

Company Registration No. 04741730 (England and Wales)

THE BLUE SEA FOOD COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

PAGES FOR FILING WITH REGISTRAR

THE BLUE SEA FOOD COMPANY LIMITED

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THE BLUE SEA FOOD COMPANY LIMITED

BALANCE SHEET

AS AT 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		2,791,743		2,499,536
Current assets					
Stocks		537,676		392,277	
Debtors	4	1,483,549		1,489,419	
Cash at bank and in hand		63,003		257,125	
		<u>2,084,228</u>		<u>2,138,821</u>	
Creditors: amounts falling due within one year	5	<u>(2,007,471)</u>		<u>(2,014,694)</u>	
Net current assets			76,757		124,127
Total assets less current liabilities			<u>2,868,500</u>		<u>2,623,663</u>
Creditors: amounts falling due after more than one year	6		(2,131,935)		(2,118,815)
Provisions for liabilities			<u>(71,379)</u>		<u>(77,983)</u>
Net assets			<u>665,186</u>		<u>426,865</u>
Capital and reserves					
Called up share capital	8		136		136
Capital redemption reserve			67		67
Profit and loss reserves			<u>664,983</u>		<u>426,662</u>
Total equity			<u>665,186</u>		<u>426,865</u>

The directors of the company have elected not to include a copy of the profit and loss account 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 24 January 2019 and are signed on its behalf by:

Mr D Markham
Director

Company Registration No. 04741730

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

The Blue Sea Food Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Wessex House, Teign Road, Newton Abbot, Devon, TQ12 4AA. The company trades from its premises at South Quay, The Harbour, Paignton, TQ4 6DT.

1.1 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 £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for the sale of crab seafood net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 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 leasehold	over the term of the lease between 3 and 15 years
Plant and machinery	10% straight line
Factory equipment	20% straight line
Office and IT equipment	33.33% straight line
Motor vehicles	25% straight line

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.

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. The company uses a standard costing model to determine the cost which is reviewed regularly and updated where significant changes occur within the assumptions made.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets 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.

1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred, subject to any conditions of the grant.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.16 Factoring

The company factors its trade debts by way of confidential invoice discounting. The company policy is to include trade debtors factored with recourse within trade debtors due within one year and the returnable element of proceeds is recorded in bank loans and overdrafts due within one year. Factoring fees and interest are charged to the profit and loss account when incurred. Bad debts borne by the company are charged to the profit and loss account when incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 150 (2017 - 141).

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 2017	1,829,042	1,849,591	3,678,633
Additions	446,799	281,390	728,189
Disposals	-	(21,925)	(21,925)
At 30 April 2018	2,275,841	2,109,056	4,384,897
Depreciation and impairment			
At 1 May 2017	498,142	680,955	1,179,097
Depreciation charged in the year	186,270	244,499	430,769
Eliminated in respect of disposals	-	(16,712)	(16,712)
At 30 April 2018	684,412	908,742	1,593,154
Carrying amount			
At 30 April 2018	1,591,429	1,200,314	2,791,743
At 30 April 2017	1,330,900	1,168,636	2,499,536

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,297,439	1,001,114
Other debtors	47,687	358,034
Prepayments and accrued income	138,423	130,271
	1,483,549	1,489,419

The value of trade debtors which are secured under a confidential invoice discounting agreement is £1,063,849 (2017: £1,042,384). The cash advanced by the bank under the agreement is included within creditors falling due within one year.

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	542,348	781,128
Trade creditors	603,405	403,116
Amounts due to group undertakings	-	44,540
Corporation tax	28,237	157,323
Other taxation and social security	42,216	44,261
Other creditors	791,265	584,326
	<u>2,007,471</u>	<u>2,014,694</u>

Other creditors include £177,388 (2017 - £47,072) of hire purchase commitments which are secured on the assets to which the finance relates and £53,569 (2017 - £68,726) of deferred grants.

Bank loans and overdrafts includes £487,786 (2017 - £733,469) for amount owed under a confidential invoice discounting agreement which is secured on the trade debts of the company as shown in note 4. Other amounts owed to the bank are secured by way of a fixed and floating charge over the company's assets.

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>2,131,935</u>	<u>2,118,815</u>

Other creditors include £428,609 (2017 - £100,414) of hire purchase commitments which are secured on the assets to which the finance relates and £303,326 (2017 - £328,401) of deferred grants.

7 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities	<u>71,379</u>	<u>77,983</u>

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
69 Ordinary "A" shares of £1 each	69	69
32 Ordinary "B" shares of £1 each	32	32
32 Ordinary "C" shares of £1 each	32	32
	<u>133</u>	<u>133</u>

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

8 Called up share capital (Continued)

Preference share capital

Issued and fully paid

1 Redeemable Preference "A" shares of £1 each	1	1
1 Redeemable Preference "B" shares of £1 each	1	1
1 Redeemable Preference "C" shares of £1 each	1	1
	<u>3</u>	<u>3</u>

9 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 Sean Murphy.
The auditor was Darnells Chartered Accountants.

10 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for its property. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years with an option to extend at the prevailing market rate.

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018	2017	2018	2017
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	-	-	-	159,200
Other related parties	63,290	36,125	1,128,993	822,168
	<u>63,290</u>	<u>36,125</u>	<u>1,128,993</u>	<u>822,168</u>

THE BLUE SEA FOOD COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

11 Related party transactions

(Continued)

During the year the company paid rent of £175,213 (2017 - £150,963) to Mr and Mrs T Bartlett, in respect of the factory from which the company operated and £nil (2017 - £5,556) in respect of equipment hire. The company also purchased assets from Mr & Mrs T Bartlett during the year costing £nil (2017 - £81,046).

During the year the company purchased assets, goods and services from Burgon (Eyemouth) Limited, a former subsidiary company, for £nil (2017 - £159,200).

During the year the company purchased crab from Amadeus Shellfish Company Limited, a company under the control of Mr T Bartlett, amounting to £1,128,993 (2017 - £822,168). Sales were made by the company for the transportation of crab of £63,290 (2017 - £36,125). These transactions were undertaken in the normal course of trade and were sold at trade prices at the time of sale.

	2018 £	2017 £
Amounts owed to related parties		
Entities over which the entity has control, joint control or significant influence	-	44,540
Other related parties	1,750,000	2,040,000

Close family members of the directors have loaned monies to the company for a minimum period of 3 years at an annual interest rate of between 5% and 10%. The total outstanding loans as at 30 April 2018 from close family members of the directors was £1,200,000 (2017 - £1,140,000). Amadeus Shellfish Company Limited, a company controlled by Mr T Bartlett, has provided loans to the company totalling £550,000 (2017 - £900,000). These loans are shown within other creditors of which £350,000 (2017 - £350,000) is shown as due in less than one year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.