Registered number: 04449016

SEA PRODUCTS INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

CONTENTS

Directors	D Jordan S Ward A Kapka M Grove (appointed on 1 October 2022)
Business Address	62 Ravenhurst Street Birmingham B12 0EL
Registered Office	25 Beaufort Court Admirals Way London E14 9XL
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Clyde & Co 51 East cheap London EC3M 1JP
Company Number	04449016

The Directors present their Report together with the audited Financial Statements for the year ended 31 December 2022.

Principal Activity

The principal activity of the Company is the distribution of frozen seafood products to the United Kingdom ethnic food trade and the foodservice industry.

Dividends

Dividends of £1,450,000 per share, amounting to £2,900,000 was declared during the year (2021 - £nil). The Directors do not recommend the payment of a final dividend.

Directors and their Interests in Shares

The following served as Directors of the Company during the year and up to the date of these financial statements was as follows:

D Jordan
S Ward
A Kapka
M Grove (appointed 1 October 2022)

None of the Directors had any interest in the share capital of the Company during the year.

The Company purchased Directors' and officers' liability insurance.

Relevant Audit Information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought reasonably to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP have indicated their willingness to continue in office as auditor.

This report was approved by the Board on 26th September 2023 and signed on its behalf.

Darren Jordan

D Jordan
Director

The Directors present their Strategic Report on the Company for the year ended 31 December 2022.

Review of the Business and Future Developments

Given the continuing competitive trading conditions, as well as the adverse impact caused by COVID-19 on the restaurant sector, the result was satisfactory with profit on ordinary activities before taxation of £969k generated on a turnover of £34.5m compared to the previous year's profit on ordinary activities before taxation of £1.2m generated on a turnover of £29.6m.

Interest charges at £347k presented an increase on the previous year's interest charge of £190k. This was due to an increase in funding from the parent company as well as an increase in interest rates.

The net assets of the Company decreased from £4.0m to £2m, which was driven by the declaration of a dividend of £2.9m.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, credit risk and liquidity risk. The Company has a risk management programme in place that seeks to limit the potential adverse affects of these risks on financial performance. A significant proportion of working capital is invested in stocks which are not pre-sold although stock levels are kept to a minimum and rotated as quickly as possible.

Despite our extensive risk management, the Directors acknowledge that areas of risk still exist and the principal areas can be summarised as follows:

Currency Risk

The Company predominantly purchases in US dollars and undertakes sales transactions in sterling therefore the gross profit margin is affected by movements in these exchange rates. The risk is managed wherever possible by maintaining bank accounts denominated in those currencies and through forward exchange contracts.

Credit Risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company credit insures as part of a Group arrangement although there is an uninsured element of up to 3% of the debt.

Price Risk

The Company operates in a highly competitive market, particularly around price and product quality. This can result not only in downward pressure on margins, but also in the risk that customer expectations are not fully met. Given the size of the Company's operations, the cost of managing exposure to commodity price risk exceed any potential benefits.

Health Regulations

When importing seafood into Europe, there is a risk that goods can be rejected where the presence of certain antibiotic residues are found. In all cases these rejected goods can be returned to the country of origin.

Key Performance Indicators ("KPIs")

The main KPI's for the Company are as follows. These allow the Company to monitor performance and plan future finance requirements.

	2022	2021
Debtor days	55	39
Gross profit margin	8.78%	11.1%
Operating profit margin	3.81%	4.5%

The decrease in gross profit margin reflects the impact of inflation and general increases in prices from suppliers due to market conditions compared to the prior year.

This report was approved by the Board on 26th September 2023 and signed on its behalf.

D Jordan
Director

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102).

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 as at the end of the financial year, and of the profit or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA PRODUCTS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Sea Products International Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement 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 Company's affairs as at 31 December 2022 and of its 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 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

In auditing the financial statements, we have concluded that the director's 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 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. 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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or

- the 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 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 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.

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.

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

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
  - Companies Act 2006
  - FRS 102
  - Employment Law
  - Food Safety Legislation and Standards
  - Health and Safety Legislation
  - The Bribery Act 2012
  - Anti Money Laundering Legislation
  - GDPR

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management
  - Reviewing of minutes of board meetings
  - Reviewing legal and regulatory correspondence

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to valuation of stock. We addressed this by obtaining stock confirmation directly from third party warehouses, vouching a sample of stock items to sales made post year end and ensuring that there were adequate disclosures included in the financial statements.

- As in all our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

David Thompson

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

26th September 2023

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover - continuing operations	5	34,504	29,624
Cost of sales		(31,474)	(26,332)
Gross Profit		3,030	3,292
Net operating expenses		(1,717)	(1,955)
Operating Profit	6	1,313	1,337
Other income	9	-	21
Interest payable and similar charges	8	(347)	(190)
Interest receivable and similar income	8	3	1
Profit on Ordinary Activities before Taxation		969	1,169
Tax on profit on ordinary activities	10	(98)	(284)
Profit for the Financial Year		871	885
Total Comprehensive Income for the Year		871	885

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed Assets					
Tangible assets	11		203		255
			203		255
Current Assets					
Stocks	12	12,871		10,758	
Debtors	13	5,236		3,364	
Cash at bank and in hand		462		740	
		18,569		14,862	
Creditors: due within one year	14	(16,776)		(11,093)	
Net Current Assets			1,792		3,769
Net Assets			1,995		4,024
Capital and Reserves					
Called-up share capital	17		-		-
Retained earnings			1,995		4,024
Total Equity			1,995		4,024

Approved and authorised for issue by the Board on 26th September 2023 and signed on its behalf by:

D Jordan

The Accounting Policies and Notes on pages 13 to 24 form part of these Financial Statements.

	Called-up share capital £'000	Retained earnings £'000	Total £'000
Balance as at 1 January 2021	-	3,139	3,139
Profit for the year	-	885	885
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	885	885
Dividends	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-
Balance as at 31 December 2021	-	4,024	4,024
Balance at 1 January 2022	-	4,024	4,024
Profit for the year	-	871	871
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	871	871
Dividends	-	(2,900)	(2,900)
Total transactions with owners, recognised directly in equity	-	(2,900)	(2,900)
Balance as at 31 December 2022	-	1,995	1,995

The Accounting Policies and Notes on pages 13 to 24 form part of these financial statements.

1. **General Information**

The Company is engaged in the distribution of frozen seafood products to the United Kingdom ethnic food trade and the foodservice industry.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 25 Beaufort Court, Admirals Way, London E14 9XL.

2. **Statement of Compliance**

The individual financial statements of Sea Products International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. **Summary of Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on page 4.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and shares banking arrangements with its parent and fellow subsidiaries.

The Directors, having assessed the responses of the Directors of the Company's parent undertaking Landauer Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of Landauer Limited to continue as a going concern or its ability to operate within the current banking arrangements and facilities.

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Landauer Limited, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation for the Financial Statements.

(c) Exemptions for Qualifying Entities Under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions:

- The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17 (d).
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

3. **Summary of Significant Accounting Policies (continued)**

(d) Foreign Currency

(i) Functional and presentational currency

The Company's functional and presentational currency is Pound Sterling.

(ii) 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 reporting 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within net operating expenses.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity, as described below.

Merchanting and distribution of frozen seafood

The Company sells a range of frozen seafood products in the wholesale and retail markets. Sales of goods are recognised when title to goods passes to the customer. This occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence or loss have been transferred to the customer, the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

Goods sold to wholesalers are often sold with volume rebates and also with the provision for the wholesale customer to return faulty goods. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates and returns.

Volume rebates are assessed based on the value of sales and the underlying contractual arrangements.

(f) Employee Benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

3. **Summary of Significant Accounting Policies (continued)**

(f) Employee Benefits (continued)

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company makes contributions to individual money purchase provision arrangements. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the arrangements are held separately from the Company in independently administered funds.

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised in all timing differences and measured using tax rates and laws that have been enacted or substantively enacted by the period end.

(h) Tangible Assets

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation and residual values

Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Furniture and equipment	–	4 - 5 years
Leasehold improvements	–	over the period of the lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

3. **Summary of Significant Accounting Policies (continued)**

(i) Leased Assets

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(j) Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Stock is recognised as an expense in the period in which the related revenue is recognised.

Cost includes the purchase price, including taxes, duties, transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each reporting period stock is assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(l) Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

3. **Summary of Significant Accounting Policies (continued)**

(m) Financial Instruments (continued)

(i) Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and overdrafts and amounts due to group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(n) Share Capital

Ordinary shares are classified as equity.

(o) Distributions to Equity Holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

(p) Related Party Transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. **Critical Accounting Judgements and Estimation Uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Accounting Estimates and Assumptions

(i) Stock provisioning

The Company sells frozen seafood products and is subject to changing consumer demands and considerable competition. Due to the nature of the products sold, it is necessary to continually review stock for expired or damaged goods. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature, condition and expiry date of the stock, as well as applying assumptions around anticipated movements in market prices.

5. Turnover by Geographical Market

	2022 £'000	2021 £'000
United Kingdom	32,772	28,096
Europe	1,732	1,528
	34,504	29,624

All turnover and profit before taxation was generated from the principal activity of the Company.

6. Operating Profit

	2022 £'000	2021 £'000
Stock recognised as an expense (included in cost of sales)	29,254	24,179
Operating lease charges – land and buildings	50	50
Operating lease charges – other	16	33
Fees payable to the Company's auditor		
- Audit related assurance services	22	19

7. Employees

Staff Costs (including Directors)

	2022 £'000	2021 £'000
Wages and salaries	962	1,269
Social security costs	109	135
Pension contributions	62	60
	1,133	1,467

Average Monthly Number of Employees during the Year	**No.**	**No.**
Trading and distribution	9	8
Administration and shipping	9	10
	18	18

Directors' Emoluments	**£'000**	**£'000**
Aggregate emoluments	333	387
Company pension contributions to money purchase scheme	18	17
	352	404

Retirement benefits are accruing to 2 Directors under a money purchase pension scheme (2021 – 3).

7. **Employees (continued)**

Highest Paid Director

	2022 £'000	2021 £'000
Aggregate emoluments	193	226
Company pension contributions to money purchase scheme	11	10
	204	236

Key management comprises the Directors.

8. **Interest Payable and similar charges and Interest Receivable**

	2022 £'000	2021 £'000
Interest payable:		
Bank loans and overdrafts	(53)	(6)
Loans from group entities	(293)	(184)
Interest receivable:		
Interest receivable from group entities	2	1
	(344)	(189)

9. **Other Income**

	2022 £'000	2021 £'000
Coronavirus Job Retention Scheme grant	-	21

10. **Taxation**

Analysis of Charge in Year

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on profits of the year	116	226
Adjustments in respect of prior periods	(9)	-
Deferred tax	(9)	58
Tax on profit on ordinary activities	98	284

Reconciliation of Tax Charge

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

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	969	1,169
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	184	222
Effects of:		
Expenses not deductible for tax purposes	-	1
Capital allowances lower than/(in excess of) depreciation	-	8
Remeasurement of deferred tax for changes in tax rates	6	11
Group relief claimed	(49)	-
Deferred tax	-	42
Adjustments to tax charge in respect of previous periods	(43)	-
Tax on profit on ordinary activities	98	284

11. Tangible Fixed Assets

	Leasehold improvements £'000	Furniture and equipment £'000	Total £'000
Cost			
At 1 January 2021	425	216	641
Additions	-	2	2
At 31 December 2022	425	218	643
Depreciation			
At 1 January 2022	200	186	386
Charge for the year	40	14	53
At 31 December 2022	240	200	439
Net Book Value			
At 31 December 2022	185	18	203
At 31 December 2021	225	30	255

12. **Stocks**

	2022 £'000	2021 £'000
Finished goods and goods for resale	12,871	10,758

13. **Debtors**

	2022 £'000	2021 £'000
Trade debtors	5,201	3,199
Other debtors	-	128
Prepayments and accrued income	35	37
	5,236	3,364

14. **Creditors**: amounts falling due within one year

	2022 £'000	2021 £'000
Bank loans and overdrafts	3,436	-
Trade creditors	5,342	6,687
Amounts due to group undertakings	6,956	3,442
Corporation tax	116	179
Deferred tax	38	47
Other taxes and social security costs	59	19
Accruals and deferred income	829	719
	16,776	11,093

Bank loans and overdrafts are secured by fixed and floating charges over the assets of the Company and under unlimited cross guarantees between Landauer Limited, Abaca International Limited, Farnham Holdings Limited and Hanson & Orth Fibres Inc. The cross guarantees are underpinned by mortgage debentures over the assets of the borrowers.

Skandinaviska Enskilda Banken AB, Santander UK Plc and Mizrahi Tefahot Bank Limited rank pari passu under a deed of priority entered into by Landauer Limited with Abaca International Limited, Farnham Holdings Limited, Sea Products International Limited and Hanson & Orth Fibres Inc.

A downstream guarantee has been issued by Largus AB, the immediate holding company.

Amounts due to group undertakings are unsecured and repayable on demand.

15. Financial Instruments

The Company has the following financial instruments:

	2022 £'000	2021 £'000
Financial assets measured at amortised cost:		
Trade debtors	5,201	3,199
Other debtors	-	128
Cash at bank and in hand	462	740
	5,663	4,067
Financial liabilities measured at amortised cost:		
Bank loans and overdrafts	3,436	-
Trade creditors	5,342	6,687
Amounts due to group undertakings	6,956	3,442
Accruals and deferred income	829	719
	16,563	10,848

Derivative Financial Instruments

The Company enters into forward currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2022 the outstanding contracts all mature within 5 months (2021 - 3 months) of the year-end. The Company is committed to purchase US$3,141,650 and Euro €143,000 (2021 - purchase US$3,145,000 and Euro €123,000) as at 31 December 2022 in exchange for a fixed sterling amount. The Company is committed to sell US $200,500 (2021 – sell US$nil) as at 31 December 2022 in exchange for fixed sterling amounts. The forward currency contracts, where material, are measured at fair value which are determined using valuation techniques that utilise observable inputs. The key assumptions used are the forward exchange rates for GBP:USD and GBP:EUR.

16. Other Commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £'000	2021 £'000
Payments due:		
Not later than one year	60	70
Later than one year and not later than five years	205	215
	265	285

17. Called-up Share Capital

	2022	2021
Allotted, Called-up and Fully Paid		
Ordinary shares of £1 each	£2	£2

18. Pension Costs

The Company makes contributions to individual money purchase pension arrangements with employee contributions of 2%, 3% or 4% of basic salary dependent on age and length of service and employer contributions of 4%, 6% and 8% respectively. Additional employer contributions are paid in respect of certain employees. During the year ended 31 December 2022, the employer made contributions of £62,250 (2021 - £60,000).

19. Contingent Liabilities

At 31 December 2022, the Company had issued letters of credit amounting to US$2,447,312 (2021 – US$3,865,315).

20. Parent Undertaking and Ultimate Parent Undertaking

The Company's immediate parent undertaking and the smallest group to consolidate these financial statements is Landauer Limited, a company registered in England and Wales. A copy of the Financial Statements of Landauer Limited can be obtained from 25 Beaufort Court, Admirals Way, London E14 9XL.

The Company's ultimate parent undertaking and largest group to consolidate these financial statements is Westindia AB, a company incorporated in Sweden. A copy of the Financial Statements of Westindia AB can be obtained from PO Box 14237, S - 104 40, Stockholm, Sweden.

The ultimate controlling parties are E Salen and S Salen, being the individually significant shareholders of Westindia AB.

21. Related Parties

See note 7 for disclosure of Directors' remuneration. There are no key management other than the Directors.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.