

The Sea Fish Industry Authority (Seafish)

Annual Report & Accounts 2020/21

For the period 1 April 2020 to 31 March 2021

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Performance Report

Performance Report

Chief Executive Statement



Seafish, like so many organisations, has had a hugely challenging year because of the Covid-19 pandemic. On a positive note, the situation enabled us to demonstrate just how useful and supportive we can be for a wide range of seafood businesses throughout the UK. However, the sudden reduction in seafood landings and imports resulted in a significant reduction in levy income throughout the year. This led to a reduced workforce and some projects being downsized.

The pandemic also resulted in a delay to the start of the Strategic Review of Seafish. We intended the process, in partnership with Defra, the three Devolved Administrations and all industry stakeholders, to happen in 2020/21 and be concluded by financial year end. Instead, the process has been restarted and will conclude in 2022.

A further challenge was the UK's departure from the European Union. Once again, we were able to provide significant and much appreciated insight and business support as seafood businesses throughout the UK struggled with considerable and sustained uncertainty around conditions of trade and the regulatory frameworks.

We have drawn on our unique position between industry and government to bring organisations and experts together to understand key issues, research solutions and provide advice and guidance. There was a constant demand for support throughout the year continuing well beyond the formal end of the EU Exit Transition period.

In October 2020, we launched our new approach to seafood marketing. 'Love Seafood' is aimed at UK consumers and will try to change their perceptions, attitudes, and behaviours towards buying seafood. It is an ambitious change of direction for us, but one that is widely supported by industry stakeholders who have helped design the key messages as well as the general approach. The first six months of the campaign have been successful and well received by industry stakeholders. The approach was enhanced with additional support from the UK government to help promote UK caught fish and shellfish as UK fishermen were struggling with restricted export markets and the widespread closure of restaurants because of the pandemic.

Safety at sea remains a concern, and while there has been some excellent multi-agency partnership working on new safety campaigns, there have been several fatalities during the year. We will continue to work closely with the Maritime and Coastguard Agency, the fishing federations, and other partners to effect improvements in safety awareness, information, attitudes, and equipment.

Our governance arrangements continue to be very robust with key committees highly active and engaged. The Seafish Board is committed to ensuring strategic matters are considered alongside regular scrutiny duties and Internal Audit used to proactively identify and inform further improvements.

Several of our Board members, including our Chair Brian Young, reached the end of their terms in 2020/21 after many years of service. We are grateful for their committed service and look forward to working with the newly appointed members in 2021/22.



Marcus Coleman
Chief Executive

Overview

The Performance Report discloses those matters which we are required to report under the Government Financial Reporting Manual. It is intended to provide:

- An overview of our purpose, strategy, high level objectives and organisational structure during the year
- A balanced and comprehensive analysis of our development and performance during the financial year, including the financial positions at the year end
- Notable highlights and deliverables for our Operational and Corporate Relations Divisions
- Key operational issues and risks
- The main trends and factors likely to affect the future development, performance, and position of the business
- Sustainability reporting.

Key governance risks are discussed in the Governance Statement on pages 33-35.

Seafish Purpose

Seafish is a Non-Departmental Public Body (NDPB) created under the Fisheries Act 1981 (The Act). The Act defines our purpose as “promoting the efficiency of the seafood industry... so as to serve the interests of that industry as a whole”, whilst at the same time having “regard to the interests of consumers of sea fish and sea fish products”. We also have additional responsibilities under the Fishing Vessels (Safety Training) Regulations 1989 as a provider of mandatory Safety Training Certificates for fishermen. These provisions are currently under review by the Maritime and Coastguard Agency.

Our vision is for a seafood industry that is truly thriving. A seafood industry where businesses across the supply chain are:

- flourishing, seizing opportunities and managing risk
- where product sales are growing to meet a near doubling in seafood demand
- where our workforce is skilled and safe
- where UK responsible sourcing is setting the global benchmark
- and where a future-focused sector is built upon a solid foundation of collaboration, insight and innovation.

Our mission is to use our unique position, right at the heart of the seafood industry, to work in partnership with our stakeholders to make a difference on the issues and challenges that matter most.

In April 2018 we introduced a new three-year Corporate Plan focused on addressing the five industry challenges preventing the industry from thriving. These challenges, detailed below, drive the projects, products and services we deliver annually.

Challenge 1: Changing landscape

Helping the industry navigate a changing political, economic and regulatory landscape as the UK exits the EU and recovers from the Covid-19 pandemic.

Challenge 2: Increasing seafood consumption

Increasing consumer demand against strong competition from other protein and non-protein foods.

Challenge 3: A safe and skilled workforce

Supporting the sector to find a suitably skilled workforce, while addressing complex challenges around workplace safety.

Challenge 4: Ensuring sustainable supply

Helping the seafood sector to source sustainable seafood in an increasingly competitive global market, while ensuring consumer expectations on human welfare, the environment and animal welfare issues are met.

Challenge 5: Data, innovation and insight

Helping the sector access data, information and knowledge to ensure it is equipped to understand and respond innovatively to challenges and opportunities.

Organisational Structure

To address the challenges effectively, our work is led under four divisions: Business Services (overseen by the Finance Director), Corporate Relations, Operations and Human Resources. The performance against the challenges under the Corporate Relations and Operations divisions are reported on pages 13-16. The director leading each division and the divisional teams are demonstrated in the following organisational structure.



Louise Ballantyne

Finance Director

Business Services
consisting of:

- Finance
- Levy
- Information Systems



Hazel Curtis

Corporate
Relations Director

Delivery of Corporate
Challenges relating to:

- Marketing
- PR and Communications
- International Trade and Regions
- Horizon Scanning



Aoife Martin

Operations
Director

Delivery of Corporate
Challenges relating to:

- Responsible Sourcing
- International Trade
- Regulatory Affairs
- Economics
- Safety, Training & Services



Linsey Neill

Human
Resources
Director

- Human Resources
- Health and Safety

The Executive Management team is governed by the Seafish Board – please see page 27 for more details.

Performance Analysis

Progress against our Corporate Plan is measured through detailed performance dashboards on each work area, and these are reviewed by the Seafish Board on a quarterly basis. In addition, each Challenge has an internal monitoring team and monitoring tool which is updated and reviewed monthly. To provide the Board with assurance that operations are running effectively, a budget variance analysis and project delivery RAG Rating is included on the detailed performance dashboards.

Performance dashboards relating to Finance, Human Resources, Levy collection, and Information Systems, are also reviewed by the Board on a quarterly basis.

A review of our financial performance is shown below, followed by delivery highlights from our 2020/21 Annual Plan. This includes:

- The notable highlights
- Performance against key expectations
- Upcoming issues that the teams are expecting to face, and
- Any non-financial information including social matters, respect for human rights, anti-corruption and anti-bribery matters.

Financial Performance

Review of Financial Results for the Year

We delivered a surplus of £1.6m in 2020/21 compared to a deficit of £2.1m for 2019/20. The main reasons for this £3.7m movement were:

	2020/21 £'000	2019/20 £'000	Movement £'000	Reason for Movement
Levy Income	(6,902)	(7,804)	(902)	Levy decreased by 12% due to the impact of the Covid-19 pandemic on the UK seafood supply chain.
Other Operating Income	(866)	(1,640)	(774)	Due to Covid-19 we are not able to carry out some projects and therefore we are unable to claim related grants.
Project Expenditure	2,595	4,547	1,952	A significant drop in project expenditure due to the impact of Covid-19 and not being able to carry out some projects.
Actuarial pension (gain)/loss	(2,851)	497	3,348	This is the (gain)/loss in our defined contribution pension scheme assets as per our IAS 19 report provided by our actuaries, Aon Hewitt. The gain is mostly driven by market recovery after the initial drop in the value of Fund assets at the onset of Covid-19.
Other	6,433	6,507	74	
Total	(1,591)	2,107	3,698	

Review of the Financial Position as at 31 March 2021

After covering all its liabilities, we had assets of £0.2m at 31 March 2021 (2020: net negative assets of £1.4m). This increase in assets of £1.6m was largely the result of the net decrease in the pension liability, offset by the net expenditure. The key balance sheet movements are as follows:

	2020/21 £'000	2019/20 £'000	Movement £'000	Reason for Movement
Cash and cash equivalents	4,346	5,986	(1,640)	Cash decreased largely due to net operating expenditure of £1.3m for the year.
Pension liability	(7,149)	(10,437)	3,388	Liability decreased mainly due to positive returns on the Fund's assets.
Other	3,004	3,061	(57)	
Total	201	(1,390)	1,591	

Levy Income

Our total levy income for 2020/21 was £6.9m (2019/20 £7.8m). This is a decrease of £0.9m. There has not been an increase in the rate of levy since 1999, so any variance in levy is a result of variations on volumes or categories of landed or purchased fish by levy payers.

As a result of the Covid-19 pandemic, levy income fell due to the closure of important UK export markets, the closure of the UK domestic foodservice market and temporary uncertainties around the legality and safety of fishing vessel operations. In addition, there has been several business failures in the seafood industry which have also decreased levy income.

Performance across the Five Challenges

Like most organisations, the 2020/21 business year was challenging for us as we dealt with the implications of the Covid-19 pandemic on the seafood industry, our staff, and on our revenue. Alongside this, our work programme to support the seafood industry to navigate the changes brought about by the UK's exit from the EU increased in terms of both complexity and scale.

Despite these difficulties, we continued to deliver value to the seafood industry. The highlights for each challenge are presented below:

Challenge 1: Changing landscape



We provided support to industry and to government to respond to the Covid-19 Pandemic. This included:

- Advice and guidance on direct selling
- Economic analysis to inform government funding schemes
- Guidance on safe work practices, and
- Advising central government on regulatory changes that could assist the sector.

We also produced quarterly impact assessment reports that tracked how the distinct phases of the pandemic, and corresponding government public health measures, impacted the seafood supply chain.

We worked in partnership with the Department for International Trade (DIT) to develop a package of support for UK exporters which included delivery of a series of webinars on trading with Japan, the UAE and North America (Canada and the USA). These events provided overviews and information on market access of these key export markets and complemented our suite of Export Guides. The webinars (slides and recordings) and Export Guides are available on the Seafish website.

As the 1 January 2021 deadline approached, we delivered a programme of extensive support and guidance to help businesses prepare for EU Exit and to respond to the challenges that have impacted the sector since 1 January 2021. This included webinars, import and export forums, publishing and sharing information updates and 1:1 support.

Challenge 2: Increasing seafood consumption



We developed and launched our new Love Seafood marketing brand in October 2020. The brand sets out a strategic approach to changing consumers hearts and minds in favour of seafood. In the first six months since launching:

- Over 3 million people have seen our social media content.
- Love Seafood has been featured 118 times in national newspapers and magazines - with a reach of 90 million.
- Over 220,000 people have tuned into our Love Seafood videos.

Our focus is to work in partnership with seafood businesses to positively influence consumer attitudes and perceptions so that we can encourage more people to eat more seafood, more often. As well as delivering marketing activity for consumers, we are also supporting seafood businesses. We have created marketing tools and assets for businesses to use and are running Marketing Masterclass webinars to help upskill independent seafood businesses. So far over 600 businesses have engaged and used our content and marketing support. A notable example of this is the way we helped International Fish Cannery with recipe inspiration for their customers.

Access to readily available data and insight on consumer trends has been more important than ever for seafood businesses over the past year. We produced 24 reports and factsheets, which can be found at <https://www.seafish.org/insight-and-research/>, covering trends in seafood sales and consumption in retail and the foodservice sector. These reports covered key species and a range of product formats across frozen, chilled and ambient categories. Alongside this we continued to offer our bespoke market insight analysis service to industry.

Challenge 3: A safe and skilled workforce



We launched the award-winning ‘Home and Dry’ campaign in collaboration with the Fishing Industry Safety Group (FISG). FISG is a forum that brings together the fishing industry, government and other relevant organisations to address fishing safety issues. This fishing safety campaign was created alongside the fishing industry to help get the right message to the target audience. Fishermen were tired of being told they could die so the focus was on reminding them why they live. We launched the unique, multichannel campaign across social media, radio and down at the ports in July 2020. The campaign avoided messages of fear and danger and focused on professionalism, love and responsibility; the Home and Dry campaign showed fishermen being safe - rather than telling them.

We developed and launched an innovative hazard alert system and app – Kingfisher Bulletin (www.kingfisherbulletin.org) which helps communicate and raise awareness of hazards at sea. The Kingfisher Bulletin allows fishers to create personalised safety alerts for the areas where they fish. Alerts are sent via app, email or text message, whenever something hazardous is reported (such as new cables on the seabed or the installation of wind turbines). The system issued over 66,000 alerts during the first year and has received excellent support from the fishing industry.

In collaboration with the Scottish processing sector, we launched a pilot careers campaign (Sea a Bright Future) during spring 2021, which was focused on attracting new entrants into the processing industry. The campaign ran across mainstream print and radio media. Initial feedback indicates that:

- During the campaign period, seaabrightfuture.com was visited 5,433 times.
- There has been an increase in enquires from jobseekers but there is still a lack of applicants for factory floor positions. Interest seems to be heavily weighted toward skilled positions as opposed to entry-level, production-based roles.
- Strong support from across businesses in the pilot area for similar recruitment campaigns in the future. The requests ranged from campaigns on the whole of Scotland to specific job roles. We will build on this pilot campaign during 2021/22.

Challenge 4: Ensuring sustainable supply



We successfully moved our Issues Groups (common language group, fisheries management and innovation group etc.) online, creating a series of bite-size sessions. We increased stakeholder participation holding 21 sessions which attracted almost 1500 participants.

We completed a review of the EU Official Control Regulations that relate to live bivalve mollusc (LBM) production and shellfish water quality. The report identified areas of flexibility in how the rules are applied in various parts of the EU. It has been key in identifying solutions to help address the live bivalve mollusc trade issues that have affected the sector since 1 January. This work is part of our wider shellfish water quality work programme which includes convening the shellfish stakeholder working group. The group is a forum for industry, government and the research community to engage on relevant issues.

We launched our successful ocean plastics campaign on World Ocean's Day 2020 which shone a light on the positive work underway to tackle marine litter and end-of-life fishing gear. The campaign included a short film focused on providing the industry and the public, with a clearer understanding of the challenges created by marine litter, including plastic and lost or discarded fishing gear. It also highlighted the positive examples of how the fishing industry is working to tackle these issues. The purpose of the campaign was to raise awareness but also to inspire more innovation and knowledge sharing, which will in time lead to less discarded fishing gear in the world's oceans.

The UK's exit from the EU and in turn the Common Fisheries Policy, and the implementation of the Fisheries Act has provided an unprecedented opportunity to review how we manage fisheries in the UK and the creation of a leading fisheries management system. As part of this, we established a suite of shellfish co-management groups, including the whelk management and crab management groups. The groups bring together the seafood industry, government and the research community to work collaboratively on fisheries management issues. A priority focus for these groups is the development and implementation of a National Shellfish Fisheries Plan. Alongside this we have continued to work with industry, government and the research community to progress the Future of Our Inshore Fisheries Action Plan. This is focused on driving positive changes in how the UK's inshore fisheries are managed.

We supported the seafood supply chain to establish, and successfully grow the North Atlantic Pelagic Advocacy (NAPA) group. It has become a Europe wide market-led sustainability initiative focused on improving the management of mackerel, herring and blue whiting fisheries.

Challenge 5: Data, innovation and insight



We published a review into the impact of underwater noise, vibration and electromagnetic fields on commercial crustaceans. The purpose of this research was to enable better informed discussions between government, the fishing industry and offshore developers on access to marine space.

Despite the Covid-19 challenges we managed to successfully deliver our annual fleet and processing surveys during 2020. These surveys provide a critically valuable time series charting the economic performance of the UK seafood sector. The timeseries also provided much of the data and analysis that underpinned the sector specific support schemes that were provided by government during the height of the pandemic. During 2020 the surveys were adapted to collect specific information on how the pandemic was affecting fishing and seafood processing businesses.

We launched our Fleet Enquiry Tool, to much acclaim. The tool is an online resource that allows users to analyse and visualise data on the economic performance, landings and activity of the UK's fishing fleet. This is the companion resource to our Processing Enquiry Tool which was launched in 2019.

We continued to enable partnerships between the research community and the seafood sector, helping direct research funds to ensure the issues impacting the seafood sector are a research priority. This includes our involvement in Fisheries Innovation Scotland and the Seafood Innovation Fund.

Key Operational Issues and Risks

We identified eight key risks regarding the governance of the organisation. More information on these is available in the Governance Statement on pages 33-35. In addition to these, the following issues are highlighted in reference to the operational risks of Seafish.

Covid-19

The UK Government's Covid-19 guidance and essential safety measures that have been implemented provide a significant risk to the basic operations of Seafish and several services we provide. The health and safety of staff and stakeholders is of paramount importance to us. Our Health and Safety Committee established a Covid-19 Safety Group and, in line with the rest of the UK, implemented several essential measures to protect our staff and stakeholders from the virus.

All staff have worked remotely and contributed to operations from home since March 2020. We were not alone in finding a switch to remote working difficult and for it to have a temporary impact on our operations and workforce. Our IT systems and staff have been able to overcome this risk and the resilience of the workforce has managed to endure this difficult period. Provisions have been made to ensure that home working can be carried out as safely as possible. Since restrictions were lifted at the end of April 2021, measures have been taken to ensure the safety of employees who require essential access to our offices.

We are continuing to follow all government guidance and protect our staff and stakeholders as best we can. Staff mental wellbeing is also of paramount importance during this time and the Covid-19 Safety Group is monitoring this across the organisation.

The government guidance and Covid-19 safety measures has meant that our services such as the safety training of those working on fishing vessels have had to temporarily stop. This has also forced the postponement or cancellation of multiple stakeholder events. It is believed that this is a temporary position with services to resume once safe to do so and events to have alternative arrangements or be rearranged.

General Data Protection Regulation (GDPR)

We are required by law to comply with the EU GDPR. GDPR harmonises data privacy laws across Europe and provides greater protection and rights to individuals. As a controller and processor of personal data, we are subject to these regulations.

To ensure continuing compliance, we have a GDPR working group that is chaired by the designated Data Protection Officer (DPO). This group, which is made up of a selection of individuals from across the organisation, meets regularly to ensure we are complying with the Information Commissioners Office (ICO) published guidelines. As well as maintaining policies and procedures, the group organises GDPR awareness and training sessions for new and existing staff and is responsible for reviewing a register of all the personal identifiable information we hold.

Information Systems

Like many businesses in today's world, we operate with multiple internal digital platforms and systems. The flow of information within these systems is vital to the efficient operational delivery of Seafish. Ineffective systems could lead to decreasing quality of our outputs. This has never been truer than during the enforced switch to remote working due to Covid-19 and subsequent need for digital communication across staff and stakeholders.

There continues to be an increased cyber threat with well-publicised attacks on other public bodies such as SEPA (Scottish Environment Protection Agency) in December 2020. A cyber security breach could result in a loss of sensitive information, a financial loss from fraud and reputational damage to the organisation.

We are approaching the end of the first, foundation phase of our five-year Digital Transformation programme. Our focus during 2020/21 has been to increase operational efficiency by modernising our IT infrastructure. This included the rollout of new laptops to all colleagues which helped support remote working due to Covid-19. In addition, the first of many systems were transferred to the Cloud and we built a new public website which has vastly improved our stakeholder experience. In July 2021, we achieved Cyber Essentials Accreditation and have started working towards Cyber Essentials Plus. The programme continues to be overseen by a Digital Board which approves the annual budget, individual projects and ensures effective risk management. At the Board's request, an independent review was carried out in August 2021. This gave reassurance that our digital transformation strategy, key projects, progress, and roadmap were fit for purpose, taking into consideration the size of our organisation, the industry in which we operate and our business strategy.

Fraud

Like all public sector bodies, external fraud provides us with an ever-present risk. There are increasing instances of sophisticated fraud attempts on public bodies and an increasing variety of attacks as cybercrime advances. Threats range from creditor fraud to procurement fraud. A successful fraud attempt has the potential to leave us at a financial loss, lose the confidence of external stakeholders and lower the organisation's morale. To equip us to deal with this threat, a review of our fraud risk was carried out and a Fraud Risk Management Report was presented to ARC in July 2021. We are connected to the Defra Counter Fraud Network and work to the highest possible standard of best practice in adherence to the Counter Fraud Functional Standard, GS013, which was launched in October 2018.

Going Concern

Seafish are required to exist in legislation therefore the activities of Seafish would remain even through financial difficulties. We were set up by the Fisheries Act 1981 and we're sponsored by the Department for Environment, Food and Rural Affairs (Defra).

The Covid-19 pandemic has reduced the value of levy available due to export and consumer market restrictions leading to a reduction of firsthand sales across the UK. The risks and uncertainty created by this have been reviewed by both the Executive and the Board through updated forecasts, levy projection scenarios and cash flow analysis. We have flexibility to adjust our cash inflows through grants, and expenditure can be adjusted to account for the changes to funding from levy income received. We are content that all ongoing obligations will be met in the next 12 months, that no liquidity issues are expected and that no going concerns issues will arise.

Future Strategic Direction

We are here to give the UK seafood industry the support it needs to thrive. The nature of the support required can take unexpected turns, as is the case with the Covid-19 pandemic. However, Seafish is a 'constant' in times of uncertainty and we will work tirelessly to shape the nature of our support accordingly.

Whatever challenges are faced across trading, safety and skills, consumption or sustainability, our vision of a truly thriving seafood industry will, one day, be realised.

Our aspiration is:

- To help our seafood stakeholders identify, optimise and secure business benefits from the process of the UK's exit from the EU, while successfully responding to the difficulties that such change will inevitably bring.
- To facilitate the doubling of seafood consumption in the UK to two portions per person a week, which will in turn contribute to significant financial, social and health benefits across the UK.
- To support efforts to eradicate all preventable fatalities and injuries at sea and onshore, and to assist the seafood sector to benefit from best-in-class skilled labour, supported by high quality training.
- To work in partnership with seafood stakeholders to secure the broad supply base required by UK industry, and to support the responsible sourcing and supply chain integrity demanded by UK consumers.
- To ensure UK seafood businesses can draw upon the expert advice, knowledge, insight and data they need to inform decisions to deliver increased business prosperity.

In terms of future direction, this year is an important one. The Board has resolved to undertake a Strategic Review of Seafish and, in doing so meet the requirements of the Cabinet Office Guidance for Tailored Review of Public Bodies. The review will engage stakeholders and government, including the Devolved Administrations, in discussions about our outlook. It will consider the future priorities for us and how the organisation should be structured and funded. It is anticipated that the outcome of the review will be a refreshed mandate with an agreed corresponding funding arrangement.

In the meantime, while the review is underway, we will remain fully focused on supporting the UK seafood industry. Helping them to navigate the extraordinary circumstances created by the Covid-19 pandemic and to adjust to the new trading relationship with the EU.

Seafish Sustainability Strategy

Our employees are committed to doing good in the world. We contribute to the biggest challenges facing the planet in an efficient and effective way. We are also champions for the health, safety and wellbeing of the people and communities associated with the UK seafood industry.

In 2020 we held a sustainability session with a group which represented various areas from across the organisation. Several priorities were identified and prioritised for further action. Our subsequent annual staff survey results identified clear support for initiatives that would give back to the community and protect the environment. We offer staff five days a year to undertake any volunteer work to support this aspiration.

With the sponsorship of our Executive team and drawing on inspiration from leading seafood businesses, we have embarked on the production of our first Sustainability Strategy and Action Plan. At its heart, the Strategy will reflect our aspiration for a thriving and sustainable seafood industry that acts responsibly for the benefit of society and the environment. In delivering our 2018-21 Seafish Corporate Plan (now extended for a further year), we committed to directly contribute to six United Nations Sustainable Development Goals. These Global Goals provide the planet's blueprint to achieve a better and more sustainable future for all by 2030. Our Strategy will align our sustainability aspirations and forthcoming targets with those Global Goals on which we believe our business can have the most positive impact.

Sustainability Data

This is the fifth year we have collected baseline data to enable us to measure and report on our business travel miles and greenhouse gas emissions.

	Year ended 31 March 2021			Year ended 31 March 2020		
	Expenditure £'000	Measure	Tonnes CO2	Expenditure £'000	Measure	Tonnes CO2
Scope 2: Energy indirect						
Electricity (kWh)	9	37,911	9	11	57,032	15
Gas (kWh)	5	111,306	21	5	102,615	19
Scope 3: Other indirect emissions						
Air Travel (miles)	-	-	-	65	150,696	24
Rail Travel (miles)	-	-	-	130	302,480	13
Travel by non-owned transport (miles)	85	4,222	1	226	350,929	98
Water supply (m3)	4	80	-	5	115	-
Waste management (tonnes)	-	0.3	-	7	5	1
Total	103		31	449		170

As is evident from the table, the Covid-19 restrictions have resulted in a significant decrease in staff travel alongside an increase in the use of technology to host remote meetings.

A substantial proportion of the 'Travel by non-owned transport' is due to the cost of the lease vehicles.

There are several factors that limit the accurate compilation of the sustainability data. These are listed below:

- We pay a unitary charge to operate out of leased premises in Grimsby. As such, utility and waste management charges associated with the Grimsby office cannot be disaggregated and therefore are not included.
- Details of exact miles taken is not recorded for taxi, rail or air travel. The above mileage is an estimate based on the expenditure in these areas.



Marcus Coleman – Chief Executive

14 January 2022

Accountability Report

Accountability Report

Corporate Governance Report

The purpose of the Corporate Governance report is to explain the composition and organisation of Seafish's governance structure and how it supports the achievement of our objectives. This governance report sets out how we have managed and controlled our resources during the year.

Directors' Report

Statutory Background

These accounts have been prepared in a form directed by the Secretary of State for Environment, Food and Rural Affairs, with the consent of HM Treasury and in accordance with Section 11 of the Fisheries Act 1981 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2004. These financial statements have been prepared in accordance with the account's direction issued by the Secretary of State for Environment, Food and Rural Affairs. The accounts direction requires compliance with HM Treasury's Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury.

Seafish Board Members

In 2020/21, there were eight non-executive Seafish Board members, appointed jointly by the Minister of State for Agriculture, Fisheries and Food (Defra), the Cabinet Secretary for Rural Economy and Connectivity (Scottish Government), the Cabinet Secretary for Environment and Rural Affairs (Welsh Government) and the Minister for Agriculture, Environment and Rural Affairs (Northern Ireland Executive). Four Board Members are independent of the seafood industry and the remaining four members represent the interests of the seafood industry.

Independent: Brian Young (Chair) – End of term 31/03/2021
Alison Austin – End of term 31/03/2021
Michael Sheldon
Linda Rosborough

Industry: Mike Mitchell
Nathan de Rozarieux
Jonathan Shepherd – End of term 31/03/2021
James Buchan – Resigned 21/09/2020

A Register of Board Members' Interests details company directorships and other significant interests held by Board Members which may conflict with their responsibilities. The register is available on the Seafish website (<https://www.seafish.org/about-us/governance-and-performance/seafish-board/>) or by contacting Seafish direct.

Board meetings are held regularly to ensure overall control over the operations of Seafish is exercised. The Chief Executive and the executive directors attend and participate fully in all Board meetings. Meetings are fully minuted.

Board Members' Responsibilities

Board Members have adopted a Code of Good Practice, as recommended by Government, which covers their responsibilities including public service values, corporate responsibilities, strategic planning and control, handling conflicts of interest and annual report and accounts preparation on a going concern basis.

The Chief Executive of Seafish as Accounting Officer, is responsible for preparing the Annual Report, the Remuneration and Staff Report and the financial statements in accordance with the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2004 and the Accounts Direction issued by the Secretary of State for the Environment, Food and Rural Affairs.

Management

The management of Seafish comprised the following executive directors during 2020/2021:

- Marcus Coleman (Chief Executive from 5th January 2016)
- Declan Byrne (Finance Director from 1st April 2017 – 26th October 2020)
- Aoife Martin (Operations Director from 3rd July 2017)
- Hazel Curtis (Corporate Relations Director from 7th January 2019)
- Linsey Neill (Human Resources Director from 1st April 2017)
- Grace Baxter (Interim Human Resources Director from 4th May 2020 – 30th June 2021)
- Louise Ballantyne (Interim Finance Director from 18th January 2021)

Business Review and Future Developments

The Statement of Comprehensive Net Expenditure is set out on page 51 of the accounts. The net expenditure for the year, after taxation but prior to Other Comprehensive Income gains, amounted to £1.3m (2019/20: net income £1.6m).

A detailed Performance Report is set out on pages 6 to 21. The Performance Report contains a performance and financial review of the activities undertaken by us during 2020/21 as well as information on future developments.

Political and Charitable Donations

We did not make any donations towards charitable or political purposes during the year.

Payment of Payables

We aim to comply with the Better Payments Practice Code. Our policy is to pay creditors' accounts by the due date specified under each creditor's terms of payment, unless under dispute.

At 31 March 2021, £0.3m was owed to trade payables representing 23 days purchases outstanding (31 March 2020 – 15 days).

Auditors

The Comptroller and Auditor General is the statutorily appointed external auditor for Seafish. The audit fee for the statutory audit for 2020/21 is £55k (2019/20: £53k). There was no non-statutory audit work undertaken by the Comptroller and Auditor General in 2020/21 or 2019/20.

Personal Data Related Incidents

There was one personal data related breach during 2020/21 which was reported to the information commissioner's office.

Statement of Accounting Officer's Responsibilities

Under the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2004, the Secretary of State of Environment, Food and Rural Affairs has directed the Sea Fish Industry Authority (Seafish) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accrual's basis. The Accounting Officer confirms that the Annual Report and Accounts as a whole give a true and fair view of the situation of the Sea Fish Industry Authority and of its income and expenditure, application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Ministers with the consent of Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- Maintain internal controls.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on a going concern basis.
- The Board and the Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Accounting Officer of Defra has appointed the Chief Executive as Accounting Officer of Seafish. The responsibilities of an Accounting Officer; including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Sea Fish Industry Authority's assets; are set out in Managing Public Money published by HM Treasury and in the Accounting Officers' Memorandum issued by the Ministers and published in a Memorandum of Understanding between the Ministers and the Sea Fish Industry Authority.

As far as the Accounting Officer is aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware, and the Accounting Officer has taken all necessary steps to make himself aware of any relevant audit information and to establish that the Comptroller and Auditor General is aware of that information.

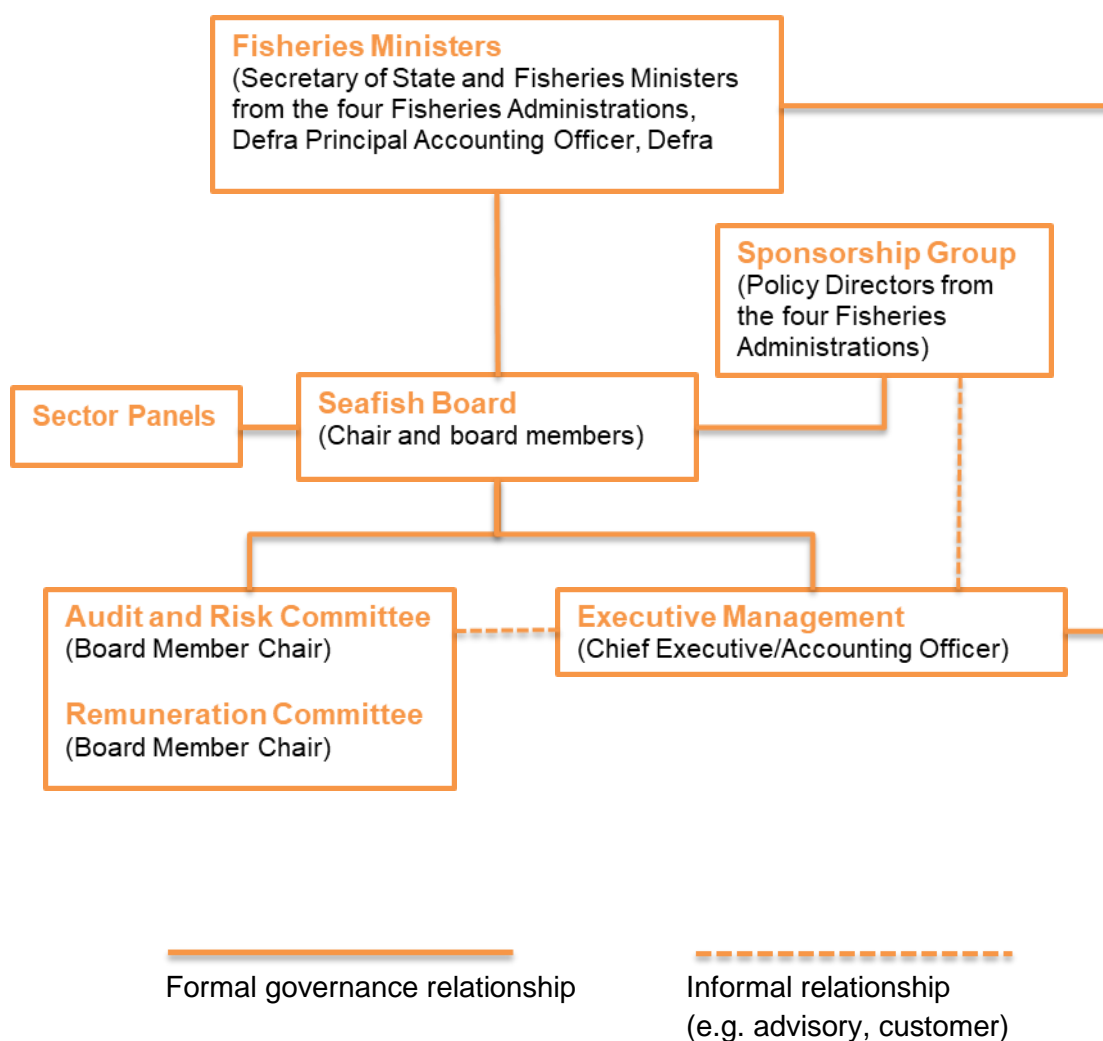
The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance Statement

As Accounting Officer, I have the responsibility for maintaining a sound system of risk management, governance and control that supports the achievements of Seafish policies, aims and objectives, whilst safeguarding the public funds and Seafish assets for which I am responsible. Seafish is required to operate in accordance with the responsibilities assigned in Managing Public Money, issued by HM Treasury, and are also required to ensure compliance with the relevant principles and protocols outlined in the Code of Good Practice, as far as applicable to a NDPB.

The Governance Framework of Seafish

In 2013 Seafish and the four Fisheries administrations agreed the detail of a Framework Agreement that set out the overarching arrangements for the sponsorship of Seafish and the governance and accountability arrangements between the four Fisheries Administrations (being the Department for Environment, Food and Rural Affairs (Defra), Marine Scotland, Department of Agriculture, Environment and Rural Affairs Northern Ireland (DAERA) and the Welsh Government) and Seafish. This structure was operational throughout 2020/21 and is demonstrated in the below diagram.



Under the Framework Agreement, the Sponsorship Group, comprising policy directors from the four Administrations, manages the relationship with Seafish and the main sponsorship activities. Defra acts as the primary point of contact for Seafish in dealing with issues relating to sponsorship, finance, corporate governance and performance, and liaises with the other administrations as appropriate. Routine policy issues are handled through bilateral engagement between policy leads in the relevant Administrations and Seafish.

The Framework Agreement also sets out the governance structure for Seafish, including the role of the three Sector Panels to provide advice to the Seafish Board on work priorities.

The Board

Ministers appoint the Seafish Board. The Board provides strategic direction and leadership; drives performance and holds the Executive to account against its corporate plans. It also ensures that Ministers are kept informed of any changes which are likely to impact on the strategic direction of the company.

Members of the three advisory Sector Panels are appointed by Seafish. The aim of the Panels is to enable greater industry representation and influence in defining our work programmes. The three Panels represent the following sectors: Domestic and Exporters; Importers and Processors; Consumers and Supply Chain.

The Seafish Board agrees the strategy and corporate objectives for the organisation and the Sector Panels and our Executive team then develop specific strategies and costed work programmes against these objectives. The Panel Chairs attend Board meetings and provide a valuable channel of communication between Seafish, the Panel members and the wider industry.

There were eight non-executive Board members during the year, four of whom were independent members, with the remaining four being from the seafood industry. Defra completed a successful appointments campaign in early 2021 and appointed six new Board members in April/May 2021, to replace Board members who had reached the end of their terms. In addition, Michael Sheldon, previously Board Deputy Chair, was appointed Board Chair on 1st April 2021.

- | | |
|------------------------------------|------------------------|
| • Jeffrey Halliwell (Deputy Chair) | Appointment 01/05/2021 |
| • Nigel Edwards | Appointment 01/04/2021 |
| • Heather Jones | Appointment 01/04/2021 |
| • Graham Black | Appointment 01/04/2021 |
| • Harry Wick | Appointment 01/04/2021 |
| • David Brooks | Appointment 01/04/2021 |

The Board met five times during the year and all meetings were properly conducted and minuted. Minutes of the meetings provide information on what the Board has discussed throughout the year and are available on our website (<https://www.seafish.org/about-us/governance-and-performance/seafish-board/>). The Panel Chairs, the Chief Executive and the Executive Directors attend and participate in all Board meetings. The Board meets in closed session where appropriate.

Board Meetings

The meeting attendance records for Board members during 2020/21 are detailed in the table below:

Board Member	Possible	Attended
Brian Young (Chair)	5	5
Michael Sheldon (Deputy Chair)	5	5
Alison Austin OBE	5	5
Linda Rosborough	5	5
Mike Mitchell	5	5
Nathan de Rozarieux	5	5
Jonathan Shepherd	5	5
James Buchan	3	3

Executive Directors	Possible	Attended
Marcus Coleman (Chief Executive)	5	5
Declan Byrne (Finance Director)	3	3
Linsey Neill (Human Resources Director)	1	1
Aoife Martin (Operations Director)	5	5
Hazel Curtis (Corporate Relations Director)	5	5
Grace Baxter (Interim Human Resources Director)	5	5
Louise Ballantyne (Interim Finance Director)	1	1

The Board considers standard items that include reports from executive directors, the risk register, health and safety update, and reports from the committees and any ad hoc sub-groups. All papers presented to the Board or any of its committees are validated by the relevant executive director.

The Board concentrated on dealing with strategic matters and the impact of Covid-19 on our levy income and our staff. Most governance issues identified were delegated to the Audit and Risk Committee (ARC) for consideration and feedback. Examples of issues considered by ARC are shown on page 30-31.

Conflicts of Interest

Board members are required to declare any direct or indirect interest in any item on the agenda before the board meeting begins. Any declaration will be noted in the minutes and the member will not take part in any deliberation or decision-making process relevant to the issue raised. If deemed appropriate by the Chair, they may also be asked to withdraw from the meeting during consideration of the business to which the conflict relates. There were no conflicts of interest identified in the year to 31 March 2021.

Board Effectiveness

As noted above, the Board met five times during the year and had some challenging decisions to make in respect of pressures brought about by the Covid-19 pandemic. The Board was supported by the work carried out by both the ARC and the Remuneration Committee.

A Board Effectiveness Evaluation was undertaken in July 2018 and reported to the Board at its meeting of 26 September 2018. In 2020, a more comprehensive and independent Internal Audit exercise was carried out. The audit provided Seafish with moderate assurance over both design and effectiveness of the Board's performance. Moderate is the second highest level of assurance provided within internal audits. This provides a positive outcome and evidences that the Seafish Board has implemented, and is adhering to, effective controls designed to achieve its objectives. It was agreed that such a rigorous approach was not required in 2020/2021.

The Board also invested time in January 2019 and in February 2020 looking forward strategically at the future of Seafish including the organisation's future role, remit and financial sustainability. In November 2019 and in discussion with the four Administrations, the Seafish Board resolved to undertake a Strategic Review of the Organisation. This review was delayed due to the Covid19 pandemic but was restarted in 2021 with formal recommendations submitted by the Board in December 2021.

A full Board effectiveness review will be carried out in 2022 as new Board members become better orientated with Seafish activities and the operation of the Board.

Audit and Risk Committee

The ARC was chaired by the Seafish Deputy Chair and included three other non-executive members. The role of ARC is to independently contribute to the Board's overall process for ensuring that an effective internal control system is maintained across risk assessment, internal and external audit and both legislative and ethical compliance.

This committee met three times during the year.

During 2020/21, this committee has:

- Considered the Annual Report and Accounts for the year to 31 March 2020.
- Reviewed the NAO's Audit Completion Report for the Annual Report to 31 March 2020 and ensured any recommendations have been acted on.
- Received and commented upon several Internal Audit reports.
- Explored and approved a move to new premises in Grimsby. This matter was subsequently put on hold due to the Covid-19 situation.
- Considered and rejected a Government Property Agency proposal to transfer ownership of the Edinburgh office.
- Provided oversight for the Digital Transformation Programme and the use of digital solutions to support seafood business throughout the pandemic.
- Recommended a pause on the Strategic Review project while stakeholders were focused on how the pandemic was affecting their businesses.
- Resolved to appoint an Interim Finance Director upon the departure of the Finance Director.

The primary focus for the committee, however, has been to ensure that Seafish has a stable financial position in the light of a sudden and significant fall in levy income. The committee received detailed forecasts built around different scenarios. Initial forecasts suggested that the in-year loss in levy income could be as high as £2m. As the year played out the many businesses in the UK seafood sector encountered turbulent trading conditions. Social restrictions, restaurant closures and reduced access to export markets affected business viability for many businesses operating across the seafood supply chain. The year-end loss in levy income was recorded at just under £1m. The sudden reduction in income together with other cost pressures resulted in a recommendation to reduce staff numbers and cut project and overhead budgets. The ARC received these plans and scrutinised them ahead of extraordinary Board meetings that were held to discuss these matters.

Measures implemented succeeded in reducing operating costs and in bringing the annual budget back into balance and protecting cash reserves at a level that was agreed by the Board. In February 2021, ARC scrutinised a budget proposal for 2021/22 that comprises a balanced budget for the year that also retains reserves in excess of £3m. The committee is aware that the longer-term financial sustainability of our organisation needs to be addressed and this is one of the areas of focus of the Strategic Review.

The framework of assurance in place throughout 2020/21 has enabled ARC to support the organisation through challenging times and emerge in a stable financial position.

Audit Risk Committee Effectiveness

In line with best practice, ARC conducted an assessment of its effectiveness in 2019/20. This was by way of a self-assessment exercise that saw an Annual Report be presented to ARC and an internal discussion followed. It was evaluated that the committee focussed on the right topics during the year, that the quality of the data and papers were of the correct standard and that the members provided good discussion and suitable challenge.

Reflecting the approach adopted in recent years, ARC will undertake a self-evaluation of its performance during 2022. This will take the form of an internal discussion supported by a member survey. The findings of this review will be considered by the Committee and will be reported to the Seafish Board.

Internal Audit

During 2020/21 we continued our engagement with BDO as our internal auditors and Head of Internal Audit. Their role is to provide an independent, objective assurance and consulting activity designed to add value and improve operations. This has involved BDO designing and implementing the annual audit programme, attending each ARC meeting and providing an end of year audit opinion. These arrangements ensure we are fully compliant with the Public Sector Internal Audit Standards (PSIAS) and the requirements of Managing Public Money, which are outlined in the Seafish Accounting Officer delegation letter and Seafish framework document.

BDO carried out four internal audits during 2020/21, as follows:

- Project Management
- IT Security
- Workforce Planning
- Data Protection

Internal audits are typically focused on areas that the Executive team has identified as in need of improvement. The audit findings are then evaluated alongside plans for improvement and are then tracked to ensure implementation follows.

In its capacity as Seafish's Head of Internal Audit, based on the reviews undertaken and in the context of materiality, BDO gave the following opinion.

"In our view, based on the reviews undertaken during the period, and in the context of materiality:

- The risk management activities and controls in the areas which we examined, were found to be suitably designed to achieve the specific risk management, control and governance arrangements.*
- Based on our verification reviews and sample testing, the risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review, in all areas except IT security, project management and data protection where we noted gaps in the implementation of robust and consistent controls across the organisation. Management have agreed the related recommendations and have made progress towards implementing these recommendations.*
- Management have been conscientious in review and commenting on our reports. For the reports which have been finalised, management have responded positively. The responses indicate that appropriate steps to implement our recommendations are being put in place."*

Remuneration Committee

The Remuneration Committee (RemCom) is chaired by an Independent Board Member and includes two other non-executive members. The role of RemCom is to advise the Board on matters of staff remuneration, performance management and other systems and processes relating to staff management and welfare, attraction, retention and development of staff.

RemCom met formally four times during the year. A further five meetings were held to deal with pressing staff matters relating to redundancy decisions in response to the impact of the Covid-19 pandemic on our financial position.

During 2020/21 RemCom has overseen the development and progress of the following key work areas:

- Reviewing our resource profile which has included resourcing requirements, leaver and retention analytics, the demographic composition of the organisation, and the management of critical roles.
- pay policy, including the performance related pay scheme implemented in 2019, and gender pay gap reporting.
- Addressing staff wellbeing implications of the Covid-19 pandemic and oversight of health and safety matters.
- Reviewing the findings of staff surveys and making recommendations on measures to support staff wellbeing.
- Oversight of decisions relating to unexpected organisational changes to ensure good governance was in place during the decision-making processes.

RemCom Effectiveness

In line with best practice, RemCom assessed its effectiveness in 2020/2021. This took the form of a self-assessment exercise like the approach previously used by ARC. The key findings of the review were that RemCom had:

- provided sound governance and decision making on key staff related matters.
- been particularly flexible and supportive in providing advice and guidance to the Executive on the resource and wellbeing implications of the Covid-19 pandemic.

It was agreed that a robust framework of assurance continued to be provided during 2020/21.

Risk and Control Framework

Risk Management Strategy

Seafish's risk management strategy is embedded throughout the organisation, with operational risks being identified through the Challenge Governance Groups. A risk reporting culture is encouraged across the organisation to enable the identification, prioritisation and escalation of key strategic and operational risks. We have a low appetite to risk, and any significant risks are escalated to the Executive for review as soon as they are identified.

Risk Environment

We operate a comprehensive corporate risk register which identifies strategic and operational risk separately. To monitor changes and check progress of mitigation measures, the risk register is reviewed at least twice a year by ARC. The risk register is also reviewed by the Board at board meetings at least twice a year, and the Board carry out an in-depth review of all risks once a year. It is ARC's responsibility to assess the risks identified by the Executive team and report assessments to the Board. Challenge of the management process occurs at both Board and ARC meetings. Significant risks will be discussed directly with the Board.

Key Risks

We identified eight key risks regarding the governance of the organisation. A summary of these risks and our approach to monitoring and mitigating them is detailed below. These risks are recorded in our risk register which is reviewed and monitored as described above.

Risk 1. Strategic Review

The findings of a Strategic Review could deliver significant and unforeseen changes to the organisation's areas of responsibility and remit. There is also a risk that the Strategic Review will not result in a subsequent review of the Seafish levy which will mean the current financial uncertainty will continue. The Strategic Review is well underway following meetings in late 2020 with each of the four Administrations. Industry engagement is scheduled to commence in June 2021. Levy rates and associated issues are a key line of enquiry in the Strategic Review. The aim is to define preferred options (including funding model options) for consideration by the four Fisheries Administrations by the end of 2021.

Risk 2. Devolved Powers

Additional devolved powers may bring about significant change. During 2015/16, the Board identified The Smith Commission report as a key governance risk. The Smith Commission report did not consider that the further devolution of Seafish's remit was required but did recommend that the UK and Scottish Governments work together to "consider whether to revise existing legal and practical arrangements in respect to levy raising (for example in relation to red meat and seafood)". Further devolved powers could affect our existence as a UK wide entity. We will continue to work together with the UK and Scottish Governments to identify and mitigate any potential risks associated with changes that might be made to deliver this recommendation. We continued to monitor the risk. In 2018, the Scottish Seafish Advisory Committee was established. With representation from across the Scottish seafood industry, the role of the committee is to provide guidance and direction, on the delivery of Seafish services in Scotland. We have also been called upon to work directly with Scottish government to manage the impact the Covid-19 pandemic has had on the Scottish seafood sector. This included local sales initiatives and economic analysis to support the development of Covid-19 support packages. The Scottish Government sought to bring about changes to the way we operate in Scotland via a series of amendments to the Fisheries Bill. These amendments were not adopted.

Risk 3. Pension Liabilities

Increasing pension liabilities and demands from pension fund administrators to accelerate offsetting contributions may present incredibly significant financial liabilities for the organisation. A payment plan is in place to cover the period 2020-23. It is noted that the impact of the Covid-19 pandemic has caused huge volatility in the markets and we have been advised by the West Yorkshire Pension Fund that it has the power to request higher contributions to address the deficit created by this volatility. It is likely that meeting the future demands of pension scheme administrators will consume an ever-growing proportion of the levy.

Risk 4. Financial Sustainability Risk

With no levy increase for 20 years and increasing operational costs, together with the likelihood of future increases of pension payments, there is a risk that the current financial trajectory for Seafish is unsustainable in the medium term (5-10year horizon). Covid-19 restrictions have also caused additional financial pressure in 2020/21. This has reduced cash reserves suddenly and brought forward our financial sustainability horizon. Adjustments have been being made to the 2021/22 budget to stabilise cash reserves. Further changes to the existing operating model may be required if an increase in levy income is not secured through the Strategic Review process.

Risk 5. Impact of EU Exit on the UK seafood sector

The UK/EU exit transition period concluded on 31 December 2020. This has had implications for the seafood supply chain, particularly in terms of the significant trade disruption that was observed during the last quarter of 2020/21, which in turn has created further levy pressures for our organisation. The impact of this risk is also exacerbated by the market disruption caused by the Covid-19 pandemic. We continue to monitor UK/EU trade to assess likely implications for the seafood industry and for levy.

Risk 6. Impact of Covid-19 pandemic on UK seafood sector and Seafish.

Our support for the seafood industry was focused on assisting businesses to respond to the impact of Covid-19. Support included initiatives to assist industry to explore alternative routes to new and existing customers

(as export markets and the UK foodservice sector closed), assistance with the development of industry support schemes, launching the #SeaForYourself campaign focused on promoting key UK species to the domestic market, issuing critical worker certificates and increasing on-line training offerings. A monitoring and response plan was created to deal with expected pressures on levy income. This included immediate savings to the 2020/21 budget, and a programme of triggers and actions that were implemented as the levy income situation evolved.

Risk 7. Risk of loss of key personnel due to uncertain conditions.

The pandemic prompted many people to re-evaluate their personal and professional circumstances. Several of our own staff decided to make changes and leave the organisation. With each case, we take stock of the specific role involved and make a balanced decision about further action required. Matters involving senior roles are subject to input from the Remuneration Committee.

Risk 8. Risk of IT Security Breach.

This risk was identified from one of the Internal Audit exercises. Measures have been put in place to improve the IT security situation.

Whistle-blowing Policy

We are committed to the highest standards of openness and accountability, and concerns about malpractice are taken very seriously. We have a Whistleblowing policy in place to encourage employees with to come forward and voice their concerns. And any employees who do so reasonably and responsibly will not be penalised. Concerns can be raised with internal management or the Executive team (including the CEO). However, employees also have the right to go to an outside body if they feel that it is inappropriate to raise a concern internally. They can approach any of our Board members or a prescribed person or body as noted on the Department of Business, Energy and Industrial Strategy website. If an employee does not consider that the response received is reasonable, the policy enables them to report the matter directly to Defra. There have been no instances of whistleblowing in the year to 31 March 2021

Information Management

The Data Protection Officer is responsible for the management of information within the organisation. All staff are required to complete mandatory training so that they are aware of their own personal responsibilities regarding information management and data protection. Systems to ensure the appropriate protection of data held by Seafish are in place, including systems to protect data during transport or transfer to other sites or organisations. Our approach to the management of security risks is proportionate to the nature of the risks, and controls are in place to ensure that all information is handled securely. There were no reported data losses during the year.

Compliance with Corporate Governance in Central Government Departments: Code of Good Practice

We comply with the relevant principles and protocols outlined in the Code of Good Practice. We received no ministerial directions in 2020/21.

Conclusion

We have robust and effective governance arrangements in place. These arrangements ensure sound oversight and governance of key strategic and business matters by the Seafish board, that the organisation continues to align to the needs of the seafood industry through its three sector panels, and that relationships with all four devolved authorities are maintained. Furthermore, it ensures that our strategy is clearly aligned to the organisations remit, external environment and political landscape.

The Board continues to evidence strong effectiveness as highlighted through a positive internal audit report in 2020/21. The two committees of the Board, ARC and RemCom, have clearly defined roles that provide effective insight into the organisation. This enables the Board to take collective responsibility for the performance of the organisation whilst taking full account of risk in its decisions. It is also evident that the Board is cohesive in its approach and provides appropriate challenge to the management team.

After the appointment of new internal auditors in 2018, we have continued to strengthen our internal audit programme. There have been no issues of non-compliance within these arrangements. We thank our internal auditors for their challenge throughout the year and we are pleased that they found our management activities and controls to be suitably designed to achieve the required risk management, control framework and governance.

We recently embarked on a Strategic Review / Tailored Review in partnership with the four fisheries administrations. The purpose of this is to define our direction for the future and to establish a sustainable financial operating model so that we can continue to support the UK seafood sector.

Parliamentary Accountability Report

The remuneration and staff report provides information on our employees and sets out the organisations remuneration policy for directors, reports on how that policy has been implemented and details the amounts awarded to directors.

Remuneration Report

Remuneration Policy

RemCom functions as a subcommittee of the Seafish Board with formal delegated responsibilities and terms of reference. The Committee's primary role is to contribute to the Board's overall process for ensuring adequate arrangements are in place regarding staff pay and benefits.

The Committee comprised four members, all of whom are non-executive Board Members. The members during the year to 31 March 2021 were Alison Austin (Chair), James Buchan, Jonathan Shepherd and Mike Mitchell. James Buchan resigned on 21/09/2020 and RemCom continued with three members for the remainder of the year.

Meetings are normally held no less than twice a year and minutes are taken at all meetings. The Committee met nine times during the year.

Executive Directors Remuneration

Our Executive Directors are employed on standard contracts of employment which (with the exception of notice periods) are in line with all other employees. The Chief Executive is on a fixed term six-year contract. Permanent Executive Directors are required to give three months' notice of termination of their employment, for Interim Directors the notice period is four weeks. Executive directors' remuneration is by way of a fixed annual salary and benefits in kind including car benefit, medical insurance and subscriptions. Only one Executive Director is a member of the defined benefit pension scheme.

Set out below are the details of the contracts of employment for our senior executive staff as at 31 March 2021.

	Contract Start Date	Contract Expiry Date	Notice Period	Unexpired Term
Marcus Coleman Chief Executive	05/01/2016	31/12/2021	3 months	9 months
Linsey Neill Human Resources Director	01/04/2017	Indefinite	3 months	n/a
Aoife Martin Operations Director	03/07/2017	Indefinite	3 months	n/a
Hazel Curtis Corporate Relations Director	07/01/2019	Indefinite	3 months	n/a
Grace Baxter Interim Human Resources Director	04/05/2020	30/06/2021	4 weeks	3 months
Louise Ballantyne Interim Finance Director	18/01/2021	14/01/2022	4 weeks	9.5 months

Remuneration of Senior Executive Staff

Pay policy is formally reviewed annually by RemCom. In seeking to ensure pay and other conditions are fair, competitive, and affordable, market data and other relevant data are considered. Like all other employees, the pay associated with executive posts is derived from a formal job evaluation process, and pay increases are linked to performance. In line with the Government's pay policy, an award of 2.0% was made to staff for the year to 31 March 2021. There was an additional award of 2.0% made in bonuses for the year to 31 March 2021.

Performance Assessment

In assessing individual performance, we have a formal performance management system which is a core management process. This enables us to be clear and consistent in focusing performance on the delivery of strategic objectives and provides a mechanism to assess an employee's contribution and to recognise their achievement. The performance management system is also used to oversee staff personal development and career development and is used to assist with succession planning. A new dimension was added to the performance framework in 2020/21 which saw staff assessed against the demonstration of key competencies as well as the achievement of objectives.

Contracts of Employment for Executive Directors (subject to audit)

Set out below are details of the remuneration of our senior executive staff during the year to 31 March 2021. Benefits in kind comprise car benefit and medical insurance.

	Basic Salary ¹		Bonus		Benefits in Kind ²		Pension Benefit		Total	
	(Bands of £5,000)		(Bands of £5,000)		(Nearest £100)		(£000)		(Bands of £5,000)	
	20/21	19/20	20/21	19/20	20/21	19/20	20/21	19/20	20/21	19/20
Marcus Coleman	110-115	105-110	0-5	0-5	6,200	8,700	11	11	130-135	130-135
Declan Byrne (Leaver)	50-55 (FYE 85-90)	85-90	0-5	0-5	300	700	5	8*	60-65	95-100
Linsey Neill (Maternity leave)	55-60 (FTE 80-85)	80-85	0-5	0-5	9,600	9,300	8	8	75-80	100-105
Aoife Martin	90-95	85-90	0-5	0-5	n/a	n/a	8	8*	100-105	95-100
Hazel Curtis	80-85	75-80	0	0	500	700	28	22	105-110	100-105
Louise Ballantyne (Starter)	15-20 (FYE 90-95)	n/a	n/a	n/a	1,300	n/a	2	n/a	20-25	n/a
Grace Baxter (Starter)	75-80 (FYE 85-90)	n/a	n/a	n/a	300	n/a	8	n/a	85-90	n/a

¹ Basic salary includes car allowance where applicable.

² Benefits in Kind refer to company cars and private medical care.

*Re-stated

Pension Scheme Particulars of Executive Directors: Defined Contribution Schemes (subject to audit)

Set out below are the Pensions Scheme particulars of our senior executive staff during the year to 31 March 2021.

	Pension Scheme Details	Employer's Contribution Rate
Marcus Coleman	Legal and General	10.0%
Declan Byrne	Legal and General	10.0%
Linsey Neill	Legal and General	10.0%
Aoife Martin	Legal and General	10.0%
Louise Ballantyne	Legal and General	10.0%
Grace Baxter	Legal and General	10.0%

Pension Scheme Particulars of Executive Directors: Defined Benefit Schemes (subject to audit)

One executive director was a member of a defined benefit scheme during the year to 31 March 2021.

	Pension Scheme Details	Employer's Contribution Rate
Hazel Curtis	West Yorkshire Pension Fund	37.2%

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

Pension Entitlement of Executive Directors: Defined Contribution Schemes (subject to audit)

Set out below are the details of the employer's contributions made on behalf of our executive directors who were members of a defined contribution scheme during the year to 31 March 2021.

	For the year ended 31 March 2021 £000	For the year ended 31 March 2020 £000
Marcus Coleman	11	11
Declan Byrne	5	8
Linsey Neill	8	8
Aoife Martin	8	8
Louise Ballantyne	2	n/a
Grace Baxter	8	n/a

Pension Entitlement of Executive Directors: Defined Benefit Schemes (subject to audit)

Set out below are details of the pension benefits accrued at and earned by each of our executive directors who were members of a defined benefit scheme during the year to 31 March 2021.

	Real increase in pension £000	Real increase in pension lump sum £000	Total accrued pension at 31/03/2021 £000	Total Accrued Lump sum at 31/03/2021 £000	CETV at 31/03/2021 £000	Increase in CETV £000
Hazel Curtis	0.0 - 2.5	0.0 - 2.5	20 - 25	20 - 25	402	45

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the Pension Scheme. They also include any additional pension benefit accrued to the member because of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Fair Pay Disclosure (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The annualised banded remuneration of the highest paid director in 2020/21 was £120k - £125k (2019/20: £115k - £120k). This was 2.98 times (2019/20: 2.97 times) the median remuneration of the workforce, which was £41,053 (2019/20: £39,533). The median remuneration has increased by 3.8%, which is against expectations as Seafish staff received a 1.0% salary uplift in the year. This increase will be due to the staff redundancies of roles below the median, therefore increasing the median salary. The lowest annualised remuneration band paid was £20k - £25k and the highest was £120k - £125k.

In 2020/21 or 2019/20 no employee received remuneration in excess of the highest paid director.

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Non-Executive Directors' Remuneration (subject to audit)

The following table sets out details of payments made and appointment term for the Chairman, Deputy Chairman and Non-Executive directors:

Name and title	2020-21 Salary in £5k bands £000	2019-20 Salary in £5k bands £000	Date of appointment	Appointment end date
Brian Young Chair	15-20	15-20	01/04/2015	31/03/2021
Alison Austin OBE Independent Member	5-10	20-25	01/04/2015	31/03/2021
Linda Rosborough Independent Member	5-10	5-10	01/01/2019	31/12/2021
Michael Sheldon Independent Member	10-15	5-10	01/01/2019	31/12/2021
Peter Hajipieris Industry Member	-	5-10	01/04/2012	31/03/2020
Jonathan Shepherd Industry Member	5-10	5-10	01/04/2015	31/03/2021
Michael Mitchell Industry Member	5-10	5-10	01/04/2018	31/03/2021
Nathan de Rozarieux Industry Member	5-10	5-10	01/04/2018	31/03/2021
James Buchan Industry Member	0-5	5-10	01/01/2019	21/09/2020

No Non-Executive Directors receive any other payments or benefits in kind. The remuneration of Non-Executive Directors is paid directly by Defra for agreed contractual days. This amounted to £58,000 during the year to 31 March 2021.

Staff Report

Staff Costs (subject to audit)

Employment costs for the year, including Board Members, were as follows:

	Management and Staff		Agency and Temp Contract Staff		Total Staff	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	£000	£000	£000	£000	£000	£000
Gross salaries	3,677	3,320	330	528	4,007	3,848
Social security costs	496	456	23	37	519	493
Defined contribution scheme costs	196	182	14	19	210	201
Defined benefit scheme costs	365	331	-	0	365	331
Total	4,734	4,289	367	584	5,101	4,873

Average Number of Persons Employed (subject to audit)

The average number of whole-time equivalent staff employed during the year is noted below.

	Management and Staff		Agency and Temp Contract Staff		Total Staff	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Research and project	56	71	5	10	61	81
Corporate services	21	22	-	2	21	24
Directors	6	5	-	-	6	5
Board Members	8	9	-	-	8	9
Panel Chairs	4	3	-	-	4	3
Total	95	110	5	12	100	122

Staff Turnover

For 2021-21 and 2019-20 the staff turnover is calculated as the number of leavers withing the year divided by the average of staff in post over the period. The average staff in post is calculated as the average of the headcount monthly payroll over the financial year.

Leavers include retirements, death in service, end of appointments as well as dismissals and resignations and leavers under compulsory and voluntary redundancies

Headcount Permanent staff, short and fixed term appointments	2020-21	2019-20
Leavers in the year	27	22
Average staff during year	100	122
Staff turnover during the year	27%	18%

Pension Liabilities

Seafish is an admitted body to a funded defined benefit scheme operated by the West Yorkshire Pension Fund (WYPF), which is independently invested and administered. The Seafish element of the WYPF scheme has a total deficit (funded and non-funded) as at 31 March 2021 of £7.4m (31 March 2020: deficit of £10.3m). From 1 April 2006, the WYPF scheme has not been offered to new members of staff.

New starters are now offered a defined contribution scheme administered by the Legal & General Group. In addition to the WYPF, we have a liability for a scheme on behalf of former Herring Industry Board employees, The Seafish Pension and Life Assurance Fund (SPLAF). At 31 March 2021 the liability for SPLAF was £0.2m (2020: £0.2m). The total pension liability at 31 March 2021 is therefore £7.5m (2020: £10.4m) as per note 9f of the accounts.

Disabled Persons

We operate an equal opportunities policy and treat all job applicants in the same way regardless of disability. If an employee becomes disabled during employment, all practical efforts will be made to enable them to continue in their employment.

Sickness Absence

We have one common absence management policy which covers the whole of the organisation and provides a consistent framework approach to management. The policy is underpinned by an externally provided occupational health service and employee assistance programme which is available 24 hours a day. Our overall level of sickness absence during 2020/21 was on average five days per person (2019/20: six days per person).

Employee Involvement

We recognise the benefits of involving staff in a range of business matters and encourage open discussion and availability of information. Involvement is encouraged through participation in a range of team meetings and short-term working groups.

Consultancy Costs

Our consultancy cost for the year to 31 March 2021 was £4k (2019/20: £24k), as shown in note 3 to the accounts.

Gender Profile

Our total staff as at the 31 March 2021 is shown in the table below. This table includes permanent and temporary staff.

	Male	Female
Non-Executive Directors	6	2
Executive Directors	1	5
Management	8	8
Panel Chairs	4	-
All Other Staff	33	26
Total Staff	52	41

Gender Pay Gap

Our gender pay gap reporting as at the 31 March 2021 is shown below.

Average gender pay gap as a mean average	(8.2%)
Average gender pay gap as a median average	4.0%
Average bonus gender pay gap as a mean average	6%
Average bonus gender pay gap as a median average	14.5%

The proportion of males receiving a bonus payment was 33.3% and the proportion of females receiving a bonus payment was 56.4%.

The proportion of males and females when divided into four groups ordered from lowest to highest pay are as follows.

Quartile	1	2	3	4
Female	52%	40%	45%	55%
Male	48%	60%	55%	45%

Exit Packages (subject to audit)

The 2019/20 exit package related to an accrual for five staff members. The final exit package paid in 2020/21 was £111,942 higher due to pay in lieu of notice and bonuses. The additional cost is included in 2020/21 below along with an additional ten redundancies, which were agreed in the year to 31st March 2021.

	2020/21			2019/20		
	No. of compulsory redundancies	No. of other departures agreed	Total exit packages by cost band	No. of compulsory redundancies	No. of other departures agreed *Re-stated	Total exit packages by cost band
Under £10,000	-	3	3	-	-	-
£10,001 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	3	3	-	2	2
£50,001 -£100,000	-	4	4	-	3	3
Total	-	10	10	-	5	5
Resource cost in year	-	£499,594	£499,594	-	£149,935	£149,935
Exit package adj.	-	(£111,942)	(£111,942)	-	£111,942	£111,942
Total resource cost	-	£387,652	£387,652	-	£261,877	£261,877

Redundancy and other departure costs have been paid in accordance with public sector guidelines and were approved by Defra. We are not covered by the Civil Service Compensation Scheme.

Off-Payroll Appointments

There were no off-payroll appointments in 2020/21.

Health and Safety at Work

As referenced on page 32, the Remuneration Committee advises the Board on all matters relating to the Health, Safety and Wellbeing of Seafish Staff. The Executive reports to the Remuneration Committee on engagement with staff and the work of a Health and Safety Committee made up of Seafish staff representatives and led by the Seafish Human Resources Director. A report is compiled for each Remuneration Committee meeting.

Human Capital Management

As also referenced on Page 32, During 2020/21 RemCom has overseen the development and progress of the following key work areas:

- Reviewing our resource profile which has included resourcing requirements, leaver and retention analytics, the demographic composition of the organisation, and the management of critical roles.
- Pay policy, including the performance related pay scheme implemented in 2019, and gender pay gap reporting.

Trade Union Facility Time

In accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 we set out below a summary of trade union officials who are employees, and the facility time usage of this group during the 2020/21 year.

We had one employee that was a Trade Union (TU) representative. The employee spent up to 2 percent of their working hours on facility time. The total cost of the facility time was £829 which is 0.0001% of the total pay bill and equates to the total spent on paid TU activities. As there is only one TU, a notional cost based on the average of the TU's pay grade has been used to calculate the facility costs to ensure there is no disclosure of sensitive information.

The Parliamentary Accountability and Audit Report

The Parliamentary Accountability and Audit Report describes how departments are financed through the Westminster Estimates process. As we are a NDPB and financed through levies, analysis of net outturn by section and reconciliation of resource outturn to net operating expenditure is not a requirement. Details regarding the regularity of expenditure are provided below.

Fees and Charges (subject to audit)

	2020-21		
	Income	Full Cost	Deficit
	£000	£000	£000
Levies collected under the Fisheries Act 1981	6,902	7,942	(1,040)

Levy rates are set with due regard to HM Treasury's Fees, Charges and Levies guidance in Managing Public Money, with the financial objective of providing value for money for industry. The above net levy deficit is possible as we are able to secure alternative methods of funding (grants, revenue from contracted services) allowing our expenditure to be greater than the net levy income. This is a planned deficit which we are able to budget for due to the long-term historical funding received through these means.

The information provided is for fees and charges purposes and not for IFRS 8 purposes.

Losses and Special Payments (subject to audit)

There have been no losses or special payments over the limits prescribed in Managing Public Money that have occurred during the year.

Remote Contingent Liabilities (subject to audit)

We have no contingent liabilities as of 31 March 2021.

Long Term Expenditure Trends

For the five years prior to 18/19 expenditure was consistent varying by no more than 6% year on year. From 18/19 into 19/20 we had a 14% increase due to an increase in the number of projects being carried out. From 19/20 into 20/21 we have had an 18% decrease in expenditure due to the impact of Covid-19.



Marcus Coleman - Chief Executive
14 January 2022

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

Opinion on financial statements

I certify that I have audited the financial statements of the Sea Fish Industry Authority for the year ended 31 March 2021 under the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Sea Fish Industry Authority's affairs as at 31 March 2021 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000, and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Sea Fish Industry Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Sea Fish Industry Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Sea Fish Industry Authority'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.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Sea Fish Industry Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's certificate thereon. The Board and the Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Sea Fish Industry Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and the Accounting Officer, is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Board and the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Sea Fish Industry Authority'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 Board and Accounting Officer anticipates that the services provided by the Sea fish Industry Authority will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the audited entity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Sea Fish Industry Authority's controls relating to the Fisheries Act 1981, as amended by the Government Resources and Accounts Act 2000 and Managing Public Money;
- discussing among the engagement team, and involving relevant internal and external specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, defined benefit pensions and the move of accounting system data to cloud; and
- obtaining an understanding of the Sea Fish Industry Authority's framework of authority as well as other legal and regulatory frameworks that the Sea Fish Industry Authority operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Sea Fish Industry Authority. The key laws and regulations I considered in this context included the Fisheries Act 1981, as amended by the

Government Resources and Accounts Act 2000, Managing Public Money, Employment Law, and tax Legislation.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of fraud in revenue recognition, extended testing of levy income and debtors; and assessing whether the judgements made in making the levy accrued income estimate are indicative of a potential bias;
- in addressing the risk on defined benefit pensions, reviewed the actuary's report and agreed all key information to the accounts; and
- in addressing the risk relating to the move of accounting system data to cloud, reviewed the transfer of data to ensure it was complete and accurate.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

14 January 2022

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial Statements

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 £000
Income:			
Revenue from contracts with customers – Levies	2a	(6,902)	(7,804)
Revenue from contracts with customers – other than Levies	2a	(945)	(1,322)
Other operating income	2b	(866)	(1,640)
Total operating income		(8,713)	(10,766)
Expenditure:			
Staff costs	4	5,101	4,873
IAS 19 pension charge	9f	281	417
Other operating expenditure	3	4,445	6,863
Total operating expenditure		9,827	12,153
Net operating expenditure		1,114	1,387
Finance income		(19)	(42)
Financing expense on pension scheme assets and liabilities	9b	230	230
Net expenditure for the year		1,325	1,575
Other Comprehensive Income:			
Actuarial (gain)/loss on pension scheme assets and obligations	9c	(2,851)	497
Net (gain)/loss on revaluation of property, plant and equipment	5	(65)	35
Total comprehensive net (income)/expenditure for the year		(1,591)	2,107

The notes on pages 57 to 81 form part of these accounts.

Statement of Financial Position
as at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets:			
Property, plant and equipment	5	975	972
Intangible assets	6	233	285
Total non-current assets		<u>1,208</u>	<u>1,257</u>
Current assets:			
Trade and other receivables	7	3,195	3,458
Cash and cash equivalents	12	<u>4,346</u>	<u>5,986</u>
Total current assets		7,541	9,444
Total assets		<u>8,749</u>	<u>10,701</u>
Current liabilities:			
Trade and other payables	8	<u>(1,399)</u>	<u>(1,654)</u>
Total current liabilities		<u>(1,399)</u>	<u>(1,654)</u>
Total assets less current liabilities		7,350	9,047
Non-current liabilities:			
Provisions - unfunded pension liabilities	9e	(3,510)	(3,459)
Pension liabilities	9f	<u>(3,639)</u>	<u>(6,978)</u>
Total non-current liabilities		(7,149)	(10,437)
Total assets less total liabilities		<u>201</u>	<u>(1,390)</u>
Taxpayers' equity and other reserves:			
Revaluation reserve		164	134
General fund		3,676	5,454
Pensions reserve		(3,639)	(6,978)
Total equity		<u>201</u>	<u>(1,390)</u>



Marcus Coleman - Chief Executive
14 January 2022

The notes on pages 57 to 81 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(1,114)	(1,387)
Adjustments for non-cash transactions	3	262	120
Decrease in trade and other receivables	7	263	41
Increase/(decrease) in trade and other payables	8	(255)	439
Use of provisions		281	417
Defined pension contributions paid	9f	(948)	(674)
Net cash outflow from operating activities		(1,511)	(1,044)
Cash flows from investing activities			
Interest received		19	42
Purchase of property, plant and equipment	5	(8)	(36)
Purchase of intangible assets	6	(140)	(83)
Net cash outflow from investing activities		(129)	(77)
Net decrease in cash and cash equivalents in the period		(1,640)	(1,121)
Cash and cash equivalents at the beginning of the period	12	5,986	7,107
Cash and cash equivalents at the end of the period	12	4,346	5,986

The notes on pages 57 to 81 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

		Revaluation Reserve	General Fund	Pension Reserve	Total Reserves
	Note	*Re-presented £000	*Re-presented £000	*Re-presented £000	£000
Balance at 1 April 2019		134	6,652	(6,069)	717
Changes in taxpayers' equity for 2019/20					
Transfers between reserves		-	(666)	666	-
Actuarial loss on pension scheme assets and obligations	9c	-	(497)	-	(497)
Total net income		-	-	(1,575)	(1,575)
Net gain/(loss) on revaluation	5	-	(35)	-	(35)
Balance at 31 March 2020		134	5,454	(6,978)	(1,390)
Balance at 1 April 2020		134	5,454	(6,978)	(1,390)
Changes in taxpayers' equity for 2020/21					
Transfers between reserves		-	(488)	488	-
Actuarial gain / (loss) on pension scheme assets and obligations	9c	-	-	2,851	2,851
Total net expenditure		-	(1,325)	-	(1,325)
Net gain/(loss) on revaluation	5	30	35	-	65
Balance at 31 March 2021		164	3,676	(3,639)	201

Pension Reserve

The pension reserve represents the net liabilities on the West Yorkshire Pension Fund as funded by Seafish.

Revaluation Reserve

The revaluation reserve reflects the unrealised balance of revaluation adjustment to assets not taken through the Statement of Comprehensive Net Income.

General Fund

The general fund represents the total assets less liabilities of Seafish, to the extent that the total is not represented by other reserves.

The notes on pages 57 to 81 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

1.1 Requirement to prepare accounts

These financial statements have been prepared in accordance with the accounts direction issued by the Secretary of State for Environment, Food and Rural Affairs. The accounts direction requires compliance with HM Treasury's Financial Reporting Manual (FReM) and any other guidance issued by HM Treasury. The accounting policies within these Financial Statements are in accordance with the IFRS's as adapted by the FReM for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Seafish for the purpose of giving a true and fair view has been selected. The particular policies adopted by Seafish for its activities are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In the preparation of the financial statements, Seafish is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amount of income and expenditure. All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events.

The following areas represent significant judgements that Seafish has made in applying the accounting policies:

- Pension liabilities - Independent and qualified actuaries assess the specific factors that influence the pension fund position such as mortality rates, the life expectancy and age of scheme members, prevailing interest and inflation rates, and projected returns on assets.
- The useful economic lives of property, plant and equipment, and intangible assets.
- Within receivables there are accrued income balances relating to grants to be invoiced. These amounts are based on the project costs at the year end with the agreed grant percentage applied and a deduction for ineligible costs. There is a small element of judgement in assessing the ineligible costs.
- Within payables there are deferred income balances relating to amounts invoiced in advance of the work being carried out. These amounts are based on the percentage of uncompleted work against the income received, and there is an element of judgement assessing the stage of completion.
- Within receivables there is an amount in respect of levy debtors which is calculated using an estimation methodology based on historical levy debtor submissions.

1.2 Accounting convention

These accounts have been prepared on an accrual's basis and under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.3 Going Concern

These accounts have been prepared on a going concern basis. Management's review of Seafish as a going concern is discussed further on 18.

1.4 Property, plant and equipment

Land and buildings: the value to Seafish of land and buildings is included at fair value.

Land and buildings are valued by independent chartered surveyors every five years. A desktop valuation was last undertaken as at 31 March 2021 and a full valuation was undertaken as at 31st March 2017. The valuation of £0.910m is incorporated in these accounts.

Other categories: due to the modest effect of revaluation and the continuing fall in the price of technology equipment, Seafish adopts a depreciated historical cost basis as a proxy for fair value.

Expenditure in excess of £1,000 in respect of plant and equipment, and £800 in respect of computer costs, are capitalised. Expenditure below these levels may be capitalised if the criteria for initial capitalisation are met, that is if it is probable that the economic benefits will flow to Seafish, and that the cost of the expenditure can be reliably measured.

1.5 Depreciation

Depreciation is calculated so as to write off the cost of those assets on a straight-line basis over the useful economic lives of the assets concerned. The principal useful economic lives of the assets are as follows:

	Years
Furniture and equipment	5-10
Information technology	3-4
Intangible asset – software	3-5
Intangible asset – websites	5

Freehold buildings are depreciated over their estimated useful economic life. The buildings were valued in March 2021 with an estimated life of 50 years, so the buildings are scheduled to be fully depreciated by 2071. Freehold land is not depreciated.

1.6 Impairment

The carrying amounts of the tangible and finite-life intangible assets are reviewed at each reporting date, and the estimated recoverable amounts of the assets are compared to their carrying amounts. If the recoverable amount is less than the carrying amount then an impairment loss is immediately recognised. The recoverable amount is the greater of the fair value, less costs to sell, and the value in use. The value in use is an estimate of the future cash flow benefits expected to derive from the asset, discounted by a rate that reflects the current market assessments of the time value for money, and the risks specific to the asset.

The carrying values of assets are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment may be required. Residual values are calculated at the prices prevailing at the date of acquisition or revaluation.

1.7 Intangible assets

Intangible assets acquired by Seafish are stated at fair value. Due to the modest effect of revaluation and the continuing fall in the price of technology equipment, Seafish adopts an amortised historical cost basis as a proxy for fair value.

1.8 Operating income

Levy income is stated at gross of commission. Commission paid to agents for collecting levy income is included in other expenditure.

Revenue comprises levy income received which is raised on specified sea fish products and paid on a self-billing arrangement in arrears. Seafish recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to Seafish. In seeking to apply IFRS 15 – Revenue Recognition, Seafish recognises revenue received from customer contracts when contractual performance obligations are met. Seafish make all reasonable attempts to identify all levy receivables but acknowledge that 100% compliance is unlikely to be achievable. The income reported in these accounts does not include any estimate for levy which might be legally payable but of which Seafish has no knowledge.

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at 31 March 2021. Transactions in foreign currencies are translated at the rate ruling on the date of the transaction.

All foreign exchange differences are taken to the Statement of Comprehensive Expenditure in the year in which they arise.

1.10 Leases

Costs payable under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. There are no assets held under finance leases.

1.11 Financial instruments

Seafish has no borrowings and relies primarily on levy income for its cash requirements and is therefore not exposed to liquidity risks. Seafish has material deposits, and places funds, with the exception of daily working capital, on fixed rate deposits to minimise any interest rate risk. All material assets and liabilities are denominated in Sterling so Seafish is not exposed to currency risk. Full disclosure required by IFRS 7 and IFRS 9 is shown at note 11.

1.12 Grant receivables

Grants are of a revenue nature and grant revenue is recognised when the conditions of the grant income are met, or alternatively, in line with when the respective project expenditure has been incurred.

The European Union and United Kingdom Fisheries Departments reserve the right for grants to be repaid if during a period of six years from the date of final claim it is found that the conditions of grant were breached. Seafish has reviewed the need for a contingent liability in respect of grants receivable and does not consider this necessary.

1.13 Provisions

A provision is recognised where there is a legal or constructive obligation arising from past events, it is probable that Seafish will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Future estimated costs are only discounted if material.

1.14 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Seafish discloses for parliamentary reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote – unless disclosure of those remote liabilities is itself believed likely to increase the possibility of the liability being accrued or the value of these remote liabilities is not material. At 31 March 2021, Seafish had no contingent liabilities (31 March 2020: nil).

1.15 Corporation tax and Value Added Tax

Under a specific agreement with the HM Revenue & Customs, the liability of Seafish for corporation tax is limited to the total of its net investment income and its chargeable gains.

Seafish is unable to recover Value Added Tax on the majority of its purchases. Expenditure shown in the accounts is therefore inclusive of this Value Added Tax.

1.16 Staff costs

Holiday pay accrued by employees, but not taken by 31 March is provided for and included in the costs of the period.

1.17 Pensions

Seafish operates both defined benefit and contribution schemes for the benefit of employees.

(i) Defined Benefit Schemes

For the defined benefit scheme, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period to which they relate in other comprehensive income. The expected return on investment assets and the interest on liabilities are included in the finance charge and shown in the Statement of Comprehensive Net Income. The current service costs are shown as the IAS 19 pension adjustment under Expenditure in the Statement of Comprehensive Net Expenditure.

More detailed information can be found in note 9 to the accounts.

(ii) Defined Contribution Schemes

Employees that joined Seafish after 1 April 2006 are eligible to join the defined contribution scheme administered by Legal and General Group. The amount charged as expenditure for this scheme represents the contributions payable by Seafish for the relevant accounting period.

1.18 Adoption of new and revised standards

No new standards have been adopted within the year since 1st April 2020.

1.19 Impending application of newly issued accounting standards not yet effective

Published standards adopted by the 2019/20 FReM have been adopted in these financial statements. Specific interpretations and adaptations included within the FReM have been considered and followed.

Seafish has reviewed the IFRSs (International Financial Reporting Standards) in issue but not yet effective, to determine if there is a requirement to make any disclosures.

IFRS 16 – Leases originally came into effect for reporting periods beginning on or after 1st January 2019. Per FReM, IFRS 16 adoption was planned for 2020-21 with detailed disclosures about the impact required for 2020-21. However, following Covid-19 pressures, HM Treasury and the Financial Reporting Advisory Board (FRAB) have decided that IFRS 16 implementation in the public sector will be delayed a further two years. Seafish now plans to adopt this from 1st April 2022 with detailed disclosures about the impact required in 2021-22. As shown in note 10, Seafish currently have £9k of operating leases under commitment of greater than one year. This figure may rise if additional leases are signed throughout the next financial year, however, £9k is the minimum amount that Seafish's balance sheet liabilities are expected to increase by due to IFRS 16. It is expected to be an immaterial change to the accounts.

2. Income

Detailed in note 2(a) below is the revenue from contracts with customers, assessed against IFRS 15. Each income stream and contract has been reviewed in line with the 5-step model. Please note that Seafish's main source of income, levy, is included within this section as IFRS 15 has been expanded by the FReM to include legislation which provides the ability for the entity to impose a charge.

Where the income has been assessed as falling outside the scope of the IFRS 15, this has been reported in note 2(b).

(a) Analysis of revenue from contracts with customers

	2020-21	2019-20
	£000	£000
Levy Income		
Levies collected under the Fisheries Act 1981	6,902	7,804
	6,902	7,804
Sale of goods and services		
Project income - EU	5	17
Project income - Non-EU	543	556
Commercial income	385	721
	933	1,294
Other income		
VAT recovery	12	19
Service charges	-	9
	12	28
Total	7,847	9,126

Significant Estimates and Judgements

Seafish have made estimates and judgements in two key areas; judging when the timing of performance obligations being met and estimating the transaction price once the obligation is met. For levies collected under the 1981 Fisheries Act, Seafish have looked at the legislation to support our decision making. For all other revenue from contracts with customers, the contract itself has been used to support decision making.

2. Income (continued)**(i) Judging the timing of performance obligations being met**

The Fisheries Act 1981 states that Seafish is to impose a levy on “sea fish or sea fish products landed in the United Kingdom or trans-shipped within British fisheries limits”. This means that a debt is due to Seafish by the first purchaser of home landed or imported sea fish, or Seafish products, as soon as goods are purchased. Therefore, Seafish have determined IFRS 15 payment obligation to be met on the purchase of the goods.

(ii) Transaction price once the obligation is met

Levies collected under the 1981 Fisheries Act require a significant estimate to evaluate the outstanding debt of the period between latest submission and year end. The averaging of prior period submissions along with the number of days between latest submission and year end is used to estimate this figure. It is included as Levy accrued income in note 7.

For all revenue from customer contracts aside from levy, the transaction price is the value agreed on a contract or invoice.

(b) Analysis of other operating income

The following income, having been assessed against the criteria for IFRS 15, is deemed to be not revenue from contracts with customers, and is therefore recorded as other operating income.

	2020-21	2019-20
	£000	£000
Current Grant Income		
Grant income - EU	273	926
Grant income - Non-EU	593	714
Total	866	1,640

3. Other Expenditure

Seafish expenditure, excluding staff costs, is made up as follows:

	2020-21	2019-20
	£000	£000
Project Activities		
EU	274	1,218
Non-EU	2,321	3,329
	2,595	4,547
Commercial Activities		
EU	2	12
Non-EU	115	252
	117	264
Location costs	402	485
Professional fees	74	173
Motor vehicle costs	22	100
Other administration costs	86	143
Travel and subsistence	3	176
Staff training and recruitment	107	179
Consultancy spend	4	24
Repairs and maintenance	19	18
Computing costs	498	224
Increase/ (decrease) in bad debt provision	43	-
Auditors remuneration ³	55	62
Operating lease rental	154	190
Taxation	4	8
	1,471	1,782
Non-cash items		
Depreciation and amortisation	216	120
Loss on disposal of assets	46	-
Restructuring Costs	-	150
	262	270
Total other expenditure	4,445	6,863

³ The audit fee for 2019/20 was £53k. The 2019/20 figure above includes an additional £9k that relates to an increase in in the audit fee for 2018/19 which was agreed post certification.

4. Staff Costs

Employment costs for the year, including Board Members, were as follows:

	2020-21	2019-20
	£000	£000
Gross salaries	3,892	3,691
Social security costs	519	493
Agency staff costs	115	157
Defined contribution scheme costs	210	201
Defined benefit scheme costs	365	331
	5,101	4,873

The salaries of the non-executive directors are paid by Defra and are not included in the table above. The amount paid by Defra during the year to 31 March 2021 amounted to £0.058m (2020: £0.068m) as stated in the Remuneration Report on page 41.

5. Property, Plant and Equipment

	Land £000	Buildings Excluding Dwellings £000	Furniture and Fittings £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2020	180	680	321	426	1,607
Revaluations	-	50	-	-	50
Additions	-	-	-	8	8
Disposals	-	-	-	(5)	(5)
At 31 March 2021	180	730	321	429	1,660
Depreciation					
At 1 April 2020	-	-	258	377	635
Revaluations	-	(15)	-	-	(15)
Charge for year	-	15	12	43	70
Disposals	-	-	-	(5)	(5)
At 31 March 2021	-	-	270	415	685
Net book value					
At 31 March 2021	180	730	51	14	975

5. Property, Plant and Equipment (continued)

Seafish land and buildings are offices in Edinburgh. The office was surveyed and valued by Cushman and Wakefield, independent Chartered Surveyors as at 31 March 2021 in accordance with the RICS Appraisal and Valuation Manual. This valuation at fair value is incorporated in Seafish accounts.

Continuing annual financial commitments in respect of short leaseholds are disclosed in note 10. Improvements, which include buildings on leased sites, are capitalised and are normally written off over the life of the leases as permitted under IAS 16.

	Land £000	Buildings Excluding Dwellings £000	Furniture and Fittings £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2019	180	730	321	391	1,622
Revaluations	-	(50)	-	-	(50)
Additions	-	-	-	36	36
Disposals	-	-	-	(1)	(1)
At 31 March 2020	180	680	321	426	1,607
Depreciation					
At 1 April 2019	-	-	246	354	600
Revaluations	-	(15)	-	-	(15)
Charge for year	-	15	12	24	51
Disposals	-	-	-	(1)	(1)
At 31 March 2020	-	-	258	377	635
Net book value					
At 31 March 2020	180	680	63	49	972

6. Intangible Assets

	Software £000	Websites £000	Total £000
Cost or valuation			
At 1 April 2020	475	175	650
Additions	-	140	140
Disposals	-	(81)	(81)
Reclassification	(20)	20	-
At 31 March 2021	455	254	709
Amortisation			
At 1 April 2020	331	34	365
Charged in year	109	37	146
Disposals	-	(35)	(35)
At 31 March 2021	440	36	476
Net book value at 31 March 2021	15	218	233

Intangible assets comprise software licenses and intranet, all of which are owned by Seafish.

	Software £000	Websites £000	Total £000
Cost or valuation			
At 1 April 2019	475	92	567
Additions	-	83	83
Disposals	-	-	-
At 31 March 2020	475	175	650
Amortisation			
At 1 April 2019	286	10	296
Charged in year	45	24	69
Disposals	-	-	-
At 31 March 2020	331	34	365
Net book value at 31 March 2020	144	141	285

7. Trade Receivables and Other Current Assets

	31 March 2021	31 March 2020
Amounts falling due within one year	£000	£000
Trade receivables	511	161
Levy receivables	551	413
Levy accrued income*	1,299	1,502
Provision for bad debt*	(46)	-
Prepayments	186	267
Non levy accrued income	343	333
EU accrued income	351	782
	3,195	3,458

*Prior year re-presented

Seafish has evaluated its exposure to credit losses of the receivables that are classified as financial instruments. Trade Receivables have the highest level of exposure, however, this exposure is deemed to be low as the majority of Seafish's larger contracts are with other government bodies leaving only a very immaterial value at risk.

An exposure also arises from Levy Receivables. The risk is that a levy payer becomes unable to meet the obligation due to financial difficulties. This risk has increased due to the impact Covid-19 has had on the UK seafood industry.

Levy accrued income is estimated based on levy payer's historical levy submissions. Covid-19 brings a significant increase in risk that these estimates are overstated due to adverse industry market conditions. Seafish are closely monitoring this risk and have provided for this with in the levy accrued income.

An analysis of the ageing of the unimpaired trade receivables is shown below:

	31 March 2021	31 March 2020
	£000	£000
Trade receivables		
Less than one month	472	126
More than one month less than three months	36	32
More than three months	3	3
	511	161

There are no trade receivables due after more than one year.

8. Trade Payables and Other Current Liabilities

	31 March 2021	31 March 2020
Amounts falling due within one year	£000	£000
Trade payables and accruals	909	1,305
Deferred income	415	163
PAYE and social security	-	(1)
VAT	45	5
Corporation tax	4	8
Pension contributions payable	26	24
Restructuring provision	-	150
	<u>1,399</u>	<u>1,654</u>

There are no payables due after more than one year.

9. Pension Scheme Arrangements**(a) Information on the Schemes****West Yorkshire Pension Fund (WYPF)**

Seafish are a member of a pension scheme providing defined benefits for employees based on final pensionable salary. The assets and liabilities of the scheme are held within the West Yorkshire Pension Fund, which is part of the Local Government Pension Scheme (LGPS).

The scheme is split into:

(i) Funded

Seafish contributes in respect of the pension obligations to employees employed before 1 April 2006 when the scheme was closed to new entrants. The contribution rates are advised by independent actuaries and the fund is actuarially valued every three years. The total provision in respect of this part of the scheme is shown as pension liabilities, under non-current liabilities in the Statement of Financial Position.

(ii) Non-funded: West Yorkshire Pension Fund (WYPF)

Provision is made, on actuarial advice, in respect of obligations arising for supplemental commitments and indexation thereon of certain categories of ex-employees of Seafish. The total of provision in respect of this liability is included in Provisions – non-funded pension liabilities, under non-current liabilities in the Statement of Financial Position.

9. Pension Scheme Arrangements (continued)

The latest formal triennial actuarial valuation of Seafish's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The defined benefits obligation represents the amount of money that needs to be set aside now to meet the benefits that the employer is committed to provide for service up to the 31 March 2021 on the basis of the assumptions used.

Details of the benefits earned over the period covered by this disclosure are set out in "The Local Government Pension Scheme Regulations 2013" and "The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014". The unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations [and Teachers' Pension Scheme].

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the Fund.

The assets shown are an estimate of Seafish's notional share of the total fund assets as at 31 March 2021. Seafish's notional share of assets is assumed to be invested in the same proportion as the Fund as a whole within the different asset classes. Seafish employs a building block approach in determining a rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2021.

There are no unusual, entity-specific or plan-specific risks to note, nor are there any significant concentrations of risk within the scheme.

Seafish Pension and Life Assurance Fund (SPLAF)

In addition to the WYPF, Seafish provisionally operated an independently invested and administered scheme on behalf of the former Herring Industry Board employees: the Seafish Pension and Life Assurance Fund (SPLAF). This scheme was closed to new members, was fully paid up, and was formally wound up on 31 May 1999. The annuities that had been established to cover the basic pension rights of the existing pensioners will be met by Aviva. Seafish will continue to meet the indexation costs associated with basic pension rights. The total of provision in respect of this liability is included in Provisions – non-funded pension liabilities, under non-current liabilities in the Statement of Financial Position.

The reporting of the pension adjustments below refers to the above categories as Funded, Non-funded, and SPLAF.

9. Pension Scheme Arrangements (continued)**(b) Amounts Charged to Statement of Comprehensive Net Expenditure**

	Funded	Non- funded	SPLAF	Total
	2021	2021	2021	2021
	£000	£000	£000	£000
Interest cost	(1,037)	(73)	(4)	(1,114)
Expected return on plan assets	884	-	-	884
Financing expense on pension scheme assets	(153)	(73)	(4)	(230)
Current service cost	(373)	-	-	(373)
Past service cost	92	-	-	92
Total expense recognised in SoCNE	(434)	(73)	(4)	(511)

	Funded	Non- funded	SPLAF	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
Interest cost	(1,173)	(86)	(4)	(1,263)
Expected return on plan assets	1,033	-	-	1,033
Financing expense on pension scheme assets	(140)	(86)	(4)	(230)
Current service cost	(417)	-	-	(417)
Past service cost	-	-	-	-
Total expense recognised in SoCNE	(557)	(86)	(4)	(647)

9. Pension Scheme Arrangements (continued)**(c) Amounts Charged to Other Comprehensive Expenditure**

	Funded	Non- funded	SPLAF	Total
	2021	2021	2021	2021
	£000	£000	£000	£000
Actuarial losses on liabilities	(5,275)	(192)	(17)	(5,484)
Remeasurement gain on assets	8,335	-	-	8,335
	3,060	(192)	(17)	2,851

	Funded	Non- funded	SPLAF	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
Actuarial gain on liabilities	3,264	285	11	3,560
Remeasurement losses on assets	(4,057)	-	-	(4,057)
	(793)	285	11	(497)

(d) Movements in the Fair Value of Scheme Assets

	Funded	Non- funded	SPLAF	Total
	2021	2021	2021	2021
	£000	£000	£000	£000
At 1 April 2020	39,069	-	-	39,069
Expected return on scheme assets	884	-	-	884
Contributions by the employer	713	218	17	948
Contributions by participants	79	-	-	79
Remeasurement gain on assets	8,335	-	-	8,335
Benefits/transfers paid	(2,094)	(218)	(17)	(2,329)
At 31 March 2021	46,986	-	-	46,986

	Funded	Non- funded	SPLAF	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
At 1 April 2019	43,942	-	-	43,942
Expected return on scheme assets	1,033	-	-	1,033
Contributions by the employer	441	216	17	674
Contributions by participants	90	-	-	90
Remeasurement losses on assets	(4,057)	-	-	(4,057)
Benefits/transfers paid	(2,380)	(216)	(17)	(2,613)
At 31 March 2020	39,069	0	0	39,069

9. Pension Scheme Arrangements (continued)**(e) Movements in the Present Value of Defined Benefit Obligation**

	Funded	Non- funded	SPLAF	Total
	2021	2021	2021	2021
	£000	£000	£000	£000
At 1 April 2020	46,047	3,289	170	49,506
Current service cost	373	-	-	373
Past service cost	(92)	-	-	(92)
Interest cost	1,037	73	4	1,114
Contributions by participants	79	-	-	79
Actuarial (gains)/losses on experience	(665)	(49)	4	(710)
Actuarial losses on financial assumptions	5,940	241	13	6,194
Actuarial (gains)/losses on demographics	-	-	-	-
Benefits/transfers paid	(2,094)	(218)	(17)	(2,329)
At 31 March 2021	50,625	3,336	174	54,135

	Funded	Non- funded	SPLAF	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
At 1 April 2019	50,011	3,704	194	53,909
Current service cost	417	-	-	417
Past service cost	-	-	-	-
Interest cost	1,173	86	4	1,263
Contributions by participants	90	-	-	90
Actuarial (gains)/losses on experience	(1,640)	(98)	1	(1,737)
Actuarial (gains)/losses on financial assumptions	48	(1)	-	47
Actuarial gains on demographics	(1,672)	(186)	(12)	(1,870)
Benefits/transfers paid	(2,380)	(216)	(17)	(2,613)
At 31 March 2020	46,047	3,289	170	49,506

9. Pension Scheme Arrangements (continued)**(f) Analysis of the Movement of the Deficit in the Year**

	Funded	Non- funded	SPLAF	Total
	2021	2021	2021	2021
	£000	£000	£000	£000
Deficit at the start of the year	(6,978)	(3,289)	(170)	(10,437)
Contributions by the employers	713	218	17	948
Current service cost	(373)	-	-	(373)
Past service cost	92	-	-	92
Actuarial gains/(losses)	3,060	(192)	(17)	2,851
Interest cost	(1,037)	(73)	(4)	(1,114)
Expected return on scheme assets	884	-	-	884
Benefits/transfers paid	-	-	-	-
Total	(3,639)	(3,336)	(174)	(7,149)

	Funded	Non- funded	SPLAF	Total
	2020	2020	2020	2020
	£000	£000	£000	£000
Deficit at the start of the year	(6,069)	(3,704)	(194)	(9,967)
Contributions by the employers	441	216	17	674
Current service cost	(417)	-	-	(417)
Past service cost	-	-	-	-
Actuarial gains/(losses)	(793)	285	11	(497)
Interest cost	(1,173)	(86)	(4)	(1,263)
Expected return on scheme assets	1,033	-	-	1,033
Benefits/transfers paid	-	-	-	-
Total	(6,978)	(3,289)	(170)	(10,437)

9. Pension Scheme Arrangements (continued)**(g) Assumptions**

The adoption of the CPI rather than the RPI as the basis for calculating future pension payment increases has been used as one of the principal assumptions to calculate different scheme liabilities from 1 April 2011 onwards. This is in accordance with IAS 19 and as required by HM Treasury. The accounting treatment was adopted by all central Government entities where RPI had been used for inflation indexing for many years.

The most recent actuarial valuation of the fund was to March 2021. The principal assumptions used by the independent qualified actuary in updating this valuation were:

31 March 2021	Funded	Non-funded	SPLAF
Rate of inflation (RPI)	0.00%	0.00%	0.00%
Rate of inflation (CPI)	2.70%	2.70%	2.70%
Rate of increase in salaries	3.95%	N/A	N/A
Rate of increase in pensions	2.70%	2.70%	2.70%
Discount rate	2.10%	2.10%	2.10%
Mortality tables		1992 (PMA and PFA)	
31 March 2020	Funded	Non-funded	SPLAF
Rate of inflation (RPI)	0.00%	0.00%	0.00%
Rate of inflation (CPI)	2.10%	2.10%	2.10%
Rate of increase in salaries	3.35%	N/A	N/A
Rate of increase in pensions	2.10%	2.10%	2.10%
Discount rate	2.30%	2.30%	2.30%
Mortality tables		1992 (PMA and PFA)	

9. Pension Scheme Arrangements (continued)**(g) Assumptions (continued)**

Scheme assets 31 March 2021	Funded	Non-funded	SPLAF	Total
Equities	79.7%	79.7%	N/A	79.7%
Government bonds	8.3%	8.3%	N/A	8.3%
Other bonds	4.6%	4.6%	N/A	4.6%
Property	3.8%	3.8%	N/A	3.8%
Cash/liquidity	2.0%	2.0%	N/A	2.0%
Other	1.6%	1.6%	N/A	1.6%
Scheme assets 31 March 2020	Funded	Non-funded	SPLAF	Total
Equities	77.5%	77.5%	N/A	77.5%
Government bonds	9.6%	9.6%	N/A	9.6%
Other bonds	5.1%	5.1%	N/A	5.1%
Property	4.5%	4.5%	N/A	4.5%
Cash/liquidity	1.9%	1.9%	N/A	1.9%
Other	1.4%	1.4%	N/A	1.4%

The mortality assumptions are based on the recent actual mortality experience of members within the fund and allow for expected future mortality improvements. The assumed future life expectancies are as follows:

	Funded WYPF		Unfunded WYPF		SPLAF	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Years	Years	Years	Years	Years	Years
Male currently aged 65	21.9	21.8	21.9	21.8	21.9	21.8
Female currently aged 65	24.7	24.6	24.7	24.6	24.7	24.6
Male currently aged 45	22.6	22.5	N/A	N/A	N/A	N/A
Female currently aged 45	25.8	25.7	N/A	N/A	N/A	N/A

(h) Sensitivity Analysis

IAS 1 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out on the following page. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

9. Pension Scheme Arrangements (continued)

Change in Assumption	Approximate % increase in employer liability	Approximate monetary amount (£'000)
0.1% decrease in discount rate	1.6%	813
One year increase in member life expectancy	-3.6%	(1,830)
0.1% increase in salary increase rate	0.1%	51
0.1% increase in pension increase rate	1.4%	712

i) Maturity Profile

	Funded	Non- funded	SPLAF	Total
	£000	£000	£000	£000
Expected benefit payments made during 2021/22	2,151	224	17	2,392
Expected benefit payments made during 2022/23	2,209	230	18	2,457
Expected benefit payments made during 2023/24	2,268	236	18	2,522
Expected benefit payments made during 2024/25	2,329	243	19	2,591
Expected benefit payments made during 2025/26	2,392	249	19	2,660
Expected benefit payments 2026/27 to 2030/31	12,966	1,350	105	14,421

10. Commitments Under Leases**Operating Leases**

Total future minimum lease payments under operating leases are given in the table below analysed according to the period in which the lease expires. Seafish currently have no contingent rent, no terms for renewal and no restrictions imposed by the lease arrangements for the below, such as those concerning dividends, additional debt, and further leasing.

	31 March 2021 £000	31 March 2020 £000
Buildings:		
Not later than one year	12	18
Later than one year and not later than five years	-	5
Later than five years	-	-
	12	23
Motor Fleet:		
Not later than one year	16	69
Later than one year and not later than five years	9	25
Later than five years	-	-
	25	94

11. Financial Instruments

IFRS 7 requires disclosures in the financial statements of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Seafish has adopted IFRS 9 from 1 April 2018. Current year and comparative data are both presented in line with the standard. Financial instruments have been categorised appropriately and further disclosures around the associated risks are provided.

Cash and cash equivalents, levy receivables, trade receivables and trade payables have been categorised as financial assets measured at amortised cost. The values of these as at 31st March 2021 are disclosed within note 7, 8 and 12, along with comparative data. There have been no additional financial instruments added in the year to 31 March 2021.

The exposure to credit losses for levy receivables and trade receivables is discussed under note 7 and cash and cash equivalents exposure to credit loss is considered under Exposure to Risk in this note.

Significant estimate and judgements

Due to the simple nature of Seafish's financial instruments there have been few significant estimates and judgements. Categorising the financial instruments as financial assets measured at amortised cost has been decided through the IFRS 9 business model assessment, whereby it has been deemed that all instruments:

- future cash flows are considered to be solely principal, and
- that the financial instruments are being "held to collect contractual cash flows only".

Seafish's receivables are short in nature with only £3k older than three months old, as disclosed in note 7. This means that Seafish is able to adopt a simple model of estimating expected credit losses by creating a provision for individual trade debtors who may fail to meet the contractual obligations.

Exposure to Risk

Because of the nature of Seafish activities and the way it is financed, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Seafish's expected purchase and usage requirements and Seafish is therefore exposed to little credit, liquidity or market risk.

Seafish has no borrowings and relies primarily on levy for its cash requirements and is therefore not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing Seafish in undertaking their activities. The following paragraphs provide an overview of the major financial risks for Seafish and how they are managed at the individual level.

11. Financial Instruments (continued)**Liquidity Risk**

Seafish has no borrowings and relies primarily on levy for its cash requirements and is therefore not exposed to any significant liquidity risks.

Interest Rate Risk

Seafish has material deposits, and places funds, with the exception of daily working capital on fixed rate deposits to minimise any interest rate risk. All material assets and liabilities are denominated in sterling so Seafish is not exposed to currency risk.

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to Seafish. Credit risk arises from deposits with banks as well as credit exposures to Seafish trade debtors. Surplus operating cash is only invested with banks that are rated independently with a minimum rating of A1, P1, F1 or A+. Cash assets are held with Virgin Money (who acquired Clydesdale Bank during 2020/21) and the Royal Bank of Scotland.

Foreign Currency Risk

Seafish has no foreign currency income or foreign currency expenditure other than in very immaterial values. All material assets and liabilities are denominated in Sterling. Seafish is therefore not exposed to any significant foreign currency risk.

12. Cash and Cash Equivalents

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	5,986	7,107
Net change in cash and cash equivalent balances	(1,640)	(1,121)
Balance at 31 March	4,346	5,986
The following balances at 31 March were held at:		
Commercial banks and cash in hand	1,845	2,483
Short term investments	2,501	3,503
Balance at 31 March	4,346	5,986

The short-term investments represent funds placed on fixed deposit for 95 days.

13. Related Party Transactions

Seafish is an Executive NDPB of Defra which is regarded as a related party. During the year Seafish has had a number of material transactions with other entities for which the Department is regarded as the parent Department, such as the Marine Management Organisation.

In addition, Seafish has had a number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Scottish Government, Welsh Government and the Department of Agriculture and Rural Development (in Northern Ireland).

Seafish was involved in the following related party transactions during the year. All payments were made by 31 March 2021 unless otherwise stated:

Board Member James Buchan is:

- Chief Executive of Scottish Seafood Association which was paid £930 by Seafish and from which Seafish received £3,695 relating to 2019/20.
- A Director of Amity Fish Co Ltd which was paid £115 and from whom Seafish received Levy of £7, received in June 2021.

Board Member Mike Mitchell is:

- A Trustee of Fisheries Innovation Scotland which was paid £25,000 by Seafish.
- A President of Shellfish Association of Great Britain which was paid £6,000 by Seafish.

Board Member Jonathan Shepherd is:

- A Trustee of the Fishermen's Mission which was paid £65 by Seafish.

Board Member Nathan De Rozarieux is:

- A Trustee of the Fishermen's Mission which was paid £65 by Seafish
- Managing Director and sole shareholder of Tegen Mor Fisheries Consultants Ltd which was paid £5,000 by Seafish.

Panel Chair Jonathan Parker is:

- A Director of Camnesa Consulting Ltd which was paid £4,190 by Seafish.

Chief Executive Marcus Coleman is:

- A Director of Fisheries Innovation Scotland which was paid £25,000 by Seafish.

14. Events After the Reporting Period

Issue of Accounts

In accordance with the requirements of IAS 10, events after 31 March 2021 are considered up to the date on which the accounts are authorised for issue. The authorised for issue date is the date of the Comptroller and Auditor General's audit report.

Material Events

The global pandemic that is Covid-19 has brought a challenging and dynamic situation to all within the seafood industry. The lockdown measures and subsequent virus containment restrictions have had an impact on the volume of first-hand sales of seafood in the UK, the transaction which levy is collected on. Seafish continue to closely monitor key market metrics to understand the impact this will have on the value of levy in 2021/22 and will take the appropriate action that is required. Seafish have revised their expectations for the income accrual in respect of uncollected levy as at 31st March 2021 to reflect the challenging economic environment for levy payers.

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