

Atlantic Fresh Limited
FINANCIAL STATEMENTS
for the year ended
31 December 2013

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COMPANIES HOUSE

Atlantic Fresh Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

O Jonsson
M Gudmundsson

SECRETARY

O Jonsson

REGISTERED OFFICE

Grimsby Fish Market
Wharncliffe Road
Grimsby
DN31 3QJ

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Atlantic Fresh Limited

STRATEGIC REPORT

for the year ended 31 December 2013

REVIEW OF THE BUSINESS

Turnover has continued to decline in the import of whole fresh fish for auction. More whole fish is now processed in Iceland and this combined with greater supplies from Norway, sold directly and therefore competing with the auction have accounted for this decline. Sales of processed fish products continue to develop on the continent.

FUTURE DEVELOPMENTS

The company continues to work with the catching sector and the major processing plants in Iceland to maintain the current business despite the pressures discussed in the "Review of the Business". Alternative supplies are being investigated and the directors are working even closer with their customers.

PRINCIPAL RISKS AND UNCERTAINTIES

The current trend of reducing supplies to the auction market is the Principal Risk, but may increase the supplies of processed fish products. Management has taken action and reduced costs to mitigate any potential problems.

KEY PERFORMANCE INDICATORS

The directors consider the major KPI's to monitor the performance of the company are sales turnover and margin levels, and strict control of our accounts receivable ledgers mainly supported by Credit Insurance. In addition measures regarding customer satisfaction, product quality and employee safety are regularly reviewed.

On behalf of the board



M Gudmundsson
Director

9 September 2014

Atlantic Fresh Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Atlantic Fresh Limited for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activity of the company and group during the year was that of fish sales.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £616,157. The directors have not recommended a dividend.

FUTURE DEVELOPMENTS

Details of future developments are considered in the strategic report.

DIRECTORS

The directors who served the company during the year were as follows:

O Jonsson
M Gudmundsson

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board



M Gudmundsson
Director

9 September 2014

Atlantic Fresh Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC FRESH LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



MARTIN STANDISH (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

9 September 2014

Atlantic Fresh Limited

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

		2013	2012
	Notes	£	£
TURNOVER	1	44,701,660	43,514,111
Cost of sales		43,159,731	42,532,736
Gross profit		1,541,929	981,375
Administrative expenses		579,864	598,819
Other operating income	2	(28,389)	(80,800)
OPERATING PROFIT	3	990,454	463,356
Profit on disposal of investments		—	109,781
		990,454	573,137
Interest receivable		3,146	220
		993,600	573,357
Interest payable and similar charges	6	(17,248)	(11,927)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		976,352	561,430
Taxation	7	286,720	109,011
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		689,632	452,419
Minority interests		73,475	10,034
PROFIT FOR THE FINANCIAL YEAR	20	616,157	442,385

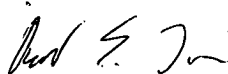
The profit for the year arises from the group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Atlantic Fresh Limited
GROUP BALANCE SHEET
31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	5,081	–
Tangible assets	10	136,701	159,498
		<u>141,782</u>	<u>159,498</u>
CURRENT ASSETS			
Stocks	12	–	63,667
Debtors	13	4,001,200	3,363,528
Cash at bank and in hand		1,163,331	588,970
		<u>5,164,531</u>	<u>4,016,165</u>
CREDITORS			
Amounts falling due within one year	14	3,122,025	2,655,932
NET CURRENT ASSETS		<u>2,042,506</u>	<u>1,360,233</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,184,288</u>	<u>1,519,731</u>
CREDITORS			
Amounts falling due after more than one year	15	65,364	73,798
PROVISION FOR LIABILITIES	16	1,777	4,812
		<u>2,117,147</u>	<u>1,441,121</u>
CAPITAL AND RESERVES			
Called up share capital	19	500	500
Foreign currency translation reserve	20	(10,057)	(12,144)
Other reserves	20	3,977	3,977
Profit and loss account	20	1,985,950	1,369,793
SHAREHOLDERS' FUNDS	21	<u>1,980,370</u>	<u>1,362,126</u>
MINORITY INTERESTS		<u>136,777</u>	<u>78,995</u>
		<u>2,117,147</u>	<u>1,441,121</u>

The financial statements on pages 6 to 21 were approved by the board of directors and authorised for issue on 9 September 2014 and are signed on their behalf by:



O Jonsson
 Director

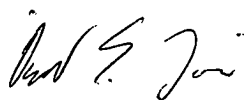
Atlantic Fresh Limited

BALANCE SHEET

31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	10	124,617	151,097
Investments	11	23,748	23,748
		<u>148,365</u>	<u>174,845</u>
CURRENT ASSETS			
Stocks	12	–	25,000
Debtors	13	1,426,090	2,737,715
Cash at bank and in hand		566,407	73,763
		<u>1,992,497</u>	<u>2,836,478</u>
CREDITORS			
Amounts falling due within one year	14	615,773	1,864,818
NET CURRENT ASSETS		<u>1,376,724</u>	<u>971,660</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,525,089</u>	<u>1,146,505</u>
CREDITORS			
Amounts falling due after more than one year	15	65,364	73,798
PROVISION FOR LIABILITIES	16	1,777	4,812
		<u>1,457,948</u>	<u>1,067,895</u>
CAPITAL AND RESERVES			
Called up share capital	19	500	500
Other reserves	20	550	550
Profit and loss account	20	1,456,898	1,066,845
SHAREHOLDERS' FUNDS		<u>1,457,948</u>	<u>1,067,895</u>

The financial statements on pages 6 to 21 were approved by the board of directors and authorised for issue on 9 September 2014 and are signed on their behalf by:



O Jonsson
Director

Atlantic Fresh Limited
GROUP CASH FLOW
for the year ended 31 December 2013

		2013	2012
	<i>Notes</i>	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	22.a	(513,089)	(355,705)
Returns on investments and servicing of finance	22.b	(29,795)	(11,707)
Taxation	22.b	(198,319)	(259,893)
Capital expenditure and financial investment	22.b	(12,777)	(57,381)
CASH OUTFLOW BEFORE FINANCING		<u>(753,980)</u>	<u>(684,686)</u>
Financing	22.b	1,708,646	–
INCREASE/(DECREASE) IN CASH IN THE PERIOD		<u>954,666</u>	<u>(684,686)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2013	2012
		£	£
Increase/(decrease) in cash in the period		954,666	(684,686)
Net cash inflow from invoice finance facility		(1,708,646)	–
Change in net debt	22.c	<u>(753,980)</u>	<u>(684,686)</u>
Net funds at the beginning of the year	22.c	133,664	818,350
Net (debt)/funds at the end of the year	22.c	<u>(620,316)</u>	<u>133,664</u>

Atlantic Fresh Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The directors believe the group has sufficient financial resources to continue to operate within its existing banking facilities, including invoice discounting and bank overdrafts. Therefore it is considered appropriate to prepare the financial statements on a going concern basis.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Atlantic Fresh Limited and all of its subsidiary undertakings. All financial statements are made up to 31 December 2013. These are adjusted, where appropriate, to conform to group accounting policies. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and supply of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Short leasehold property	- 10 years
Plant, fixtures and fittings	- 3 years
Motor vehicles	- 4 years

Residual value is calculated on prices prevailing at the date of acquisition.

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

Atlantic Fresh Limited

ACCOUNTING POLICIES

DEFERRED TAXATION

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 CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

The results of overseas subsidiaries with functional currencies other than in Sterling are translated using the temporal method. Exchange differences arising from retranslation at year end exchange rates of the net investment in foreign subsidiaries are recorded as a separate component of equity.

FINANCIAL INSTRUMENTS

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 entity after deducting all of its financial liabilities.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	20,175,812	24,606,809
Europe	24,525,848	18,907,302
	<u>44,701,660</u>	<u>43,514,111</u>

2 OTHER OPERATING INCOME

	2013	2012
	£	£
Management charges receivable	24,500	80,800
Other operating income	3,889	–
	<u>28,389</u>	<u>80,800</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Amortisation of government grants	(4,663)	(1,166)
Amortisation of intangible assets	14	–
Depreciation of owned fixed assets	30,479	17,118
Profit on disposal of fixed assets	–	(14,282)
Auditor's remuneration for statutory audit	17,900	23,500
Auditor's remuneration for other services	5,175	6,275
Other auditors remuneration for audit services	5,944	4,138
Operating lease costs:		
- Other	16,250	10,545
Net profit on foreign currency translation	<u>(6,918)</u>	<u>(47,182)</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

4 PARTICULARS OF EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2013	2012
	No	No
Number of administrative staff	8	7
Number of sales staff	8	8
	<u>16</u>	<u>15</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	418,683	541,069
Social security costs	130,533	131,870
Other pension costs	28,355	8,610
	<u>577,571</u>	<u>681,549</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	39,003	74,691
Value of company pension contributions to money purchase schemes	2,100	6,793
	<u>41,103</u>	<u>81,484</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
On bank overdrafts	17,248	11,242
On other loans	—	685
	<u>17,248</u>	<u>11,927</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax:		
UK taxation		
In respect of the year:		
UK Corporation tax based on the results for the year at 23.25% (2012 - 24.50%)	99,623	3,814
(Over)/under provision in prior year	(4,627)	7,165
	<u>94,996</u>	<u>10,979</u>
Foreign tax		
Current tax on income for the year	194,759	62,531
Total current tax	<u>289,755</u>	<u>73,510</u>
Deferred tax:		
Origination and reversal of timing differences	(3,035)	35,501
Tax on profit on ordinary activities	<u>286,720</u>	<u>109,011</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%), as explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>976,352</u>	<u>561,430</u>
Profit on ordinary activities by rate of tax	227,002	137,550
Effects of:		
Expenses not deductible for tax purposes	2,714	4,107
Depreciation for period in excess of capital allowances/(capital allowances for period in excess of depreciation)	2,999	(8,569)
Marginal relief	(2,521)	-
Adjustments to tax charge in respect of previous periods	(4,627)	7,165
Other short term timing differences	117	(56,032)
Disposal proceeds not taxable	-	(42,337)
Difference in rate between UK and foreign tax	64,071	31,626
Total current tax (note 8(a))	<u>289,755</u>	<u>73,510</u>

8 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £390,053 (2012 - £388,804).

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

9 INTANGIBLE FIXED ASSETS

Group	Trademarks, patents and licences £
Cost	
At 1 January 2013	3,511
Additions	5,095
At 31 December 2013	<u>8,606</u>
Amortisation	
At 1 January 2013	3,511
Charge for the year	14
At 31 December 2013	<u>3,525</u>
Net book value	
At 31 December 2013	<u>5,081</u>
At 31 December 2012	<u>–</u>

10 TANGIBLE FIXED ASSETS

Group	Short Leasehold Property £	Plant, Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2013	120,249	42,604	40,021	202,874
Additions	–	7,682	–	7,682
Disposals	–	(6,901)	–	(6,901)
At 31 December 2013	<u>120,249</u>	<u>43,385</u>	<u>40,021</u>	<u>203,655</u>
Depreciation				
At 1 January 2013	3,007	21,364	19,005	43,376
Charge for the year	12,025	9,529	8,925	30,479
On disposals	–	(6,901)	–	(6,901)
At 31 December 2013	<u>15,032</u>	<u>23,992</u>	<u>27,930</u>	<u>66,954</u>
Net book value				
At 31 December 2013	<u>105,217</u>	<u>19,393</u>	<u>12,091</u>	<u>136,701</u>
At 31 December 2012	<u>117,242</u>	<u>21,240</u>	<u>21,016</u>	<u>159,498</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

10 TANGIBLE FIXED ASSETS *(continued)*

Company	Short Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2013 and 31 December 2013	<u>120,249</u>	<u>19,734</u>	<u>34,597</u>	<u>174,580</u>
Depreciation				
At 1 January 2013	3,007	2,720	17,756	23,483
Charge for the year	12,025	6,591	7,864	26,480
At 31 December 2013	<u>15,032</u>	<u>9,311</u>	<u>25,620</u>	<u>49,963</u>
Net book value				
At 31 December 2013	<u>105,217</u>	<u>10,423</u>	<u>8,977</u>	<u>124,617</u>
At 31 December 2012	<u>117,242</u>	<u>17,014</u>	<u>16,841</u>	<u>151,097</u>

11 INVESTMENTS

Company	£
Cost	
At 31 December 2013 and 31 December 2012	<u>23,748</u>
Net book value	
At 31 December 2013 and 31 December 2012	<u>23,748</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
SUBSIDIARY UNDERTAKINGS				
All held by the company:				
SAS Atlantic Fresh Europe	France	Ordinary shares	80%	Fish sales

12 STOCKS

	2013 £	Group 2012 £	2013 £	Company 2012 £
Raw materials	<u>—</u>	<u>63,667</u>	<u>—</u>	<u>25,000</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

13 DEBTORS

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Trade debtors	2,949,348	2,400,039	555,378	671,040
Amounts owed by group undertakings	–	–	168,682	1,153,545
VAT recoverable	–	100,021	–	100,021
Other debtors	1,039,745	807,698	698,793	761,670
Prepayments and accrued income	12,107	55,770	3,237	51,439
	<u>4,001,200</u>	<u>3,363,528</u>	<u>1,426,090</u>	<u>2,737,715</u>

The debtors above include the following amounts falling due after more than one year:

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Other debtors	<u>290,000</u>	<u>–</u>	<u>290,000</u>	<u>–</u>

14 CREDITORS amounts falling due within one year

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank overdrafts	75,001	455,306	–	90,592
Invoice finance facility	1,708,646	–	–	–
Trade creditors	502,439	1,346,847	125,663	1,060,217
Corporation tax	95,248	3,812	95,248	3,812
Other taxation and social security	337,302	155,043	10,033	26,611
Other creditors	228,035	462,380	209,475	451,042
Accruals and deferred income	175,354	232,544	175,354	232,544
	<u>3,122,025</u>	<u>2,655,932</u>	<u>615,773</u>	<u>1,864,818</u>

The following liabilities disclosed under creditors falling due within one year are secured:

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Bank overdrafts	75,001	455,306	–	90,592
Invoice finance facility	1,708,646	–	–	–
	<u>1,783,647</u>	<u>455,306</u>	<u>–</u>	<u>90,592</u>

The bank overdrafts are secured by a fixed charge over book and other debts both present and future and a first floating charge over all assets both present and future.

The invoice discount financing of £1,708,646 is secured on debtors of £2,393,970. The group has also provided a warranty to the factors as disclosed in note 18.

15 CREDITORS amounts falling due after more than one year

	2013	Group 2012	2013	Company 2012
	£	£	£	£
Accruals and deferred income	<u>65,364</u>	<u>73,798</u>	<u>65,364</u>	<u>73,798</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

16 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Provision/(asset) brought forward	4,812	(30,689)	4,812	(30,689)
(Decrease)/increase in provision	(3,035)	35,501	(3,035)	35,501
Provision carried forward	<u>1,777</u>	<u>4,812</u>	<u>1,777</u>	<u>4,812</u>

The group and company's provisions for deferred taxation consist of the tax effect of timing differences in respect of:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	2,377	5,387	2,377	5,387
Other timing differences	(600)	(575)	(600)	(575)
	<u>1,777</u>	<u>4,812</u>	<u>1,777</u>	<u>4,812</u>

17 CONTINGENCIES

The company has given indemnities to its bankers in respect of guarantees, given in the normal course of trading, to third parties amounting to £160,000 (2012: £160,000).

The group is party to a warranty of €50,000 (2012: €50,000).

The group is party to a warranty to the factors of SAS Atlantic Fresh Europe of €238,000 (2012: €nil).

18 RELATED PARTY TRANSACTIONS

During the year Atlantic Fresh Limited made sales to SAS Atlantic Fresh Europe totalling £11,658,955 (2012: £11,993,733). The amounts owing to Atlantic Fresh Limited at 31 December 2013 were £168,682 (2012: £1,153,545).

SAS Atlantic Fresh Europe has paid a dividend to Atlantic Fresh Limited of £67,797 (2012: £nil).

Cost of sales includes management charges and other commissions payable to companies owned by directors of this company as follows:

	2013	2012
	£	£
For the services of O Jonsson	148,150	85,000
For the services of M Gudmundsson	<u>181,069</u>	<u>94,736</u>

Included in creditors are £53,630 (2012 £48,000) for the services of M Gudmundsson and £53,630 (2012 £85,000) for the services of O Jonsson.

Atlantic Fresh Limited

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for the year ended 31 December 2013

18 RELATED PARTY TRANSACTIONS *(continued)*

Included in other operating income are the following amounts received from companies in which O Jonsson is a director and shareholder:

	2013	2012
	£	£
Mariner Foods Limited	22,000	18,000
Norstar Trading Limited	1,100	17,800
Fishgate Limited	—	45,000

Sales to Mariner Foods Limited in the year amounted to £968,839 (2012 £528,589). The debtor at the year end is £210,862 (2012 £528,589). A doubtful debt provision of £156,686 has been included against this amount.

Other debtors includes a loan of £25,300 (2012 £17,500) to Atlantic Vision Limited, a company in which M Gudmundsson is a director and M Gudmundsson and O Jonsson are shareholders.

During the year the company loaned £nil (2012 £95,262) to Fishgate Limited, a business in which M Gudmundsson and O Jonsson are shareholders and O Jonsson is a director.

Other debtors includes £175,791 (2012 £178,742) due from FCH Holding, a company of which F Hartmann, a director of Atlantic Fresh Europe, is a shareholder. Management fees of £138,333 (2012 £nil) were paid to FCH Holding during the year.

Other debtors includes £290,000 (2012 £40,000) due from Sealincs Limited, a company in which O Jonsson is a director and shareholder.

19 SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid:		
500 Ordinary shares of £1 each	500	500

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

20 RESERVES

Group	Capital redemption reserve	Foreign currency translation reserve	Other reserve	Profit and loss account
	£	£	£	£
At 1 January 2013	550	(12,144)	3,427	1,369,793
Profit for the year	–	–	–	616,157
Exchange differences on translation of net assets of subsidiary undertakings	–	2,087	–	–
At 31 December 2013	<u>550</u>	<u>(10,057)</u>	<u>3,427</u>	<u>1,985,950</u>

Company	Capital redemption reserve	Profit and loss account
	£	£
At 1 January 2013	550	1,066,845
Profit for the year	–	390,053
At 31 December 2013	<u>550</u>	<u>1,456,898</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	616,157	442,385
New ordinary share capital subscribed	–	50
Exchange differences on retranslation of net assets of subsidiary undertakings	2,087	(5,270)
Net addition to shareholders' funds	618,244	437,165
Opening shareholders' funds	1,362,126	924,961
Closing shareholders' funds	<u>1,980,370</u>	<u>1,362,126</u>

22 CASH FLOWS

a Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£	£
Operating profit	990,454	463,356
Amortisation	14	–
Depreciation	30,479	17,118
Profit on disposal of fixed assets	–	(14,282)
Decrease in stocks	63,667	61,090
Increase in debtors	(637,672)	(344,414)
Decrease in creditors	(953,684)	(709,936)
Loss/(gain) on foreign currency translation	2,087	(5,270)
Profit on disposal of investments	–	178,742
Release of deferred capital grants	(8,434)	(2,109)
Net cash outflow from operating activities	<u>(513,089)</u>	<u>(355,705)</u>

Atlantic Fresh Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

22 CASH FLOWS (continued)

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2013	2012
	£	£
Interest received	3,146	220
Interest paid	(17,248)	(11,927)
Dividend paid to minority interest	(15,693)	–
Net cash outflow from returns on investments and servicing of finance	<u>(29,795)</u>	<u>(11,707)</u>

Taxation

	2013	2012
	£	£
Taxation	<u>(198,319)</u>	<u>(259,893)</u>

Capital expenditure

	2013	2012
	£	£
Payments to acquire intangible fixed assets	(5,095)	–
Payments to acquire tangible fixed assets	(7,682)	(248,825)
Receipts from sale of fixed assets	–	191,444
Net cash outflow from capital expenditure	<u>(12,777)</u>	<u>(57,381)</u>

Financing

	2013	2012
	£	£
Increase in invoice finance facility	<u>1,708,646</u>	<u>–</u>

c Analysis of net debt

	At 1 Jan 2013	Cash flows	At 31 Dec 2013
	£	£	£
Cash in hand and at bank	588,970	574,361	1,163,331
Overdrafts	(455,306)	380,305	(75,001)
	<u>133,664</u>	<u>954,666</u>	<u>1,088,330</u>
Debt due within 1 year	–	(1,708,646)	(1,708,646)
	–	<u>(1,708,646)</u>	<u>(1,708,646)</u>
Total	<u>133,664</u>	<u>(753,980)</u>	<u>(620,316)</u>