

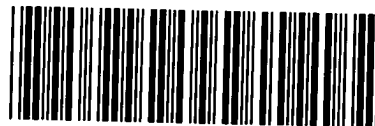
Company Registration No. SC109632 (Scotland)

CHARISMA FISHING COMPANY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018**

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CHARISMA FISHING COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

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.

CHARISMA FISHING COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	5	7,576,400		6,956,400	
Tangible assets	6	6,574,475		7,268,150	
		<u>14,150,875</u>		<u>14,224,550</u>	
Current assets					
Debtors falling due after more than one year	7	878,500	878,500		
Debtors falling due within one year	7	4,973,988	51,477		
Cash at bank and in hand		2,548	3,002,009		
		<u>5,855,036</u>	<u>3,931,986</u>		
Creditors: amounts falling due within one year	8	<u>(426,038)</u>	<u>(2,697,855)</u>		
Net current assets		<u>5,428,998</u>		<u>1,234,131</u>	
Total assets less current liabilities		<u>19,579,873</u>		<u>15,458,681</u>	
Provisions for liabilities	9	<u>(1,927,461)</u>		<u>(1,568,068)</u>	
Net assets		<u>17,652,412</u>		<u>13,890,613</u>	
Capital and reserves					
Called up share capital	10	90,000	90,000		
Profit and loss reserves		17,562,412	13,800,613		
Total equity		<u>17,652,412</u>		<u>13,890,613</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 12 December 2018 and are signed on its behalf by:

D K Hutchison
Director



W Polson
Director



CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Charisma Fishing Company Limited is a private company limited by shares and is registered and 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

All of the company's activities are considered to be continuing and no acquisitions have been made during the year.

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 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.

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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

Fishing licences and FQA's	20 years
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The company have chosen 20 years as the useful life of fishing licences as this is believed to be the best estimate.

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 on a straight line basis over their useful lives on the following bases:

Land and buildings Leasehold	20 years
Boat	5 - 40 years
Equipment, nets and gear	3 - 5 years

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.

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.

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.

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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.

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 and loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

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

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, 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 date.

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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.

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.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. Exchange differences are included in operating profit.

Leases

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

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.

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

2 Judgements and key sources of estimation uncertainty (Continued)

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 has to make estimates of the useful economic lives and residual values of tangible fixed assets and intangible fixed assets including fishing licences and fishing quota (Fixed Quota Allocation units). These estimates affect the depreciation and amortisation charge and the carrying value of fixed assets. The depreciation charge and carrying value of fixed assets are shown in notes 5 and 6. The directors believe that the residual value of the fishing licences and FQA's 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.

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. (2017 - none)

4 Dividends

	2018 £	2017 £
Total dividends		
Final paid	36,955	1,003,066

5 Intangible fixed assets

	Fishing licences and FQA's £
Cost	
At 1 July 2017	6,956,400
Additions	620,000
At 30 June 2018	7,576,400
Carrying amount	
At 30 June 2018	7,576,400
At 30 June 2017	6,956,400

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

6 Tangible fixed assets

	Land and buildings Leasehold	Assets under construction	Boat	Equipment, nets and gear	Total
	£	£	£	£	£
Cost					
At 1 July 2017	426,937	-	11,282,505	700,617	12,410,059
Additions	4,158	6,164,935	-	-	6,169,093
Disposals	-	-	(11,282,505)	(698,152)	(11,980,657)
At 30 June 2018	431,095	6,164,935	-	2,465	6,598,495
Depreciation and impairment					
At 1 July 2017	-	-	4,441,292	700,617	5,141,909
Depreciation charged in the year	21,555	-	-	-	21,555
Eliminated in respect of disposals	-	-	(4,441,292)	(698,152)	(5,139,444)
At 30 June 2018	21,555	-	-	2,465	24,020
Carrying amount					
At 30 June 2018	409,540	6,164,935	-	-	6,574,475
At 30 June 2017	426,937	-	6,841,213	-	7,268,150

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	854,191	-
Other debtors	4,119,797	51,477
	4,973,988	51,477
Amounts falling due after more than one year:		
Amounts owed by group undertakings	878,500	878,500
Total debtors	5,852,488	929,977

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	1,679,690
Corporation tax	380,229	677,365
Other creditors	45,809	340,800
	<u>426,038</u>	<u>2,697,855</u>

9 Provisions for liabilities

	Deferred tax £
Balance at 1 July 2017	1,568,068
Charged to profit and loss account in year	359,393
	<u>1,927,461</u>
Balance at 30 June 2018	<u>1,927,461</u>

10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
90,000 Ordinary shares of £1 each	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

11 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 auditor was RSM UK Audit LLP.

CHARISMA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

12 Operating lease commitments

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:

	2018 £	2017 £
Within one year	8,700	8,700
Between one and five years	34,800	34,800
In over five years	371,925	380,625
	<u>415,425</u>	<u>424,125</u>

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	<u>18,682,956</u>	<u>24,698,653</u>

14 Events after the reporting date

A payment was made, post year end, totalling £2,453,051 towards the construction of the new fishing vessel. Payments made during the year in respect of the new vessel have been recognised within assets under construction in fixed assets and the total commitment at the year end is shown above.

15 Parent company

The ultimate parent company is Charisma Holding Company Limited.

Charisma Holding Company Limited is a company incorporated in the UK. Their registered office is 5 Alexandra Building, Esplanade, Lerwick, Shetland, ZE1 0LL. They do not produce consolidated accounts on the basis that they are a small group.