

Company Registration No. SC109573 (Scotland)

**ANTARES FISHING (WHALSAY) COMPANY
LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2017**

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ANTARES FISHING (WHALSAY) COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

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.

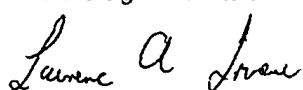
ANTARES FISHING (WHALSAY) COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	4	11,567,580		11,567,580	
Tangible assets	5	24,001,069		8,824,018	
		<u>35,568,649</u>		<u>20,391,598</u>	
Current assets					
Debtors	6	51,477		814,810	
Cash at bank and in hand		1,003,798		122,771	
		<u>1,055,275</u>		<u>937,581</u>	
Creditors: amounts falling due within one year	7	<u>(2,143,960)</u>		<u>(1,112,395)</u>	
Net current liabilities			<u>(1,088,685)</u>		<u>(174,814)</u>
Total assets less current liabilities			<u>34,479,964</u>		<u>20,216,784</u>
Creditors: amounts falling due after more than one year	8		(13,500,000)		(1,000,000)
Provisions for liabilities			<u>(1,865,317)</u>		<u>(1,757,458)</u>
Net assets			<u>19,114,647</u>		<u>17,459,326</u>
Capital and reserves					
Called up share capital	11	35,000		35,000	
Capital redemption reserve		5,000		5,000	
Profit and loss reserves		19,074,647		17,419,326	
Total equity			<u>19,114,647</u>		<u>17,459,326</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 29 March 2018 and are signed on its behalf by:



LA Irvine
Director

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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.

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 to external customers in the ordinary nature of the business. 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 fish processor.

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 of assets less their residual values over their useful lives on the following bases:

Fishing licences and 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.

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Land and buildings under long leasehold	20 years
Boat	5 - 40 years
Nets and gear	3 years
Electronics	5 years
Plant and equipment	5 years

Freehold land and assets in the course of construction are not depreciated.

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.

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.

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans 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.

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.

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.

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.

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.

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

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 2017

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 and track record £
Cost	
At 1 July 2016 and 30 June 2017	11,567,580
Amortisation and impairment	
At 1 July 2016 and 30 June 2017	-
Carrying amount	
At 30 June 2016 and 30 June 2017	11,567,580

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 2017**

5 Tangible fixed assets

	Land and buildings under long leasehold	Assets under construction	Boat	Nets and gear	Electronics	Plant and equipment	Total
	£	£	£	£	£	£	£
Cost							
At 1 July 2016	86,924	8,763,170	-	13,900	-	-	8,863,994
Additions	-	15,124,926	-	668,831	1,011,075	12,803	16,817,635
Transfers	423,680	(23,888,096)	23,339,836	124,580	-	-	-
At 30 June 2017	510,604	-	23,339,836	807,311	1,011,075	12,803	25,681,629
Depreciation and impairment							
At 1 July 2016	26,076	-	-	13,900	-	-	39,976
Depreciation charged in the year	4,346	-	1,166,992	264,470	202,215	2,561	1,640,584
At 30 June 2017	30,422	-	1,166,992	278,370	202,215	2,561	1,680,560
Carrying amount							
At 30 June 2017	480,182	-	22,172,844	528,941	808,860	10,242	24,001,069
At 30 June 2016	60,848	8,763,170	-	-	-	-	8,824,018

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Derivative financial instruments	-	751,177
Other debtors	8,938	13,744
Prepayments and accrued income	42,539	49,889
	<u>51,477</u>	<u>814,810</u>

7 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	1,000,000	500,000
Trade creditors	372,337	19,365
Corporation tax	221,623	258,899
Derivative financial instruments	73,914	171,307
Accruals and deferred income	476,086	162,824
	<u>2,143,960</u>	<u>1,112,395</u>

8 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	<u>13,500,000</u>	<u>1,000,000</u>

The bank loan is secured by:

- 2 x floating charge over the company's assets and undertakings
- marine mortgage over 64/64 shares in the MV Antares. The carrying value of which is shown at note 6
- deed of assignation and covenant
- deed of undertaking incorporating assignation over shares in the Antares, fishing licences and quotas
- assignation in security (earnings, fishing licences and fishing rights)
- assignment in security (ship insurances)
- deed of covenant collateral to a ship mortgage

9 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>-</u>	<u>751,177</u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	<u>73,914</u>	<u>171,307</u>

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

9 Financial instruments (Continued)

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

	2017 £	2016 £
Deferred tax liabilities	1,865,317	1,757,458
	<u>1,865,317</u>	<u>1,757,458</u>

11 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 35,000 Ordinary shares of £1 each	35,000	35,000
	<u>35,000</u>	<u>35,000</u>

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:

	2017 £	2016 £
Within one year	10,284	10,284
Between one and five years	41,135	41,135
In over five years	454,191	464,474
	<u>505,610</u>	<u>515,893</u>

ANTARES FISHING (WHALSAY) COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	-	14,266,346
	<u> </u>	<u> </u>

14 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.