

REGISTERED NUMBER: SC076613 (Scotland)

**Strategic Report, Directors' Report and
Financial Statements for the Period 25 June 2017 to 30 June 2018
for
Farne Salmon & Trout Limited**



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Farne Salmon & Trout Limited

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for the Period 25 June 2017 to 30 June 2018**

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Farne Salmon & Trout Limited
Company Information
for the Period 25 June 2017 to 30 June 2018

DIRECTORS:

Mr J Walker
M. F Bouisset
M. S Lawson

SECRETARY:

Mr D Bones

REGISTERED OFFICE:

Station Road
Duns
Berwickshire
TD11 3HS

REGISTERED NUMBER:

SC076613 (Scotland)

INDEPENDENT AUDITORS:

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Farne Salmon & Trout Limited
Strategic Report
for the Period 25 June 2017 to 30 June 2018

The directors present their strategic report for the year ended 30 June 2018.

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.

REVIEW OF BUSINESS

The Directors are pleased to report an improving result. The Company made an operating profit in the period of £1,521 k (2017: £3,543 k) after depreciation and amortisation of £2,800 k (2017: £2,830 k). The Company made a profit after tax in the financial period ended 30 June 2018 of £1,123 k (2017: £2,698 k). Results are set out further in the profit and loss account.

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.

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.

Farne Salmon & Trout Limited
Strategic Report
for the Period 25 June 2017 to 30 June 2018

FINANCIAL KEY PERFORMANCE INDICATORS

Financials

	2018	2017
	£'000	£'000
Earnings before, interest, tax, depreciation and amortisation	4,320	6,373
Net trading capital (trade debtors + stock-trade creditors)	(626)	904
Return on capital employed	4.20%	9%

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.

ON BEHALF OF THE BOARD:



.....
M. S. Lawson - Director

Date: Nov 9, 2018

Farne Salmon & Trout Limited

Directors' Report for the Period 25 June 2017 to 30 June 2018

The directors present their report with the financial statements of the company for the period ended 30 June 2018.

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2018.

DIRECTORS

James Walker has held office during the whole of the period from 25 June 2017 to the date of this report.

Other changes in directors holding office are as follows:

David Bones - resigned 11 October 2018

Paul Succony - resigned 11 October 2018

Frederic Bouisset - appointed 11 October 2018

Steve Lawson - appointed 11 October 2018

FINANCIAL INSTRUMENTS

The Company's activities expose it to a number of financial risks including price risks, 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.

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.

DISCLOSURE 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
for the Period 25 June 2017 to 30 June 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the 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 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Constantin, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
M. S Lawson - Director

Date: NOV 9, 2018

**Independent Auditors' Report to the Members of
Farne Salmon & Trout Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Farne Salmon & Trout Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows;
- the statement of accounting policies ; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditors' Report to the Members of Farne Salmon & Trout Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

**Independent Auditors' Report to the Members of
Farne Salmon & Trout Limited**

We have nothing to report in respect of these matters.

Use of our report

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.



Peter Smith FCA (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 9 November 2018

Farne Salmon & Trout Limited

**Statement of Comprehensive Income
for the Period 25 June 2017 to 30 June 2018**

		Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
	Notes		
TURNOVER	3	114,449	116,994
Cost of sales		(105,037)	(106,113)
GROSS PROFIT		9,412	10,881
Administrative expenses		(7,891)	(7,338)
OPERATING PROFIT	5	1,521	3,543
Interest receivable and similar income	7	14	29
		1,535	3,572
Interest payable and similar expenses	8	(54)	(126)
PROFIT BEFORE TAXATION		1,481	3,446
Tax on profit	9	(358)	(748)
PROFIT FOR THE FINANCIAL PERIOD		1,123	2,698
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,123	2,698

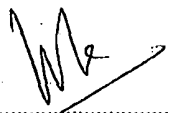
The notes on pages 14 to 24 form part of these financial statements

Farne Salmon & Trout Limited (Registered number: SC076613)

**Statement of Financial Position
30 June 2018**

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Intangible assets	10	809	994
Tangible assets	11	13,457	12,865
		<u>14,266</u>	<u>13,859</u>
CURRENT ASSETS			
Stocks	12	4,262	3,569
Debtors	13	9,346	10,895
Cash in hand		9,032	10,173
		<u>22,640</u>	<u>24,637</u>
CREDITORS			
Amounts falling due within one year	14	(17,573)	(20,262)
NET CURRENT ASSETS		<u>5,067</u>	<u>4,375</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,333</u>	<u>18,234</u>
PROVISIONS FOR LIABILITIES	16	(105)	(129)
NET ASSETS		<u><u>19,228</u></u>	<u><u>18,105</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	7,599	7,599
Share premium		153	153
Retained earnings		11,476	10,353
SHAREHOLDERS' FUNDS		<u><u>19,228</u></u>	<u><u>18,105</u></u>

The financial statements were approved by the Board of Directors on Nov 9, 2018 and were signed on its behalf by:


.....
M. S Lawson - Director

The notes on pages 14 to 24 form part of these financial statements

Farne Salmon & Trout Limited

**Statement of Changes in Equity
for the Period 25 June 2017 to 30 June 2018**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 26 June 2016	7,599	7,655	153	15,407
Changes in equity				
Total comprehensive income	-	2,698	-	2,698
Balance at 24 June 2017	<u>7,599</u>	<u>10,353</u>	<u>153</u>	<u>18,105</u>
Changes in equity				
Total comprehensive income	-	1,123	-	1,123
Balance at 30 June 2018	<u><u>7,599</u></u>	<u><u>11,476</u></u>	<u><u>153</u></u>	<u><u>19,228</u></u>

The notes on pages 14 to 24 form part of these financial statements

Farne Salmon & Trout Limited

**Statement of Cash Flows
for the Period 25 June 2017 to 30 June 2018**

		Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	4,774	12,082
Interest paid		(54)	(126)
Tax paid		(755)	(706)
Net cash from operating activities		<u>3,965</u>	<u>11,250</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(383)	(462)
Purchase of tangible fixed assets		(2,823)	(2,107)
Sale of tangible fixed assets		38	-
Interest received		14	29
Net cash from investing activities		<u>(3,154)</u>	<u>(2,540)</u>
 Cash flows from financing activities			
New loans received		-	5,456
Loan repayments		(1,952)	(9,754)
Net cash from financing activities		<u>(1,952)</u>	<u>(4,298)</u>
 (Decrease)/increase in cash and cash equivalents		<u>(1,141)</u>	<u>4,412</u>
Cash and cash equivalents at beginning of period	2	<u>10,173</u>	<u>5,760</u>
 Cash and cash equivalents at end of period	2	<u><u>9,032</u></u>	<u><u>10,173</u></u>

The notes on pages 14 to 24 form part of these financial statements

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Farne Salmon & Trout Limited

**Notes to the Statement of Cash Flows
for the Period 25 June 2017 to 30 June 2018**

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Profit for the financial period	1,123	2,698
Depreciation charges	2,799	2,830
Profit on disposal of fixed assets	(38)	-
Finance costs	54	126
Finance income	(14)	(29)
Taxation	358	748
	<u>4,282</u>	<u>6,373</u>
(Increase)/decrease in stocks	(693)	1,577
Decrease in trade and other debtors	2,228	1,043
(Decrease)/increase in trade and other creditors	(1,043)	3,089
	<u>4,774</u>	<u>12,082</u>
Cash generated from operations	<u><u>4,774</u></u>	<u><u>12,082</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 30 June 2018

	30.6.18 £'000	25.6.17 £'000
Cash and cash equivalents	<u>9,032</u>	<u>10,173</u>

Period ended 24 June 2017

	24.6.17 £'000	26.6.16 £'000
Cash and cash equivalents	<u>10,173</u>	<u>5,760</u>

The notes on pages 14 to 24 form part of these financial statements

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Farne Salmon & Trout Limited

**Notes to the Financial Statements
for the Period 25 June 2017 to 30 June 2018**

1. STATUTORY INFORMATION

Farne Salmon & Trout Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Related party exemption

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.

Significant judgements and estimates

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, excluding discounts, rebates, value added tax and other sales taxes.

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.

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.

Farne Salmon & Trout Limited

Notes to the Financial Statements - continued for the Period 25 June 2017 to 30 June 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Land & Buildings	- 4% reducing balance basis
Plant and machinery	- 15% straight line basis
Fixtures, fittings & equipment	- 25% straight line

No depreciation is charged on land.

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

Stocks

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

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 disbursements 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.

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. 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 equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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 for the Period 25 June 2017 to 30 June 2018

2. ACCOUNTING POLICIES - continued

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.

Provision

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Europe	111,951	112,431
Rest of the World	2,498	4,564
	<u>114,449</u>	<u>116,995</u>

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

4. EMPLOYEES AND DIRECTORS

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Wages and salaries	15,455	15,133
Social security costs	1,596	1,538
Other pension costs	720	655
	<u>17,771</u>	<u>17,326</u>

The average number of employees during the period was as follows:

	Period 25.6.17 to 30.6.18	Period 26.6.16 to 24.6.17
Production	641	680
Administration	42	41
Marketing	5	7
Quality Control	43	37
	<u>731</u>	<u>765</u>

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Directors' remuneration	333	307
Directors' pension contributions to money purchase schemes	0	22
	<u>0</u>	<u>22</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>0</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Aggregate remuneration	<u>155</u>	<u>144</u>

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

5. OPERATING PROFIT

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

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Operating lease rentals	495	407
Depreciation - owned assets	2,421	2,403
Profit on disposal of fixed assets	(38)	-
Software licences amortisation	379	427
Foreign exchange differences	(132)	334
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	26	25
Auditors' remuneration for non audit work	7	6
	<u> </u>	<u> </u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Other interest receivable	14	29
	<u> </u>	<u> </u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Loans from group undertakings	54	126
	<u> </u>	<u> </u>

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Current tax:		
UK corporation tax	373	809
Adjustments in respect of previous periods	10	(5)
Total current tax	383	804
Deferred tax:		
Origination and reversal of timing differences	(14)	(49)
Effect of change in tax rate on opening balance	-	(11)
Adjustment in respect of prior year	(11)	4
Total deferred tax	(25)	(56)
Tax on profit	358	748

Farne Salmon & Trout Limited

Notes to the Financial Statements - continued for the Period 25 June 2017 to 30 June 2018

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 25.6.17 to 30.6.18 £'000	Period 26.6.16 to 24.6.17 £'000
Profit before tax	1,481	3,446
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.750%)	281	681
Effects of:		
Expenses not deductible for tax purposes	77	10
Depreciation in excess of capital allowances	-	60
Adjustments to tax charge in respect of previous periods	(1)	-
Changes to tax rate	1	(3)
Total tax charge	358	748

10. INTANGIBLE FIXED ASSETS

	Assets under construction £'000	Software licences £'000	Totals £'000
COST			
At 25 June 2017	474	2,949	3,423
Additions	384	-	384
Reclassification/transfer	(481)	291	(190)
At 30 June 2018	377	3,240	3,617
AMORTISATION			
At 25 June 2017	-	2,429	2,429
Amortisation for period	-	379	379
At 30 June 2018	-	2,808	2,808
NET BOOK VALUE			
At 30 June 2018	377	432	809
At 24 June 2017	474	520	994

Reclassification/transfer: £190k of reclassification of projects from intangible assets under construction to tangible fixed assets such as fixtures, fittings and equipment and £291k for transfer from assets under construction to software licences.

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

11. TANGIBLE FIXED ASSETS

	Assets under construction £'000	Land & Buildings £'000	Plant and machinery £'000	Fixtures, fittings & equipment £'000	Totals £'000
COST					
At 25 June 2017	1,393	4,210	24,510	52	30,165
Additions	2,823	-	-	-	2,823
Disposals	-	-	(1,948)	-	(1,948)
Reclassification/transfer	(1,347)	-	1,347	190	190
At 30 June 2018	2,869	4,210	23,909	242	31,230
DEPRECIATION					
At 25 June 2017	-	2,110	15,166	24	17,300
Charge for period	-	70	2,298	53	2,421
Eliminated on disposal	-	-	(1,948)	-	(1,948)
At 30 June 2018	-	2,180	15,516	77	17,773
NET BOOK VALUE					
At 30 June 2018	2,869	2,030	8,393	165	13,457
At 24 June 2017	1,393	2,100	9,344	28	12,865

Reclassification/transfer: £190k of reclassification of projects from intangible assets under construction to tangible fixed assets such as fixtures, fittings and equipment and £1,347k for transfer from assets under construction to Plant and machinery.

12. STOCKS

	2018 £'000	2017 £'000
Raw materials	3,178	2,281
Work-in-progress	841	990
Finished goods	243	298
	4,262	3,569

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade debtors	8,155	10,122
Amounts owed by group undertakings	130	331
Other debtors	978	395
Prepayments and accrued income	83	47
	9,346	10,895

Farne Salmon & Trout Limited

**Notes to the Financial Statements - continued
for the Period 25 June 2017 to 30 June 2018**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed by group undertakings are interest free and repayable the month after issue.
Included in the above are financial instruments held at amortised cost of £8,155k (2017: £10,122k).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£'000	£'000
Trade creditors	13,043	12,787
Amounts owed to group undertakings	-	2,346
Corporation tax	10	382
Social security and other taxes	368	306
Other creditors	158	751
Accruals and deferred income	3,994	3,690
	<u>17,573</u>	<u>20,262</u>

Amounts owed to group undertakings are interest free and repayable the month after issue.
Included in the above are financial instruments held at amortised cost of £17,037k (2017: £18,429k).

Included in amounts owed to group undertakings is a loan from Labeyrie Fine Foods SAS of £nil (2017: £1,925k), interest on the loan was at LIBOR - 0.15% in each year.

15. FINANCIAL COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£'000	£'000
Within one year	22	79
Between one and five years	837	937
	<u>859</u>	<u>1,016</u>

16. PROVISIONS FOR LIABILITIES

	2018	2017
	£'000	£'000
Deferred tax		
Accelerated capital allowances	172	170
Other timing differences	(67)	(41)
	<u>105</u>	<u>129</u>

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Farne Salmon & Trout Limited

Notes to the Financial Statements - continued for the Period 25 June 2017 to 30 June 2018

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £'000
Balance at 25 June 2017	129
Credit to Statement of Comprehensive Income during period	(24)
Balance at 30 June 2018	<u>105</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
7,598,817	Ordinary shares	£1	<u>7,598,817</u>	<u>7,598,817</u>

All shares rank pari passu in all respects.

18. PENSION COMMITMENTS

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 £279k (2017: £228k). £88k (2017: £66k) is included in creditors, in respect of unpaid contribution.

19. CAPITAL COMMITMENTS

	2018 £'000	2017 £'000
Contracted but not provided for in the financial statements	<u>14</u>	<u>378</u>

20. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and controlling party is Labeyrie Fine Foods SAS. The company's ultimate parent company is NATIXIS Securities SAS, a company incorporated in France in accordance with the terms of the Scottish law concerning securities.

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.