

WHITBY SEAFOODS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



WHITBY SEAFOODS LIMITED

COMPANY INFORMATION

Directors

J G Whittle
S Wormald
L M Whittle
E J Whittle
D A Wormald
D J Whittle
P W Farnsworth
R S Macdonald
M Murphy

Company secretary

S Wormald

Registered number

01869220

Registered office

Fairfield Way
Whitby Business Park
Whitby
North Yorkshire
YO22 4PU

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

WHITBY SEAFOODS LIMITED

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WHITBY SEAFOODS LIMITED

**CONSOLIDATED STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The principal activities of the Group in the period under review were those of the manufacturing and marketing of the Whitby Seafoods' brands of frozen and chilled seafood products.

Our aim is "to wow our customers with bloomin' special seafood" which is demonstrated in the brand equity that we enjoy from the Whitby brands, and our scale as the leading manufacturer of scampi products in the United Kingdom.

Business review

The Group's key financial results were as follows:

	2021	2020
	£'000	£'000
Turnover	59,253	56,099
Operating profit	4,896	2,676
Profit before taxation	4,202	1,972
EBITDA	6,670	4,300

The Group faced a difficult start to 2021 with the restrictions in place on the foodservice sector of the UK economy; however, from Spring 2021 the remainder of the year exhibited a strong recovery in sales in foodservice, with the growth in brand continuing in the retail sector.

The business and its people continued to demonstrate an agility throughout the year in meeting customer and consumer demands and by the close of 2021 the business, aligned with its stakeholders, delivered a strong performance in its trading results and its commitments to all its interested parties.

Following the Covid pandemic, the Group continues to rely upon agile approaches to conducting business and strong supplier and customer relationships to ensure success. New challenges in the form of food inflation, cost of living, rising energy costs and uncertain macro-economic conditions, mean that 2022 and beyond will continue to present both challenges and opportunities to the sector. 2022 trading to date suggests market demand continues to be strong in both foodservice and retail, although the sector is susceptible to cost inflation across all supplier bases. The management, minimising and mitigation of rising costs will remain key as the Group's business moves forward.

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties

The Group is heavily dependent on the availability of seafood which can be affected by natural factors. Raw material price increases are offset by manufacturing cost savings and price increases on product sales. The influence of larger customers has grown in the seafood marketplace, which has led to the Group investing in the sales of branded products to grow sales.

Sourcing of raw material responsibly and ethical trading are key core values to the Group, which is committed to supporting the local fishing industry.

Manufacturing facilities could be disrupted for reasons beyond our control, such as extremes of weather, supplies of raw materials or environmental measures. We try to minimise these risks through adequate stockholdings and two geographically separate manufacturing sites.

The decision by the UK to leave the EU continues to present challenges to the Group, particularly around cross border logistics and the movement of labour.

The impact on costs from inflation arising from uncertainties in energy markets and impacts from Global factors are being seen and the business continues to work to mitigate these risks on various fronts.

There exists continuing uncertainty surrounding the Covid – 19 Global pandemic which may still present a risk to both trading and financial markets.

Financial key performance indicators

The Group's performance is measured in terms of net sales growth and operating profit. The key measure of underlying profitability is earnings before interest, tax, depreciation and amortisation charges ('EBITDA'). Progress is monitored by management on a monthly basis. Cash flow generation from operations in the year to 31 December 2021 was satisfactory.

Regular monthly management accounts are produced for review by the Board. These accounts are used to make decisions and assess business performance.

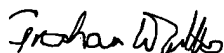
Other key performance indicators

The Group monitors a range of non financial indicators encompassing employee engagement and turnover through its employee committees, customer satisfaction through service level performance, and health and safety through reporting and engagement with its health and safety representatives. Our people are key stakeholders in the future of the Group and its brands.

This report was approved by the board on

29/9/2022

and signed on its behalf.



J G Whittle
Chairman

WHITBY SEAFOODS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £3,206,825 (2020 - £1,514,051).

The principal activities of the Group in the period under review were those of the manufacturing and marketing of the Whitby Seafoods' brands of frozen and chilled seafood products in the United Kingdom.

Equity dividends of £100,000 (2020: £50,000) were paid during the year.

Directors

The directors who served during the year, and up to the date of this report, were:

J G Whittle
S Wormald
L M Whittle
E J Whittle
D A Wormald
D J Whittle
P W Farnsworth
R S Macdonald
M Murphy

Directors' responsibilities statement

The directors are responsible for preparing the Consolidated Strategic Report, the Directors' Report and the consolidated 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 the Group and of the profit or loss of the Group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WHITBY SEAFOODS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Health and safety of employees

The well-being of the Group's employees is safeguarded through strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 1989 imposes certain requirements on employers and the Group has taken the necessary action to ensure compliance with the Act, including the adoption of a Safety Statement.

Going concern

The directors have considered the current economic uncertainties including the impact of a potential downturn in the economy, increased inflation and rising interest costs when preparing the going concern assessment. The Group's actions have minimised the impact of these uncertainties. In concluding on going concern, the directors have considered the impact of a downturn in the economy but have concluded that the Group, which has diversified markets and a strong, well established and recognised brand, is sufficiently prepared due to its strong balance sheet, funding position, trading results for 2021 and 2022 to date and future order book.

The directors have reviewed the finance facilities available to the Group, including bank loans, hire purchase, lease financing and ABL arrangements, and are confident that all these facilities remained available throughout 2021 and 2022 to date and will continue to be available throughout 2023. The forecasts, taking into account a reasonably possible change in trading performance, show that the Group will be able to operate within the level of its currently available facilities and will meet the covenants within its financing agreements.

The directors, therefore, believe that the Group has adequate resources to adopt the going concern basis of accounting in preparing the annual financial statements.

Future developments

It is the Board's intention to grow the business while ensuring an acceptable return on investment and EBITDA to fulfil the requirements of all stakeholders. This is planned through continuing the investment in high quality people and equipment required to meet the challenges of achieving sales growth and consolidating Group operations.

Research and development activities

The Group has an ongoing commitment to invest in new and improved products through product and manufacturing innovation, designed to 'wow our customers' and maintain our market leading position.

Employee involvement

The Group has established communication procedures for keeping its employees informed about the Group and individual business operations in which they work, through regular meetings between senior management and elected employee representatives. The Group is committed to providing equality of opportunity to all employees and to applying equitable employment policies. The Group complies with all Disability Discrimination Act requirements.

The health and safety of all employees is of paramount importance in the way we undertake our business with health and safety being monitored on an ongoing basis, with additional regular committee and board meetings reviewing our performance.

WHITBY SEAFOODS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Engagement with suppliers, customers and others

Whitby Seafoods Limited is a business with a strong Yorkshire heritage based on ethical relationships with our suppliers worldwide. Ethical sourcing and sustainability of fishing resources are key values in our supplier relationships. The Group works toward reducing its environmental impact in relation to the use of scarce resources and promotes corporate social responsibility throughout its operations.

During 2021 charitable donations of £20,805 were made to local organisations in Yorkshire and Northern Ireland supporting local ventures close to our site operations. Support is also provided to The Seafood Social CIC, a non profit venture aiming to tackle homelessness and its causes in North Yorkshire.

Our employees' engagement is central and essential to the business success with communications being at the heart of our developing culture. Whitby Seafoods' equality policy is central to the Group's commitment to equal opportunities for all the Group. The rights of disabled persons and the responsibilities of the Group are outlined in the policy.

Directors' statement of compliance with duty to promote the success of the Group

The board of directors of Whitby Seafoods Limited, individually and collectively, actively considers that they have acted in good faith in their actions for the year ended 31 December 2021, promoting the success of the Group for the benefit of its members as a whole, acting fairly between all members of the Group, while having regard for the long term consequences of their decisions, the interest of the Group's employees, and relationships with customers and suppliers. The directors have taken regard of the community and environment in their actions and at all times aimed to maintain a reputation for high standards in the performance of their duties.

The directors of UK companies have a duty to promote the success of their Group for the benefit of its members and stakeholders as a whole having regard to:

- The likely consequences of any decision in the long term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The impact of the Group's operations on the community and the environment;
- The desire of the Group to maintain a reputation for high standards of business conduct; and
- The need to act fairly between members of the Group.

The Group aims to develop excellent relations with the local communities near to its business operations, supporting local charities and community initiatives undertaking worthwhile projects such as The Seafood Social CIC.

The Group aims to minimise its environmental impact by initiatives to reduce energy consumption and waste with projects to increase the use of recyclable packaging in the supply chain.

Key decisions in the year have related to the securing of sustainable supplies of raw materials by investing in the supply chain for scampi, by participating in industry bodies and investing directly in the fishing fleet, supporting ethical and environmentally improved sourcing.

Significant capital expenditure (£1.05 million) primarily in production facilities was undertaken with associated increase in borrowing to secure sales growth and the future expansion of the business while securing its market position. These developments were supported by communications with the Group's stakeholders.

Qualifying third party indemnity provisions

All directors benefited from qualifying indemnity insurance policies in place during the financial year.

WHITBY SEAFOODS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires the Group to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. GHG emissions have been internally calculated using a template provided by the Carbon Trust which followed the GHG protocol guidelines. The reporting period covers 1 January 2019 to 31 December 2021.

Reported energy and GHG emissions has been calculated in accordance with the GHG Protocol guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, refrigerants and all travel in company owned vehicles.

In addition to the mandatory requirement to disclose the Group's annual UK energy consumption and greenhouse gas (GHG) emissions from SECR regulated sources, the Group has decided to extend further its reporting by including data for 2019-2021, alongside additional intensity ratio relating to kgCO₂e per kg of product manufactured. It is the Group's intention to continue doing better than the minimum and attempt to make the greatest feasible contribution to energy efficiency.

The table below details the regulated SECR energy and GHG emission sources from the current and the two previous periods.

	2021	2020	2019
Energy (kWh)			
Natural gas	137,375	123,228	155,803
Kerosene	182,191	165,372	140,367
Electricity	6,736,491	5,943,567	4,892,180
Red Diesel	359,750	170,704	900,589
Total energy (kWh)	7,416,007	6,402,871	6,088,938
Emissions (tCO₂e)			
Natural gas	28	25	23
Other Fuels	144	89	279
Owned Vehicles	29	37	81
Fugitive Gases	255	274	548
Electricity	1,430	1,262	1,039
Total emissions (kgCO ₂ e) location based	1,887,216	1,686,676	1,970,171
Total emissions (kgCO ₂ e) market based	456,856	424,679	931,414
Intensity Ratios			
Finished Goods produced (kg)	9,499,000	8,760,000	9,746,000
Intensity Ratio (kgCO ₂ e / kg)			
Finished Goods Scope 1/2)	0.199	0.193	0.202
Turnover (£)	59,113,000	56,099,000	60,404,000
tCO ₂ e/£100,000 of revenue Intensity ratio	3.13	3.33	3.07

Intensity ratios are showing a decrease since pre-pandemic levels in kgCO₂e per kg product manufactured, which is largely a consequence of switching to a lower emission production equipment for the majority of retail production. The main gross increase in total emissions in the outlined periods relates to new cold storage facilities being added to both Whitby and Kilkeel sites, which has reduced the number of journeys to third party cold stores substantially. We cannot yet demonstrate the overall CO₂e saving from these investments in terms of our scope three emissions, but will aim to have completed this work by the end of 2022. Our ambition is to demonstrate our efforts to achieve net zero more thoroughly, as the feedback from our employees and stakeholders increasingly inform us that these numbers really mean something to them.

WHITBY SEAFOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

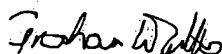
The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's and the Group's auditor is unaware, and
- the directors 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 the Company's and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29/9/2022 and signed on its behalf.



J G Whittle
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBY SEAFOODS LIMITED

Opinion

We have audited the financial statements of Whitby Seafoods Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBY SEAFOODS LIMITED
(CONTINUED)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Consolidated Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Consolidated Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBY SEAFOODS LIMITED
(CONTINUED)**

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Consolidated Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBY SEAFOODS LIMITED
(CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations, where the consequence of non-compliance could reasonably be expected to have a material effect on the financial statements, from our general commercial and sector experience and through discussions with the group's management. We corroborated the results of our enquiries with those charged with governance and to supporting documentation such as board minute reviews and our legal and professional expenses review;
- We determined that the laws and regulations most directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102 'The Financial Reporting Standard applicable in the UK and Ireland', the Companies Act 2006) and relevant tax legislation in the UK;
- In addition, we concluded that there are certain significant laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material impact if non-compliance were to occur: health and safety regulations, employment law and anti-bribery legislation.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by making enquiries of management and those charged with governance, and updating our understanding of the Group's operations, financial reporting obligations and control environment, including around compliance with laws and regulations. We considered the risk of fraud to be higher through the potential for management override of controls;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBY SEAFOODS LIMITED
(CONTINUED)**

- Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, particularly around journal processing;
 - Journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business;
 - Challenging assumptions and judgements made by management relating to its areas of significant estimation and judgement;
 - Reviewing legal and professional expenditure in the year to assess for any indicators of non-compliance with relevant laws and regulations; and
 - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - knowledge of the industry in which the group operates and understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
 - understanding of the legal and regulatory requirements specific to the Group.
- All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.

Use of our report

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.

A black and white image of a handwritten signature, which appears to be "Richard Hobson".

Richard Hobson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 29/9/2022

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	59,253,296	56,098,580
Cost of sales		(47,159,838)	(47,821,433)
Gross profit		12,093,458	8,277,147
Administrative expenses		(8,096,590)	(6,755,999)
Other operating income	5	898,820	1,154,582
Operating profit	6	4,895,688	2,675,730
Interest receivable	10	11,306	13,206
Interest payable	11	(705,073)	(716,502)
Profit before taxation		4,201,921	1,972,434
Tax on profit	12	(995,096)	(458,383)
Profit for the financial year		3,206,825	1,514,051
Deferred tax through other comprehensive income		-	6,500
Other comprehensive income for the year		-	6,500
Total comprehensive income for the year		3,206,825	1,520,551

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	503,666	576,249
Tangible assets	15	12,236,325	12,906,167
		<u>12,739,991</u>	<u>13,482,416</u>
Current assets			
Stocks	17	18,485,175	18,994,040
Debtors	18	11,182,012	8,813,133
Cash at bank and in hand	19	909,280	886,429
		<u>30,576,467</u>	<u>28,693,602</u>
Creditors: amounts falling due within one year	20	<u>(23,297,809)</u>	<u>(23,073,293)</u>
Net current assets		<u>7,278,658</u>	<u>5,620,309</u>
Total assets less current liabilities		<u>20,018,649</u>	<u>19,102,725</u>
Creditors: amounts falling due after more than one year	21	(4,875,951)	(7,326,352)
Provisions for liabilities			
Deferred taxation	25	(1,219,900)	(960,400)
		<u>(1,219,900)</u>	<u>(960,400)</u>
Net assets		<u><u>13,922,798</u></u>	<u><u>10,815,973</u></u>

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	27	28,000	28,000
Revaluation reserve	26	896,175	896,175
Capital redemption reserve	26	34,000	34,000
Profit and loss account	26	12,964,623	9,857,798
Equity attributable to owners of the parent Company		<u><u>13,922,798</u></u>	<u><u>10,815,973</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/9/2022

Daniel Whittle

D J Whittle
Director

Steve Wormald

S Wormald
Director

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	11,009,589	11,519,451
Investments	16	2,566,090	2,566,090
		<u>13,575,679</u>	<u>14,085,541</u>
Current assets			
Stocks	17	18,485,175	11,205,327
Debtors	18	11,181,227	10,416,447
Cash at bank and in hand	19	749,734	426,922
		<u>30,416,136</u>	<u>22,048,696</u>
Creditors: amounts falling due within one year	20	(23,443,005)	(20,852,210)
Net current assets		<u>6,973,131</u>	<u>1,196,486</u>
Total assets less current liabilities		<u>20,548,810</u>	<u>15,282,027</u>
Creditors: amounts falling due after more than one year	21	(9,056,565)	(7,223,340)
Provisions for liabilities			
Deferred taxation	25	(1,053,300)	(831,000)
		<u>(1,053,300)</u>	<u>(831,000)</u>
Net assets		<u><u>10,438,945</u></u>	<u><u>7,227,687</u></u>

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	27	28,000	28,000
Revaluation reserve	26	896,175	896,175
Capital redemption reserve	26	34,000	34,000
Profit and loss account brought forward		6,269,512	10,884,602
Profit for the year		3,311,258	1,458,410
Purchase of own shares		-	(6,030,000)
Other comprehensive income		-	6,500
Equity dividends		(100,000)	(50,000)
Profit and loss account carried forward		9,480,770	6,269,512
		<u>10,438,945</u>	<u>7,227,687</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/9/2022

Daniel Whittle

D J Whittle
Director

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Director

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	28,000	34,000	896,175	9,857,798	10,815,973
Comprehensive income for the year					
Profit for the year	-	-	-	3,206,825	3,206,825
Total comprehensive income for the year	-	-	-	3,206,825	3,206,825
Dividends: Equity capital	-	-	-	(100,000)	(100,000)
Total transactions with owners	-	-	-	(100,000)	(100,000)
At 31 December 2021	28,000	34,000	896,175	12,964,623	13,922,798

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	42,000	20,000	896,175	14,417,247	15,375,422
Comprehensive income for the year					
Profit for the year	-	-	-	1,514,051	1,514,051
Deferred tax movements	-	-	-	6,500	6,500
Total comprehensive income for the year	-	-	-	1,520,551	1,520,551
Dividends: Equity capital	-	-	-	(50,000)	(50,000)
Purchase of own shares	-	14,000	-	(6,030,000)	(6,016,000)
Shares cancelled during the year	(14,000)	-	-	-	(14,000)
Total transactions with owners	(14,000)	14,000	-	(6,080,000)	(6,080,000)
At 31 December 2020	28,000	34,000	896,175	9,857,798	10,815,973

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	28,000	34,000	896,175	6,269,512	7,227,687
Comprehensive income for the year					
Profit for the year	-	-	-	3,311,258	3,311,258
Total comprehensive income for the year	-	-	-	3,311,258	3,311,258
Dividends: Equity capital	-	-	-	(100,000)	(100,000)
Total transactions with owners	-	-	-	(100,000)	(100,000)
At 31 December 2021	28,000	34,000	896,175	9,480,770	10,438,945

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	42,000	20,000	896,175	10,884,602	11,842,777
Comprehensive income for the year					
Profit for the year	-	-	-	1,458,410	1,458,410
Deferred tax movements	-	-	-	6,500	6,500
Total comprehensive income for the year	-	-	-	1,464,910	1,464,910
Dividends: Equity capital	-	-	-	(50,000)	(50,000)
Purchase of own shares	-	14,000	-	(6,030,000)	(6,016,000)
Shares cancelled during the year	(14,000)	-	-	-	(14,000)
Total transactions with owners	(14,000)	14,000	-	(6,080,000)	(6,080,000)
At 31 December 2020	28,000	34,000	896,175	6,269,512	7,227,687

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	3,206,825	1,514,051
Adjustments for:		
Amortisation of intangible fixed assets	72,583	72,583
Depreciation of tangible fixed assets	1,701,317	1,551,258
Loss on disposal of tangible fixed assets	-	(23,910)
Interest paid	705,073	716,501
Interest received	(11,306)	(13,206)
Taxation charge	995,096	458,383
Decrease in stocks	508,865	3,976,434
(Increase)/decrease in debtors	(2,368,879)	1,609,966
(Decrease) in creditors	(43,291)	(3,129,491)
Corporation tax (paid)	(305,220)	(125,507)
Net cash generated from operating activities	4,461,063	6,607,062
Cash flows from investing activities		
Purchase of tangible fixed assets	(960,412)	(1,838,965)
Sale of tangible fixed assets	18,000	157,825
Interest received	11,306	13,206
HP interest paid	(107,528)	(137,235)
Net cash from investing activities	(1,038,634)	(1,805,169)

WHITBY SEAFOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	-	1,535,000
Repayment of loans	(241,071)	(430,111)
Other new loans	-	3,000,000
Repayment of other loans	(1,387,903)	-
Repayment of finance leases	(750,538)	(466,070)
Dividends paid	(100,000)	(50,000)
Interest paid	(597,545)	(579,267)
Purchase of shares	-	(6,030,000)
Net cash used in financing activities	(3,077,057)	(3,020,448)
Net increase in cash and cash equivalents	345,372	1,781,445
Cash and cash equivalents at beginning of year	(11,138,040)	(12,919,485)
Cash and cash equivalents at the end of year	(10,792,668)	(11,138,040)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	909,280	886,429
Bank overdrafts	(11,701,948)	(12,024,469)
	(10,792,668)	(11,138,040)

The notes on pages 22 to 44 form part of these financial statements.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Whitby Seafoods Limited is a limited company registered in England and Wales. Its registered office is Fairfield Way, Whitby Business Park, Whitby, YO22 4PU.

The principal activities of the Group in the period under review were those of the manufacturing and marketing of the Whitby Seafoods' brands of frozen seafood products in the United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions in the individual financial statements of Whitby Seafoods Limited:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows
- From disclosing the company's key management personnel compensation, as required by FRS102 paragraph 33.7

2.2 Basis of consolidation

The consolidated financial statements present the results of company and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.3 Going concern**

The directors have considered the current economic uncertainties including the impact of a potential downturn in the economy, increased inflation and rising interest costs when preparing the going concern assessment. The Group's actions have minimised the impact of these uncertainties. In concluding on going concern, the directors have considered the impact of a downturn in the economy but have concluded that the Group, which has diversified markets and a strong, well established and recognised brand, is sufficiently prepared due to its strong balance sheet, funding position, trading results for 2021 and 2022 to date and future order book.

The directors have reviewed the finance facilities available to the Group, including bank loans, hire purchase, lease financing and ABL arrangements, and are confident that all these facilities remained available throughout 2021 and 2022 to date and will continue to be available throughout 2023. The forecasts, taking into account a reasonably possible change in trading performance, show that the Group will be able to operate within the level of its currently available facilities and will meet the covenants within its financing agreements.

The directors, therefore, believe that the Group has adequate resources to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible fixed assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Income statement over its useful economic life. All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill is amortised on a straight line basis over 20 years.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Long term leasehold property	- Over the period of the lease
Plant and machinery	- 5 - 20% straight line
Motor vehicles	- 20 - 25% straight line

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure. This includes income from the government's Coronavirus Job Retention Scheme.

2.15 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.18 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful lives of fixed assets, the carrying value of freehold properties, the carrying value of stocks and recoverability of debts. Although these estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the Group. During the year turnover of £401,073 (2020: £654,446) was made to the Rest of Europe, the remainder of the turnover being to the United Kingdom.

5. Other operating income

	2021 £	2020 £
Release of grant income	94,904	94,886
Coronavirus Job Retention Scheme income	787,603	1,040,706
Rental income	16,313	18,990
	<u>898,820</u>	<u>1,154,582</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation of tangible fixed assets - held under finance leases and hire purchase contracts	424,951	745,587
Depreciation of tangible fixed assets - owned	1,276,366	805,671
Amortisation of intangible fixed assets	72,583	72,583
Exchange differences	(5,655)	(9,812)
Other operating lease rentals	139,719	135,516
	<u>1,868,964</u>	<u>1,790,134</u>

WHITBY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	27,000	21,000
	<u>27,000</u>	<u>21,000</u>
Fees payable to the Group's auditor in respect of:		
The auditing of accounts of subsidiaries of the Group pursuant to legislation	9,500	12,500
Other services relating to taxation	10,000	12,500
Services relating to information technology	4,450	4,450
Accounting services	3,000	1,500
	<u>26,950</u>	<u>30,950</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	11,708,803	10,536,617	6,210,364	5,804,156
Social security costs	1,019,872	906,393	563,205	511,139
Cost of defined contribution scheme	497,364	509,327	341,262	372,864
	<u>13,226,039</u>	<u>11,952,337</u>	<u>7,114,831</u>	<u>6,688,159</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Office and management	77	73	68	66
Production and sales	340	314	110	110
	<u>417</u>	<u>387</u>	<u>178</u>	<u>176</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,212,718	1,132,830
Group contributions to defined contribution pension schemes	94,827	87,068
	<u>1,307,545</u>	<u>1,219,898</u>

During the year retirement benefits were accruing to 6 directors (2020 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £391,464 (2020 - £251,099).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020 - £NIL).

10. Interest receivable

	2021 £	2020 £
Bank and other interest receivable	<u>11,306</u>	<u>13,206</u>

11. Interest payable

	2021 £	2020 £
Bank interest payable	65,055	44,859
Other loan interest payable	4,501	5,302
Loan note interest	272,386	221,538
Finance leases and hire purchase contracts	107,528	137,235
Asset-backed lending interest payable	255,603	307,568
	<u>705,073</u>	<u>716,502</u>

WHITBY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	834,509	267,354
Adjustments in respect of previous periods	(98,913)	(38,371)
Total current tax	735,596	228,983
Deferred tax		
Origination and reversal of timing differences - current year	(45,672)	142,863
Origination and reversal of timing differences - prior year	1,485	(181)
Tax rate changes	303,687	86,718
Total deferred tax (note 25)	259,500	229,400
Taxation on profit on ordinary activities	995,096	458,383

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	4,201,921	1,972,434
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	798,365	374,762
Effects of:		
Non-tax deductible amortisation of goodwill	13,818	13,818
Income/expenses not deductible for tax purposes, other than goodwill	(12,427)	21,608
Adjustments to tax charge in respect of prior periods	(97,428)	(38,552)
Other differences leading to a decrease in the tax charge	56	29
Increase in deferred tax due to tax rate changes	292,712	86,718
Total tax charge for the year	995,096	458,383

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Dividends

	2021 £	2020 £
Equity dividends paid	<u>100,000</u>	<u>50,000</u>

14. Intangible fixed assets**Group**

	Goodwill £
Cost	
At 1 January 2021	1,451,661
At 31 December 2021	<u>1,451,661</u>
Amortisation	
At 1 January 2021	875,412
Charge for the year	72,583
At 31 December 2021	<u>947,995</u>
Net book value	
At 31 December 2021	<u>503,666</u>
At 31 December 2020	<u>576,249</u>

Amortisation of intangible fixed assets is included in administration expenses.

WHITBY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost						
At 1 January 2021	1,536,598	1,126,740	21,024,059	803,397	254,404	24,745,198
Additions	-	-	562,208	89,063	398,204	1,049,475
Disposals	-	-	(194,834)	(170,851)	(18,000)	(383,685)
Transfers between classes	-	-	276,164	-	(276,164)	-
At 31 December 2021	1,536,598	1,126,740	21,667,597	721,609	358,444	25,410,988
Depreciation						
At 1 January 2021	102,000	563,054	10,565,386	608,591	-	11,839,031
Charge for the year	17,000	112,674	1,483,982	87,661	-	1,701,317
Disposals	-	-	(194,834)	(170,851)	-	(365,685)
At 31 December 2021	119,000	675,728	11,854,534	525,401	-	13,174,663
Net book value						
At 31 December 2021	1,417,598	451,012	9,813,063	196,208	358,444	12,236,325
At 31 December 2020	1,434,598	563,686	10,458,673	194,806	254,404	12,906,167

Included in land and buildings is freehold land of £537,000 (2020: £537,000) which is not depreciated.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

	2021 £	2020 £
Plant and machinery	2,596,432	2,792,214
Motor vehicles	197,990	162,413
	<u>2,794,422</u>	<u>2,954,627</u>

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 January 2021	1,536,598	16,857,117	752,847	90,347	19,236,909
Additions	-	553,208	89,062	238,136	880,406
Disposals	-	(194,834)	(170,851)	-	(365,685)
Transfers between classes	-	75,257	-	(75,257)	-
At 31 December 2021	<u>1,536,598</u>	<u>17,290,748</u>	<u>671,058</u>	<u>253,226</u>	<u>19,751,630</u>
Depreciation					
At 1 January 2021	102,000	7,057,685	557,773	-	7,717,458
Charge for the year	17,000	1,292,107	81,161	-	1,390,268
Disposals	-	(194,834)	(170,851)	-	(365,685)
At 31 December 2021	<u>119,000</u>	<u>8,154,958</u>	<u>468,083</u>	<u>-</u>	<u>8,742,041</u>
Net book value					
At 31 December 2021	<u>1,417,598</u>	<u>9,135,790</u>	<u>202,975</u>	<u>253,226</u>	<u>11,009,589</u>
At 31 December 2020	<u>1,434,598</u>	<u>9,799,432</u>	<u>195,074</u>	<u>90,347</u>	<u>11,519,451</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2021	2,566,090
At 31 December 2021	<u>2,566,090</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Galloway Seafoods Limited	C/O Brodies Solicitors Llp, 110 Queen Street, Glasgow, Scotland, G1 3BX	Dormant	Ordinary	100%
Kilkeel Seafoods Limited*	The Harbour, Kilkeel, Co Down, BT34 4AX	Processing seafood	Ordinary	100%
Rockall Seafoods Limited**	The Harbour, Kilkeel, Co Down, BT34 4AX	Dormant	Ordinary	100%
Shelf Company (No. 3) Limited	The Harbour, Kilkeel, Co Down, BT34 4AX	Intermediate holding company	Ordinary	100%

*Owned by Shelf Company (No. 3) Limited

**Owned by Kilkeel Seafoods Limited

Galloway Seafoods Limited is registered in Scotland and the other subsidiaries above are all registered in Northern Ireland.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	13,342,380	13,115,694	13,342,380	5,336,897
Packaging	684,643	614,889	684,643	604,973
Finished goods and goods for resale	4,049,507	4,931,397	4,049,507	4,931,397
Long-term contract balances	408,645	332,060	408,645	332,060
	<u>18,485,175</u>	<u>18,994,040</u>	<u>18,485,175</u>	<u>11,205,327</u>

18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Other debtors (note 31)	500,000	500,000	500,000	500,000
Due within one year				
Trade debtors	8,672,405	6,370,340	8,672,404	6,346,036
Amounts owed by group undertakings	-	-	-	1,839,997
Other debtors	1,243,210	1,206,053	1,243,208	1,178,038
Prepayments and accrued income	766,397	736,740	765,615	552,376
	<u>11,182,012</u>	<u>8,813,133</u>	<u>11,181,227</u>	<u>10,416,447</u>

19. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	909,280	886,429	749,734	426,922
Less: bank overdrafts	(11,701,948)	(12,024,469)	(11,701,948)	(12,024,469)
	<u>(10,792,668)</u>	<u>(11,138,040)</u>	<u>(10,952,214)</u>	<u>(11,597,547)</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	11,701,948	12,024,469	11,701,948	12,024,469
Bank loans	315,680	222,000	315,680	222,000
Other loans	402,646	387,902	402,646	387,902
Government grants received	94,887	94,882	41,614	41,614
Trade creditors	5,852,924	5,507,886	5,820,292	3,333,767
Amounts owed to group undertakings	-	-	623,011	500,000
Corporation tax	1,015,957	585,581	954,483	420,424
Other taxation and social security	492,594	229,013	171,158	136,356
Obligations under finance leases and hire purchase contracts	683,216	726,596	683,216	713,996
Other creditors	105,125	171,645	105,125	110,559
Accruals and deferred income	1,632,832	2,123,319	1,623,832	1,961,123
Loan notes	1,000,000	1,000,000	1,000,000	1,000,000
	23,297,809	23,073,293	23,443,005	20,852,210

The bank loans, overdrafts and other loans are secured by a composite all assets guarantee and indemnity and debenture dated August 2019.

The finance lease and hire purchase creditors are secured on the assets concerned.

The loan notes are payable at £1,000,000 pa and are unsecured.

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	1,649,694	1,984,445	1,649,694	1,984,445
Other loans	752,787	1,155,434	752,787	1,155,434
Obligations under finance leases and hire purchase contracts	1,194,342	1,812,437	1,194,342	1,812,437
Amounts owed to group undertakings	-	-	4,230,333	-
Loan note	1,000,000	2,000,000	1,000,000	2,000,000
Government grants received	279,128	374,036	229,409	271,024
	4,875,951	7,326,352	9,056,565	7,223,340

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	315,680	222,000	315,680	222,000
Other loans	402,646	387,902	402,646	387,902
Loan notes	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,718,326</u>	<u>1,609,902</u>	<u>1,718,326</u>	<u>1,609,902</u>
Amounts falling due 1-2 years				
Bank loans	315,680	212,000	315,680	212,000
Other loans	422,658	402,646	422,658	402,646
Loan notes	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,738,338</u>	<u>1,614,646</u>	<u>1,738,338</u>	<u>1,614,646</u>
Amounts falling due 2-5 years				
Bank loans	947,040	1,772,445	947,040	1,772,445
Other loans	330,129	752,788	330,129	752,788
Loan notes	-	1,000,000	-	1,000,000
	<u>1,277,169</u>	<u>3,525,233</u>	<u>1,277,169</u>	<u>3,525,233</u>
Bank loans - after more than 5 years	<u>386,974</u>	-	<u>386,974</u>	-
Total	<u><u>5,120,807</u></u>	<u><u>6,749,781</u></u>	<u><u>5,120,807</u></u>	<u><u>6,749,781</u></u>

Loans repayable after more than 5 years are repayable at £79,003 per quarter and bear interest at 3% pa.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	683,216	726,596	683,216	713,996
Between 1-5 years	1,193,342	1,812,437	1,193,342	1,812,437
	<u>1,876,558</u>	<u>2,539,033</u>	<u>1,876,558</u>	<u>2,526,433</u>

24. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>11,324,895</u>	<u>8,924,700</u>	<u>11,165,346</u>	<u>10,277,173</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(26,665,209)</u>	<u>(29,559,749)</u>	<u>(31,373,929)</u>	<u>(27,518,770)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, bank overdrafts, other loans, trade creditors, obligations under finance leases and hire purchase contracts, amounts owed to group undertakings, government grants, other creditors, loan notes and accruals.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Deferred taxation**Group**

	2021 £	2020 £
At beginning of year	960,400	737,500
Charged to profit or loss (note 12)	259,500	229,400
Charged to other comprehensive income	-	(6,500)
At end of year	1,219,900	960,400

Company

	2021 £	2020 £
At beginning of year	831,000	611,900
Charged to profit or loss	222,300	225,600
Charged to other comprehensive income	-	(6,500)
At end of year	1,053,300	831,000

The provision for deferred taxation is made up as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Accelerated capital allowances	1,133,900	893,100	966,800	759,700
Deferred tax on revalued property	63,500	50,000	63,500	50,000
Deferred tax on rolled over gains	55,100	43,400	55,100	43,400
Other short term timing differences	(32,600)	(26,100)	(32,100)	(22,100)
	1,219,900	<i>960,400</i>	1,053,300	<i>831,000</i>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. Reserves**Revaluation reserve**

Includes all surpluses and deficits arising from the revaluation of properties.

Capital redemption reserve

Includes amounts transferred on redemption of share capital.

Profit and loss account

Includes all current and prior year retained profits and losses.

27. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
27,000 (2020 - 27,000) Ordinary shares of £1 each	27,000	27,000
1,000 (2020 - 1,000) B ordinary shares of £1 each	1,000	1,000
	<u>28,000</u>	<u>28,000</u>

The rights attached to the B ordinary shares are the same as those attached to the Ordinary shares.

28. Capital commitments

At 31 December 2021 the Group and Company had capital commitments as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Contracted for but not provided in these financial statements	<u>75,233</u>	<u>227,192</u>	<u>75,233</u>	<u>112,392</u>

29. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £497,364 (2020: £509,327). Contributions totalling £50,593 (2020: £87,118) were payable to the fund at the balance sheet date and are included in creditors.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

30. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Land and buildings				
Within 1 year	255,500	255,500	46,000	46,000
Between 2 and 5 years	687,563	890,188	184,000	184,000
After more than 5 years	11,500	57,500	11,500	57,500
	954,563	1,203,188	241,500	287,500
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other				
Within 1 year	146,119	92,391	109,987	76,316
Between 2 and 5 years	307,021	136,847	262,339	132,901
	453,140	229,238	372,326	209,217

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

31. Related party transactions

The company has taken advantage of the exemption granted by FRS 102 Section 33, Related Party Transactions, not to disclose transactions with the Group companies.

During the year the Group paid rent amounting to £249,337 (2020: £148,473) to York Investment Pension Fund. Three of the directors (D J Whittle, L M Whittle and E J Whittle) are trustees and participants of the York Investment Pension Fund.

At the year end an amount of £500,000 (2020: £500,000) was owed by J G Whittle. Interest at 2.5% pa is payable on this loan. This is disclosed in debtors due after more than one year in note 18.

During the year the Group provided goods, services and equipment to The Seafood Social, a Community Interest Company of which the Group is a guarantor for £1 (2020: £1) and L M Whittle is a director, to the value of £3,504 (2020: £1,858). The Seafood Social provided marketing and advertising services to the Group of £7,000 (2020: £6,000). At the year end a balance of £76,201 (2020: £75,922) was owed by The Seafood Social to Whitby Seafoods Limited. A provision of £71,154 (2020: £72,495) was made against this balance in the year.

The Group is a partner in a limited liability partnership, Odyssey FR70 LLP. At 31 December 2021 Odyssey FR70 LLP owed the Group £300,000 (2020: £300,000). No interest is paid on this amount. This loan is included within other debtors due within one year in note 18.

The Group is a partner in a limited liability partnership, Wakeful FR261 LLP. At 31 December 2021 Wakeful FR261 LLP owed the Group £362,500 (2020: £362,500). This loan is included within other debtors due within one year in note 18.

32. Controlling party

The company is controlled by J G Whittle, by virtue of his majority holding in the company's issued share capital.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

33. Analysis of net debt

	At 1 January 2021 £	Cash flow £	New finance leases £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	886,429	22,851	-	-	909,280
Bank overdrafts	(12,024,469)	322,521	-	-	(11,701,948)
Debt due after more than 1 year	(5,139,879)	-	-	1,737,397	(3,402,482)
Debt due within 1 year	(1,609,902)	1,628,974	-	(1,737,397)	(1,718,325)
Finance leases	(2,539,033)	750,538	(89,063)	-	(1,877,558)
	<u>(20,426,854)</u>	<u>2,724,884</u>	<u>(89,063)</u>	<u>-</u>	<u>(17,791,033)</u>