

Company Registration No. SC109573 (Scotland)

**ANTARES FISHING (WHALSAY) COMPANY  
LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2016**

**PAGES FOR FILING WITH REGISTRAR**

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# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	E Anderson G A Anderson L A Irvine R W Irvine A E Polson I G Sandison G Williamson
<b>Secretary</b>	H J Henderson
<b>Company number</b>	SC109573
<b>Registered office</b>	5 Alexandra Buildings Lerwick Shetland ZE1 0LL
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants St Olaf's Hall Church Road Lerwick Shetland Isles ZE1 0FD
<b>Bankers</b>	Clydesdale Bank plc 106 Commercial Street Lerwick Shetland Scotland ZE1 0JJ
<b>Solicitors</b>	Mackinnons 14 Carden Place Aberdeen Scotland AB10 1UR

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# **ANTARES FISHING (WHALSAY) COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

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The directors are responsible for preparing 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). 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;
- 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.

**ANTARES FISHING (WHALSAY) COMPANY LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	4	11,567,580		11,347,705	
Tangible assets	5	8,824,018		125,926	
		<u>20,391,598</u>		<u>11,473,631</u>	
<b>Current assets</b>					
Debtors	6	814,810		30,722	
Cash at bank and in hand		122,771		7,050,604	
		<u>937,581</u>		<u>7,081,326</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,112,395)</u>		<u>(1,287,668)</u>	
<b>Net current (liabilities)/assets</b>			<u>(174,814)</u>		<u>5,793,658</u>
<b>Total assets less current liabilities</b>			20,216,784		17,267,289
<b>Creditors: amounts falling due after more than one year</b>	8		(1,000,000)		(1,895,000)
<b>Provisions for liabilities</b>			<u>(1,757,458)</u>		<u>(1,372,942)</u>
<b>Net assets</b>			<u>17,459,326</u>		<u>13,999,347</u>
<b>Capital and reserves</b>					
Called up share capital	11	35,000		35,000	
Capital redemption reserve		5,000		5,000	
Profit and loss reserves		17,419,326		13,959,347	
<b>Total equity</b>			<u>17,459,326</u>		<u>13,999,347</u>

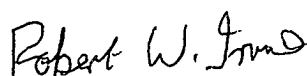
The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 23 March 2017 and are signed on its behalf by:



L A Irvine  
Director



R W Irvine  
Director

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies

#### Company information

Antares Fishing (Whalsay) Company Limited is a private company limited by shares incorporated in Scotland. The registered office is 5 Alexandra Buildings, Lerwick, Shetland, ZE1 0LL.

#### Accounting convention

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

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

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

These financial statements are the first financial statements of Antares Fishing (Whalsay) Company Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Antares Fishing (Whalsay) Company Limited for the year ended 30 June 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 15.

#### Going concern

Bank facilities continue to be made available to the company and the directors, at the date of signing this report, believe that this will not change in the foreseeable future.

It is the opinion of the directors that the company is a going concern. Accordingly the financial statements do not include any adjustments that would result from the going concern basis not being appropriate.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

#### Fish sales

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is generally when fish has been landed and sold at the fishmarket.

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies (Continued)

#### *Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

#### **Intangible fixed assets other than goodwill**

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

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

Fishing licences & Track record	20 years
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Fish licences and track record are written off evenly over 20 years as in the opinion of the directors this represents the best estimate of the useful life of the assets.

#### **Tangible fixed assets**

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

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

Land and buildings under long leasehold	20 years
Nets & Gear	3 years
Assets under construction	Nil

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

#### **Impairment of fixed assets**

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

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

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

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

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#### 1 Accounting policies (Continued)

##### **Cash and cash equivalents**

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

##### **Financial instruments**

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

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#### 1 Accounting policies (Continued)

##### Equity instruments

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

##### Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### Leases

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



# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies (Continued)

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Lease accounting**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### **Fixed assets - useful lives and residual values**

Management have to make estimates of the useful economic lives and residual values of tangible fixed assets and intangible fixed assets including fishing licences and track record. These estimates affect the depreciation charge and the carrying value of fixed assets. The directors believe that the residual value of the fishing licences and track record held is higher than the carrying value of the licences, therefore the licences have not been amortised in the year.

On an annual basis management review indicators to assess whether the residual value or useful life has changed. These indicators include factors such as a change in how an intangible asset is used, technological advancement, and changes in market prices. Only if these factors indicate a change in useful life or residual value do previous accounting estimates need to be reviewed.

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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### 3 Employees

Share fishermen are self-employed and by concession their crew share is charged to tax as trading profits under Part 2 of Income Tax (Trading and Other Income) Act 2005 therefore the company has no employees.

### 4 Intangible fixed assets

	Fishing licences & Track record £
<b>Cost</b>	
At 1 July 2015	11,347,705
Additions	219,875
	<hr/>
At 30 June 2016	11,567,580
	<hr/>
<b>Amortisation and impairment</b>	
At 1 July 2015 and 30 June 2016	-
	<hr/>
<b>Carrying amount</b>	
At 30 June 2016	11,567,580
	<hr/> <hr/>
At 30 June 2015	11,347,705
	<hr/> <hr/>

The directors believe that the residual value of the fishing licences and track record held is higher than the carrying value of the licences, therefore the licences have not been amortised in the year.

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 5 Tangible fixed assets

	Land and buildings under long leasehold	Nets & Gear	Assets under construction	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2015	86,924	91,386	60,732	239,042
Additions	-	-	8,702,438	8,702,438
Disposals	-	(77,486)	-	(77,486)
At 30 June 2016	86,924	13,900	8,763,170	8,863,994
<b>Depreciation and impairment</b>				
At 1 July 2015	21,730	91,386	-	113,116
Depreciation charged in the year	4,346	-	-	4,346
Eliminated in respect of disposals	-	(77,486)	-	(77,486)
At 30 June 2016	26,076	13,900	-	39,976
<b>Carrying amount</b>				
At 30 June 2016	60,848	-	8,763,170	8,824,018
At 30 June 2015	65,194	-	60,732	125,926

### 6 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	-	14,861
Derivative financial instruments	751,177	-
Other debtors	13,744	3,374
Prepayments and accrued income	49,889	12,487
	814,810	30,722

### 7 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	500,000	575,000
Trade creditors	19,365	39,703
Corporation tax	258,899	-
Derivative financial instruments	171,307	619,243
Accruals and deferred income	162,824	53,722
	1,112,395	1,287,668

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

#### 8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	1,000,000	1,895,000

The bank loan is secured by:

- 2 x floating charge over the company's assets and undertakings
- deed of assignment and covenant
- deed of undertaking incorporating assignment over shares in the Antares, fishing licences and quotas

#### 9 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	751,177	-
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	171,307	619,243

#### Foreign exchange forward contracts

The Company uses foreign currency contracts to manage the foreign exchange risk of future commitments and cash flows.

The contracts are valued based on available market data. The Company does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss.

The company has agreed an interest rate collar on the loan facility, with the rates as follows:

- Interest rate cap 5% on loan
- Interest rate floor 0.73% on loan

These are valued based on available market data.

#### 10 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	1,757,458	1,372,942
	1,757,458	1,372,942

#### 11 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
35,000 ordinary shares of £1 each	35,000	35,000

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 12 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	10,284	1,584
Between one and five years	41,135	6,335
In over five years	464,474	73,114
	<u>515,893</u>	<u>81,033</u>

### 13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of tangible fixed assets	<u>14,266,346</u>	<u>21,304,023</u>

Included within capital commitments is a contract agreed at 156,300,000 (2015 - 260,500,000) Norwegian Kroner. This has been translated at the exchange rate as at the year end.

### 14 Related party transactions

The key management personnel are the directors of the company who are all crew members of the boat. Share fishermen are self-employed and by concession their crew share is charged to tax as trading profits under Part 2 of Income Tax (Trading and Other Income) Act 2005. Crew share received by directors who are the key management personnel of the company totalled £280,000 (2015 - £893,895).

# ANTARES FISHING (WHALSAY) COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 15 Reconciliations on adoption of FRS 102

Reconciliation of equity	Notes	1 July 2014 £	30 June 2015 £
Equity as reported under previous UK GAAP		13,843,178	14,494,741
Adjustments arising from transition to FRS 102:			
Derivative movements	a)	-	(619,243)
Deferred tax on above	b)	-	123,849
Equity reported under FRS 102		<u>13,843,178</u>	<u>13,999,347</u>
<b>Reconciliation of profit for the financial period</b>			<b>2015 £</b>
Profit as reported under previous UK GAAP			1,351,563
Adjustments arising from transition to FRS 102:			
Derivative movements	a)		(619,243)
Deferred tax on above	b)		123,849
Profit reported under FRS 102			<u>856,169</u>

### Notes to reconciliations on adoption of FRS 102

#### a) Derivative movement

Under previous UK GAAP fair value gains/losses on foreign exchange forward contracts were not recognised in the financial statements. Under FRS 102 these instruments are recognised as assets or liabilities, with a total liability of £619,243 being recognised at 1 July 2015 and a corresponding adjustment to reserves. Fair value losses of £619,243 on foreign exchange forward contracts were recognised in profit or loss under FRS 102 for the year ended 30 June 2015.

#### b) Deferred tax

This is the deferred tax implication on the derivative movement shown above.

### 16 Post balance sheet events

In December 2016, the company received delivery of the new Antares fishing vessel.

In November 2016, the company drew down £13,500,000 of the agreed bank facility in order to pay for the new vessel.

### 17 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Irene Hambleton BAcc CA.

The auditor was RSM UK Audit LLP.