect of the company's pension scheme:		
Other non-audit services	<u>3</u>	<u>3</u>
	<u><u>31</u></u>	<u><u>31</u></u>

7. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	52 week period ended 25/06/16	52 week period ended 27/06/15
Production	718	662
Administration	39	35
Marketing	5	5
Quality Control	<u>35</u>	<u>35</u>
	<u><u>797</u></u>	<u><u>737</u></u>

The aggregate payroll costs incurred during the period were:

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Wages and salaries	16,639	13,020
Social security costs	531	1,285
Other pension costs	<u>233</u>	<u>235</u>
	<u><u>17,403</u></u>	<u><u>14,540</u></u>

Farne Salmon & Trout Limited

**Notes to the financial statements (continued)
Period ended 25 June 2016**

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Remuneration	294	269
Company contributions to pension schemes in respect of qualifying services	23	33
	<u>317</u>	<u>302</u>

The number of directors to whom retirement benefits are accruing under a money purchase scheme:

	52 week period ended 25/06/16 Number	52 week period ended 27/06/15 Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme:	<u>2</u>	<u>2</u>

Remuneration of the highest paid directors in respect of qualifying services:

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Aggregate remuneration	<u>132</u>	<u>127</u>

9. Other interest receivable and similar income

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Other interest receivable and similar income	<u>7</u>	<u>11</u>

10. Interest payable and similar charges

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Loans from group undertakings	<u>243</u>	<u>227</u>

Farne Salmon & Trout Limited

**Notes to the financial statements (continued)
Period ended 25 June 2016**

11. Tax on profit on ordinary activities

Major components of tax expense

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Current tax:		
UK current tax expense	591	429
Adjustments in respect of previous periods	(13)	(1)
Total UK current tax	<u>578</u>	<u>428</u>
Total current tax	<u>578</u>	<u>428</u>
Deferred tax:		
Origination and reversal of timing differences	135	152
Effect of change in tax rate on opening balance	(8)	-
Total deferred tax	<u>127</u>	<u>152</u>
Tax on profit on ordinary activities	<u><u>705</u></u>	<u><u>580</u></u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%).

A reconciliation is given below:

	52 week period ended 25/06/16	52 week period ended 27/06/15
Profit on ordinary activities before taxation	<u>3,281</u>	<u>2,479</u>
Profit on ordinary activities by rate of tax	656	514
Adjustments in respect of prior periods	(13)	(1)
Effect of expenses not deductible for tax purposes	12	10
Income not taxable	(20)	-
Changes to tax rates	6	(4)
Fixed asset differences	<u>64</u>	<u>61</u>
Tax on profit on ordinary activities	<u><u>705</u></u>	<u><u>580</u></u>

Factors affecting future tax expense

The standard rate of tax for the period based on United Kingdom standard rate of corporation tax was 20% (2015: 20.75%). The company is not aware of any factors that will materially affect the future tax charge apart from the phased reduction in corporation tax rates to 17% by 2020 which has now been substantively enacted.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

12. Intangible assets

	Software licences	Assets under construction	Total
	£'000	£'000	£'000
Cost			
At 28 June 2015	2,292	319	2,611
Additions	-	350	350
Transfers	322	(322)	-
At 25 June 2016	<u>2,614</u>	<u>347</u>	<u>2,961</u>
Amortisation			
At 28 June 2015	1,670	-	1,670
Charge for the period	332	-	332
At 25 June 2016	<u>2,002</u>	<u>-</u>	<u>2,002</u>
Carrying amount			
At 25 June 2016	<u>612</u>	<u>347</u>	<u>959</u>
At 27 June 2015	<u>622</u>	<u>319</u>	<u>941</u>

13. Tangible assets

	Lands & Buildings	Plant and machinery	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 28 June 2015	3,948	17,461	17	4,476	25,902
Additions	-	-	-	3,141	3,141
Disposals	-	(259)	-	-	(259)
Transfers	262	6,818	-	(7,080)	-
At 25 June 2016	<u>4,210</u>	<u>24,020</u>	<u>17</u>	<u>537</u>	<u>28,784</u>
Depreciation					
At 28 June 2015	1,961	11,998	5	-	13,964
Charge for the year	76	1,700	5	-	1,781
Disposals	-	(122)	-	-	(122)
At 25 June 2016	<u>2,037</u>	<u>13,576</u>	<u>10</u>	<u>-</u>	<u>15,623</u>
Carrying amount					
At 25 June 2016	<u>2,173</u>	<u>10,444</u>	<u>7</u>	<u>537</u>	<u>13,161</u>
At 27 June 2015	<u>1,987</u>	<u>5,463</u>	<u>12</u>	<u>4,476</u>	<u>11,938</u>

Farne Salmon & Trout Limited

**Notes to the financial statements (continued)
Period ended 25 June 2016**

14. Stocks

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Raw materials and consumables	1,982	1,637
Work in progress	3,012	1,461
Finished goods and goods for resale	152	194
	<u>5,146</u>	<u>3,292</u>

15. Debtors

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Trade debtors	10,725	10,576
Amounts owed by group undertakings	-	16
Prepayments and accrued income	111	61
Other debtors	1,102	276
	<u>11,938</u>	<u>10,929</u>

16. Creditors: amounts falling due within one year

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Trade creditors	10,816	8,630
Amounts owed to group undertakings	6,282	7,304
Accruals and deferred income	2,963	2,949
Corporation tax	284	176
Social security and other taxes	282	272
Other creditors	745	566
	<u>21,372</u>	<u>19,897</u>

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

17. Provisions for liabilities

The deferred tax included in the statement of financial position is as follows:

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Included in provisions (note 18)	<u>185</u>	<u>58</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	52 week period ended 25/06/16 £'000	52 week period ended 27/06/15 £'000
Accelerated capital allowances	202	90
Other timing differences	(17)	(32)
	<u>185</u>	<u>58</u>

18. Provisions

	Deferred tax (note 17) £'000
At 28 June 2015	58
Charges against provision	<u>127</u>
At 25 June 2016	<u>185</u>

19. Employee benefits

Defined contribution plans

The company 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 period amounted £233 k (2015: £235 k). £51k (2015: - £41k) is included in creditors, in respect of unpaid contribution.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

**20. Called up share capital
 Issued, called up and fully paid**

	25/06/16		27/06/15	
	No	£'000	No	£'000
Ordinary shares of £1 each	7,598,817	7,599	7,598,817	7,599
All shares rank pari-passu in all respects.				

21. Analysis of changes in net funds

	At 28 June 2015	Cash flows	At 25 June 2016
	£'000	£'000	£'000
Cash and cash equivalents	5,686	74	5,760

22. Capital commitments

Details of capital commitments at the accounting date are as follows:

	52 week period ended 25/06/16	52 week period ended 27/06/15
	2016	2015
	£'000	£'000
Tangible and Intangible assets	846	482

23. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	52 week period ended 25/06/16	52 week period ended 27/06/15
	£'000	£'000
Not later than 1 year	53	40
Later than 1 year and not later than 5 years	47	79
	100	119

Farne Salmon & Trout Limited

**Notes to the financial statements (continued)
Period ended 25 June 2016**

24. Related party transactions

In accordance with Financial Reporting Standard FRS102 (section 33), 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 transactions.

25. Controlling party

The company's immediate parent undertaking and controlling party is Labeyrie Fine Foods SAS. The company's ultimate parent company is LB PAI Holdco SAS, a company incorporated in France.

The smallest group for which consolidated accounts are prepared and of which the company is a member is Labeyrie Fine Foods SAS, a company incorporated in France. The largest group for which consolidated accounts are prepared and of which the company is a member is Lilas France SAS, a company incorporated in France.

Consolidated accounts are not publicly available.

Farne Salmon & Trout Limited

Notes to the financial statements (continued)
Period ended 25 June 2016

26. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 29 June 2014.

Reconciliation of equity

	At 29 June 2014			At 27 June 2015		
	Previously stated £'000	Effect of transition £'000	FRS 102 (restated) £'000	Previously stated £'000	Effect of transition £'000	FRS 102 (restated) £'000
Fixed assets	9,473	-	9,473	12,879	-	12,879
Current assets	18,189	-	18,189	19,907	-	19,907
Creditors amounts falling due within 1 year	A (16,791)	(33)	(16,824)	(19,824)	(73)	(19,897)
Net current assets	1,398	(33)	1,365	83	(73)	10
Total assets less current liabilities	10,871	(33)	10,838	12,962	(73)	12,889
Provisions for liabilities	B 87	7	94	(73)	15	(58)
Net assets	10,958	(26)	10,932	12,889	(58)	12,831
Equity	(10,958)	26	(10,932)	(12,889)	58	(12,831)

Reconciliation of profit or loss for the period

	At 27 June 2015		
	Previously stated £'000	Effect of transition £'000	FRS 102 (restated) £'000
Turnover	78,675	-	78,675
Cost of sales	(69,371)	-	(69,371)
Gross profit	9,304	-	9,304
Administrative expenses	(6,576)	(40)	(6,616)
Other operating income	7	-	7
Operating profit	2,735	(40)	2,695
Other interest receivable and similar income	11	-	11
Interest payable and similar charges	(227)	-	(227)
Tax on ordinary activities	(588)	8	(580)
Profit on ordinary activities after taxation	1,931	(32)	1,899
Profit for the financial period	1,931	(32)	1,899

A - Holiday pay accrual

B - Deferred tax impact of holiday pay accrual