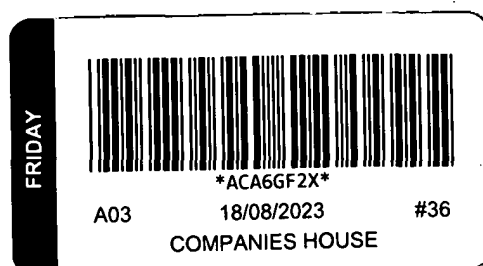


Registered number: 01869220



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



WHITBY SEAFOODS LIMITED

COMPANY INFORMATION

Directors

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

Company secretary

C Gee

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

CONTENTS

	Page
Consolidated Strategic Report	1 - 2
Directors' Report	3 - 7
Independent Auditor's Report	8 - 12
Consolidated Statement of Comprehensive Income	13
Consolidated Statement of Financial Position	14 - 15
Company Statement of Financial Position	16 - 17
Consolidated Statement of Changes in Equity	18
Company Statement of Changes in Equity	19
Consolidated Statement of Cash Flows	20 - 21
Notes to the Financial Statements	22 - 45

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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:

	2022	2021
	£'000	£'000
Turnover	65,645	59,253
Operating profit	3,063	4,896
Profit before taxation	2,366	4,202
EBITDA	4,939	6,670

Trading volumes returned to pre-covid levels in 2022, however, cost pressures were encountered with rising labour and energy costs, resulting from the Ukraine conflict, impacting on the cost of raw materials from February 2022 and increasing cost of living pressures manifesting in the second half of the year together with increasing interest rates.

The business and its people continued to demonstrate an agility throughout the year in meeting customer and consumer demands and by the close of 2022 the business, aligned with its stakeholders, delivered a strong performance in its trading results and its commitments to all its interested parties.

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 2023 and beyond will continue to present both challenges and opportunities to the sector. 2023 trading to date suggests market demand continues to be strong, 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.

The Group continues to look for opportunities to expand its service offering to customers in different market or geographical sectors and has entered an agreement to acquire a new business as set out in the directors' report on page 7.

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 2022 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 15/8/2023 and signed on its behalf.

Graham Whittle

J G Whittle
Chairman

WHITBY SEAFOODS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £2,188,048 (2021: £3,206,825).

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 £222,500 (2021: £100,000) 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 (resigned 30 June 2023)
L M Whittle
D A Wormald
D J Whittle
P W Farnsworth
R S Macdonald
M Murphy
E J Whittle (resigned 30 September 2022)

C Gee was appointed on 5 July 2023.

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 Group and the Company and 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 Group'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.

WHITBY SEAFOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' responsibilities statement (continued)

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.

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 2022 and 2023 to date and projections through 2024 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 2022 and will continue to be available throughout 2023 and 2024. 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 continue 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 meeting 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 2022

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 2022 charitable donations of £46,527 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 2022, 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 (£1.5 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 2022**

Greenhouse gas emissions, energy consumption and energy efficiency action

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 require 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 2020 to 31 December 2022.

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.

As well as the mandatory requirement to disclose our annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources, we have decided to go further in our reporting. We therefore include data for the past three years, alongside additional intensity ratio relating to kgCO₂e per kg of product manufactured by us. It is our intention to continue doing better than the minimum and attempt to make the greatest feasible contribution to energy efficiency.

	2022	2021	2020
Energy (kWh)			
Natural gas	183,434	137,375	123,228
Kerosene	189,612	182,191	165,372
Red Diesel	159,965	359,750	170,704
Electricity	6,524,247	6,736,491	5,943,567
Total energy (kWh)	7,057,258	7,416,007	6,402,871
Emissions (tCO₂e)			
Natural gas	34	28	25
Other Fuels	92	144	89
Owned Vehicles	30.71	29	37
Fugitive Gases	110	255	274
Electricity	1,385	1,430	1,262
Total emissions (kgCO ₂ e) location based	1,651,583	1,887,216	1,686,676
Total emissions (kgCO ₂ e) market based	266,290	456,856	424,679
Total emissions (kgCO ₂ e) Location based SAVED	235,632		
Intensity Ratios			
Finished Goods produced (kg)	9,288,308	9,499,000	8,760,000
Intensity Ratio (kgCO ₂ e / kg			
Finished Goods Scope 1/2)	0.178	0.199	0.193
Turnover (£)	65,644,755	59,253,296	56,098,580
tCO ₂ e/£100,000 of revenue Intensity ratio	0.0253	0.0319	0.0301

High raw material scampi costs and input cost inflation associated with the invasion of Ukraine in February 2022, have increased selling prices and led to increased turnover on a similar volume sold versus 2021. This contributed to the 20% decrease in tCO₂e/£100,000 of revenue intensity ratio from 0.0319 to 0.0253. Stripping out this inflationary effect, however, intensity ratios are showing a smaller, but still significant, decrease of 10% of tCO₂e/kg finished good produced versus 2021. The main saving has been from minimising fugitive gas leaks from refrigeration systems in Kilkeel and Whitby to historically low levels.

The continued use of the electric fryer and less use of the gas oil fryer, has also helped lower emissions. Live energy data capture equipment is anticipated to be in place to monitor more closely our energy usage throughout the Whitby factory from the second half of 2023. This will allow better understanding of our energy usage and the impact of any changes on site to our carbon footprint.

WHITBY SEAFOODS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

We have repurposed approximately one hectare of land adjacent to the Whitby site for rewilding, creating a "nature zone", to allow employees to be "in the wild" on their lunch breaks. We have also received a sustainability award from Tesco.

Subsequent events

In May 2023, Kilkeel Seafoods Limited, a wholly owned subsidiary of Whitby Seafoods Limited, entered into an agreement to acquire the entire issued share capital of Kilhorne Bay Seafoods Limited, subject to regulatory review by the Competition and Markets Authority (CMA). A final decision on completion by the CMA is anticipated by Autumn 2023. This acquisition will bring to the Group the skills which Kilhorne Bay have developed in the peeled langoustine market, opening opportunities to expand into new markets for the business.

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 15/8/2023 and signed on its behalf.

Graham Whittle

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 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 the parent Company's affairs as at 31 December 2022 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 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 the parent Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, the invasion of Ukraine, 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 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)**

Conclusions relating to going concern (continued)

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.

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 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the Other information contained within the Annual Report. 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.

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 themselves. 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

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.



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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 non-compliance 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)**

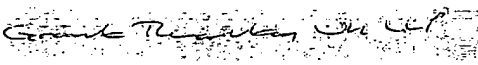
Auditor's responsibilities for the audit of the financial statements (continued)

- 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.
- 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.

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.

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.



Richard Hobson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 15/8/2023

WHITBY SEAFOODS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	65,644,755	59,253,296
Cost of sales		(53,870,806)	(47,159,838)
Gross profit		11,773,949	12,093,458
Administrative expenses		(8,814,629)	(8,096,590)
Other operating income	5	103,207	898,820
Operating profit	6	3,062,527	4,895,688
Interest receivable	10	10,405	11,306
Interest payable	11	(706,779)	(705,073)
Profit before taxation		2,366,153	4,201,921
Tax on profit	12	(178,105)	(995,096)
Profit for the financial year		2,188,048	3,206,825
Total comprehensive income for the year		2,188,048	3,206,825

There were no recognised gains and losses for 2022 or 2021 other than those included in the Consolidated Statement of Comprehensive Income.

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	14	431,083	503,666
Tangible assets	15	11,800,769	12,236,325
		<u>12,231,852</u>	<u>12,739,991</u>
Current assets			
Stocks	17	19,756,983	18,485,175
Debtors	18	10,773,658	11,182,012
Cash at bank and in hand	19	865,293	909,280
		<u>31,395,934</u>	<u>30,576,467</u>
Creditors: amounts falling due within one year	20	(23,590,987)	(23,297,809)
Net current assets		<u>7,804,947</u>	<u>7,278,658</u>
Total assets less current liabilities		<u>20,036,799</u>	<u>20,018,649</u>
Creditors: amounts falling due after more than one year	21	(2,919,354)	(4,875,951)
Provisions for liabilities			
Deferred taxation	24	(1,229,099)	(1,219,900)
		<u>(1,229,099)</u>	<u>(1,219,900)</u>
Net assets		<u><u>15,888,346</u></u>	<u><u>13,922,798</u></u>

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	26	28,000	28,000
Revaluation reserve	25	896,175	896,175
Capital redemption reserve	25	34,000	34,000
Profit and loss account	25	14,930,171	12,964,623
Equity attributable to owners of the parent Company		15,888,346	13,922,798

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
15/8/2023

Daniel Whittle

D J Whittle
Director

Graham Whittle

J G Whittle
Director

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER:01869220

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	10,902,057	11,009,589
Investments	16	2,566,090	2,566,090
		<u>13,468,147</u>	<u>13,575,679</u>
Current assets			
Stocks	17	19,756,983	18,485,175
Debtors	18	10,766,701	11,181,227
Cash at bank and in hand	19	674,199	749,734
		<u>31,197,883</u>	<u>30,416,136</u>
Creditors: amounts falling due within one year	20	(24,119,915)	(23,443,005)
Net current assets		<u>7,077,968</u>	<u>6,973,131</u>
Total assets less current liabilities		<u>20,546,115</u>	<u>20,548,810</u>
Creditors: amounts falling due after more than one year	21	(7,029,950)	(9,056,565)
Provisions for liabilities			
Deferred taxation	24	(1,106,000)	(1,053,300)
		<u>(1,106,000)</u>	<u>(1,053,300)</u>
Net assets		<u><u>12,410,165</u></u>	<u><u>10,438,945</u></u>

WHITBY SEAFOODS LIMITED
REGISTERED NUMBER: 01869220

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	26	28,000	28,000
Revaluation reserve	25	896,175	896,175
Capital redemption reserve	25	34,000	34,000
Profit and loss account brought forward		9,480,770	6,269,512
Profit for the year		2,193,720	3,311,258
Equity dividends		(222,500)	(100,000)
Profit and loss account carried forward		11,451,990	9,480,770
		<u>12,410,165</u>	<u>10,438,945</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15/8/2023

Daniel Whittle

D J Whittle
Director

Graham Whittle

J G Whittle
Director

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	28,000	34,000	896,175	12,964,623	13,922,798
Comprehensive income for the year					
Profit for the year	-	-	-	2,188,048	2,188,048
Total comprehensive income for the year	-	-	-	2,188,048	2,188,048
Dividends: Equity capital	-	-	-	(222,500)	(222,500)
Total transactions with owners	-	-	-	(222,500)	(222,500)
At 31 December 2022	28,000	34,000	896,175	14,930,171	15,888,346

**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

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	28,000	34,000	896,175	9,480,770	10,438,945
Comprehensive income for the year					
Profit for the year	-	-	-	2,193,720	2,193,720
Total comprehensive income for the year	-	-	-	2,193,720	2,193,720
Dividends: Equity capital	-	-	-	(222,500)	(222,500)
Total transactions with owners	-	-	-	(222,500)	(222,500)
At 31 December 2022	28,000	34,000	896,175	11,451,990	12,410,165

**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

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	2,188,048	3,206,825
Adjustments for:		
Amortisation of intangible fixed assets	72,583	72,583
Depreciation of tangible fixed assets	1,803,983	1,701,317
Profit on disposal of tangible fixed assets	(11,728)	-
Interest paid	706,779	705,073
Interest received	(10,405)	(11,306)
Taxation charge	178,105	995,096
(Increase)/decrease in stocks	(1,271,808)	508,865
Decrease/(increase) in debtors	408,354	(2,368,879)
Increase/(decrease) in creditors	1,178,434	(43,291)
Corporation tax (paid)	(157,050)	(305,220)
Net cash generated from operating activities	5,085,295	4,461,063
Cash flows from investing activities		
Purchase of tangible fixed assets	(892,176)	(960,412)
Sale of tangible fixed assets	157,359	18,000
Interest received	10,405	11,306
Net cash from investing activities	(724,412)	(931,106)

WHITBY SEAFOODS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Repayment of loans	(263,926)	(241,071)
Repayment of other loans	(1,402,645)	(1,387,903)
Repayment of finance leases	(721,827)	(750,538)
Dividends paid	(222,500)	(100,000)
Interest paid	(567,222)	(597,545)
HP interest paid	(139,557)	(107,528)
Net cash used in financing activities	<u>(3,317,677)</u>	<u>(3,184,585)</u>
Net increase in cash and cash equivalents	<u>1,043,206</u>	<u>345,372</u>
Cash and cash equivalents at beginning of year	(10,792,668)	(11,138,040)
Cash and cash equivalents at the end of year	<u><u>(9,749,462)</u></u>	<u><u>(10,792,668)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	865,293	909,280
Bank overdrafts	(10,614,755)	(11,701,948)
	<u><u>(9,749,462)</u></u>	<u><u>(10,792,668)</u></u>

The notes on pages 22 to 45 form part of these financial statements.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 Group's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

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 2022**

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 2022 and 2023 to date and projections through 2024, 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 2022 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.

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 2022**

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 buildings	- 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.

Where material, the Company recognises its share of the profits or losses of partnerships in which it holds an interest.

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 2022**

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 a 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 2022**

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 2022**

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 reporting 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 2022**

2. Accounting policies (continued)**2.22 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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 £482,912 (2021: £401,073) was made to the Rest of Europe, the remainder of the turnover being to the United Kingdom.

5. Other operating income

	2022 £	2021 £
Release of grant income	94,887	94,904
Coronavirus Job Retention Scheme income	-	787,603
Rental income	8,320	16,313
	<u>103,207</u>	<u>898,820</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Operating profit

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

	2022 £	2021 £
Depreciation of tangible fixed assets - held under finance leases and hire purchase contracts	426,936	424,951
Depreciation of tangible fixed assets - owned	1,377,047	1,276,366
Amortisation of intangible fixed assets	72,583	72,583
Exchange differences	3,221	(5,655)
Research and development expenditure	36,524	-
Other operating lease rentals	215,721	139,719
	<u>215,721</u>	<u>139,719</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the Company's annual accounts	30,000	27,000

Fees payable to the Group's auditor in respect of:

The auditing of accounts of subsidiaries of the Group pursuant to legislation	10,500	9,500
Corporation tax compliance	10,000	10,000
Other services relating to taxation	8,500	-
Services relating to information technology	5,000	4,450
Accounting services	3,000	3,000
	<u>37,000</u>	<u>26,950</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	12,237,569	11,708,803	6,458,825	6,210,364
Social security costs	1,123,482	1,019,872	631,109	563,205
Cost of defined contribution scheme	542,862	497,364	382,436	341,262
	13,903,913	13,226,039	7,472,370	7,114,831

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Office and management	85	77	75	68
Production and sales	360	340	125	110
	445	417	200	178

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,167,271	1,212,718
Group contributions to defined contribution pension schemes	92,350	94,827
	1,259,621	1,307,545

During the year retirement benefits were accruing to 6 directors (2021: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £382,001 (2021: £391,464).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2021: £Nil).

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable

	2022 £	2021 £
Bank and other interest receivable	10,405	11,306

11. Interest payable

	2022 £	2021 £
Bank interest payable	75,765	65,055
Other loan interest payable	4,875	4,501
Loan note interest	86,149	272,386
Finance leases and hire purchase contracts	139,557	107,528
Asset-backed lending interest payable	386,433	255,603
Other interest payable	14,000	-
	<u>706,779</u>	<u>705,073</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	314,508	834,509
Adjustments in respect of previous periods	(145,602)	(98,913)
Total current tax	<u>168,906</u>	<u>735,596</u>
Deferred tax		
Origination and reversal of timing differences - current year	5,023	(45,672)
Origination and reversal of timing differences - prior year	2,600	1,485
Tax rate changes	1,576	303,687
Total deferred tax (note 24)	<u>9,199</u>	<u>259,500</u>
Taxation on profit on ordinary activities	<u>178,105</u>	<u>995,096</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,366,153</u>	<u>4,201,921</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	449,569	798,365
Effects of:		
Non-tax deductible amortisation of goodwill	13,790	13,818
Income/expenses not deductible for tax purposes, other than goodwill	(12,523)	(12,427)
Adjustments to tax charge in respect of prior periods	(143,002)	(97,428)
Other differences leading to a decrease in the tax charge	(164)	56
Increase in deferred tax due to tax rate changes	1,576	292,712
Additional deduction for research & development expenditure	(23,331)	-
Additional deduction for patent box	(107,810)	-
Total tax charge for the year	<u><u>178,105</u></u>	<u><u>995,096</u></u>

13. Dividends

	2022 £	2021 £
Equity dividends paid	<u><u>222,500</u></u>	<u><u>100,000</u></u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Intangible fixed assets**Group****Goodwill
£****Cost**

At 1 January 2022

1,451,661

At 31 December 2022

1,451,661**Amortisation**

At 1 January 2022

947,995

Charge for the year

72,583

At 31 December 2022

1,020,578**Net book value**

At 31 December 2022

431,083

At 31 December 2021

503,666

Amortisation of intangible fixed assets is included in administration expenses.

WHITBY SEAFOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost						
At 1 January 2022	1,536,598	1,126,740	21,667,597	721,609	358,444	25,410,988
Additions	-	-	588,570	404,138	521,350	1,514,058
Disposals	-	-	(236,956)	(70,064)	(128,897)	(435,917)
Transfers between classes	-	-	48,192	100	(48,292)	-
At 31 December 2022	1,536,598	1,126,740	22,067,403	1,055,783	702,605	26,489,129
Depreciation						
At 1 January 2022	119,000	675,728	11,854,534	525,401	-	13,174,663
Charge for the year	17,000	112,674	1,548,441	125,868	-	1,803,983
Disposals	-	-	(220,222)	(70,064)	-	(290,286)
At 31 December 2022	136,000	788,402	13,182,753	581,205	-	14,688,360
Net book value						
At 31 December 2022	1,400,598	338,338	8,884,650	474,578	702,605	11,800,769
At 31 December 2021	1,417,598	451,012	9,813,063	196,208	358,444	12,236,325

Included in freehold property is freehold land of £537,000 (2021: £537,000) which is not depreciated.

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Tangible fixed assets (continued)

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

	2022 £	2021 £
Plant and machinery	2,231,403	2,596,432
Motor vehicles	464,985	197,990
	<u>2,696,388</u>	<u>2,794,422</u>

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost					
At 1 January 2022	1,536,598	17,290,748	671,058	253,226	19,751,630
Additions	-	579,371	404,138	521,350	1,504,859
Disposals	-	(234,956)	(61,814)	(112,422)	(409,192)
Transfers between classes	-	48,192	100	(48,292)	-
At 31 December 2022	<u>1,536,598</u>	<u>17,683,355</u>	<u>1,013,482</u>	<u>613,862</u>	<u>20,847,297</u>
Depreciation					
At 1 January 2022	119,000	8,154,958	468,083	-	8,742,041
Charge for the year	17,000	1,341,859	124,643	-	1,483,502
Disposals	-	(218,489)	(61,814)	-	(280,303)
At 31 December 2022	<u>136,000</u>	<u>9,278,328</u>	<u>530,912</u>	<u>-</u>	<u>9,945,240</u>
Net book value					
At 31 December 2022	<u>1,400,598</u>	<u>8,405,027</u>	<u>482,570</u>	<u>613,862</u>	<u>10,902,057</u>
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>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Tangible fixed assets (continued)

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

	2022 £	2021 £
Plant and machinery	2,044,102	2,596,432
Motor vehicles	464,985	197,990
	<u>2,509,087</u>	<u>2,794,422</u>

16. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost and net book value	
At 1 January 2022	2,566,090
At 31 December 2022	<u>2,566,090</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

*Owned by Shelf Company (No. 3) Limited

**Owned by Kilkeel Seafoods Limited

The Company has a 40% interest in two limited liability partnerships, Odyssey FR70 LLP and Wakeful FR261 LLP.

On the grounds of materiality, the Company has not recognised its share of the profits or losses of these partnerships in its financial statements.

17. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Raw materials and consumables	13,832,578	13,342,380	13,832,578	13,342,380
Packaging	898,993	684,643	898,993	684,643
Finished goods and goods for resale	4,573,535	4,049,507	4,573,535	4,049,507
Engineering and spares stock	451,877	408,645	451,877	408,645
	<u>19,756,983</u>	<u>18,485,175</u>	<u>19,756,983</u>	<u>18,485,175</u>

The carrying value of stocks are stated net of impairment losses totalling £497,466 (2021: £715,166).

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Other debtors (note 30)	500,000	500,000	500,000	500,000
Due within one year				
Trade debtors	7,928,650	8,672,405	7,928,648	8,672,404
Other debtors	1,140,588	1,243,210	1,136,960	1,243,208
Prepayments and accrued income	1,204,420	766,397	1,201,093	765,615
	<u>10,773,658</u>	<u>11,182,012</u>	<u>10,766,701</u>	<u>11,181,227</u>

An impairment loss of £12,738 (2021: £15,778) was recognised against trade debtors.

19. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	865,293	909,280	674,199	749,734
Less: bank overdrafts	(10,614,755)	(11,701,948)	(10,614,755)	(11,701,948)
	<u>(9,749,462)</u>	<u>(10,792,668)</u>	<u>(9,940,556)</u>	<u>(10,952,214)</u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	10,614,755	11,701,948	10,614,755	11,701,948
Bank loans	358,592	315,680	358,592	315,680
Other loans	422,659	402,646	422,659	402,646
Government grants received	91,333	94,887	41,614	41,614
Trade creditors	7,190,993	5,852,924	7,190,311	5,820,292
Amounts owed to group undertakings	-	-	978,234	623,011
Corporation tax	1,027,812	1,015,957	1,003,923	954,483
Other taxation and social security	513,421	492,594	173,450	171,158
Obligations under finance leases and hire purchase contracts	719,039	683,216	683,994	683,216
Other creditors	84,042	105,125	84,042	105,125
Accruals and deferred income	1,568,341	1,632,832	1,568,341	1,623,832
Loan notes	1,000,000	1,000,000	1,000,000	1,000,000
	23,590,987	23,297,809	24,119,915	23,443,005

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 were payable at £1,000,000 pa and were unsecured. They were repaid in full in February 2023.

Amounts owed to group undertakings are interest free and payable on demand.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	1,342,856	1,649,694	1,342,856	1,649,694
Other loans	330,129	752,787	330,129	752,787
Obligations under finance leases and hire purchase contracts	1,058,574	1,194,342	938,837	1,194,342
Amounts owed to group undertakings	-	-	4,230,333	4,230,333
Loan note	-	1,000,000	-	1,000,000
Government grants received	187,795	279,128	187,795	229,409
	2,919,354	4,875,951	7,029,950	9,056,565

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	358,592	315,680	358,592	315,680
Other loans	422,659	402,646	422,659	402,646
Loan notes	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,781,251</u>	<u>1,718,326</u>	<u>1,781,251</u>	<u>1,718,326</u>
Amounts falling due 1-2 years				
Bank loans	358,592	315,680	358,592	315,680
Other loans	330,129	422,658	330,129	422,658
Loan notes	-	1,000,000	-	1,000,000
	<u>688,721</u>	<u>1,738,338</u>	<u>688,721</u>	<u>1,738,338</u>
Amounts falling due 2-5 years				
Bank loans	984,264	947,040	984,264	947,040
Other loans	-	330,129	-	330,129
	<u>984,264</u>	<u>1,277,169</u>	<u>984,264</u>	<u>1,277,169</u>
Bank loans - after more than 5 years	-	386,974	-	386,974
Total	<u><u>3,454,236</u></u>	<u><u>5,120,807</u></u>	<u><u>3,454,236</u></u>	<u><u>5,120,807</u></u>

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Within one year	719,039	683,216	683,994	683,216
Between 1-5 years	1,058,574	1,194,342	938,837	1,194,342
	<u><u>1,777,613</u></u>	<u><u>1,877,558</u></u>	<u><u>1,622,831</u></u>	<u><u>1,877,558</u></u>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Deferred taxation**Group**

	2022 £	2021 £
At beginning of year	1,219,900	960,400
Charged to profit or loss (note 12)	9,199	259,500
At end of year	1,229,099	1,219,900

Company

	2022 £	2021 £
At beginning of year	1,053,300	831,000
Charged to profit or loss	52,700	222,300
At end of year	1,106,000	1,053,300

The provision for deferred taxation is made up as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Accelerated capital allowances	1,141,299	1,133,900	1,018,200	966,800
Deferred tax on revalued property	59,200	63,500	59,200	63,500
Deferred tax on rolled over gains	55,100	55,100	55,100	55,100
Other short term timing differences	(26,500)	(32,600)	(26,500)	(32,100)
	1,229,099	<i>1,219,900</i>	1,106,000	<i>1,053,300</i>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. 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.

26. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
27,000 (2021: 27,000) Ordinary shares of £1 each	27,000	27,000
1,000 (2021: 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.

27. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Contracted for but not provided in these financial statements	<u>209,024</u>	<u>75,233</u>	<u>209,024</u>	<u>75,233</u>

28. 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 £542,862 (2021: £497,364). Contributions totalling £62,590 (2021: £50,593) 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 2022**

29. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Land and buildings				
Within 1 year	252,937	<i>255,500</i>	46,000	<i>46,000</i>
Between 2 and 5 years	450,438	<i>687,563</i>	149,500	<i>184,000</i>
After more than 5 years	-	<i>11,500</i>	-	<i>11,500</i>
	703,375	<i>954,563</i>	195,500	<i>241,500</i>
	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Other				
Within 1 year	137,091	<i>146,119</i>	101,558	<i>109,987</i>
Between 2 and 5 years	292,889	<i>307,021</i>	188,352	<i>262,339</i>
	429,980	<i>453,140</i>	289,910	<i>372,326</i>

WHITBY SEAFOODS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

30. 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 £234,780 (2021: £249,337) to York Investment Pension Fund. Three of the directors who held office during the year (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 (2021: £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 (2021: £1) and L M Whittle is a director, to the value of £3,981 (2021: £3,504). The Seafood Social provided marketing and advertising services to the Group of £12,000 (2021: £7,000). At the year end a balance of £91,003 (2021: £76,201) was owed by The Seafood Social to Whitby Seafoods Limited, in respect of which a provision of £71,154 (2021: £71,154) has been made.

The Group is a partner in a limited liability partnership, Odyssey FR70 LLP. At 31 December 2022 Odyssey FR70 LLP owed the Group £300,000 (2021: £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 2022 Wakeful FR261 LLP owed the Group £362,500 (2021: £362,500). No interest is paid on this amount. This loan is included within other debtors due within one year in note 18.

31. Post balance sheet events

In May 2023, Kilkeel Seafoods Limited, a wholly owned subsidiary of Whitby Seafoods Limited, entered into an agreement to purchase the entire issued share capital of Kilhorne Bay Seafoods Limited, subject to regulatory review by the Competition and Markets Authority (CMA). A final decision on completion by the CMA is anticipated by Autumn 2023.

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 2022**

33. Analysis of net debt

	At 1 January 2022 £	Cash flow £	New finance leases £	At 31 December 2022 £
Cash at bank and in hand	909,280	(43,987)	-	865,293
Bank overdrafts	(11,701,948)	1,087,193	-	(10,614,755)
Debt due after more than 1 year	(3,402,482)	1,729,497	-	(1,672,985)
Debt due within 1 year	(1,718,325)	(62,926)	-	(1,781,251)
Finance leases	(1,877,558)	721,827	(621,882)	(1,777,613)
	<u>(17,791,033)</u>	<u>3,431,604</u>	<u>(621,882)</u>	<u>(14,981,311)</u>