



seafish

Here to give the UK seafood sector
the support it needs to thrive

Annual Report & Accounts 2021/22

For the period 1 April 2021 to 31 March 2022

HC 1067

SG/2023/30



**The Sea Fish Industry Authority
(Seafish)**

Annual Report & Accounts 2021/22

For the period 1 April 2021 to 31 March 2022

**Presented to Parliament pursuant to
Section 11 (8) of the Fisheries Act 1981**

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Performance Report

Performance Report

Chief Executive Statement



This year has been a really significant and important year for Seafish. For the first time in almost a decade, we undertook a Strategic Review of the organisation. This involved an extensive stakeholder engagement exercise, a rigorous assessment of compliance with all required governance standards and having valuable discussions with ministers and officials in all four administrations.

There were three clear outcomes:

- We asked industry the fundamental question - does Seafish need to exist at all? Industry told us there is an overwhelming need for Seafish to exist and keep supporting the seafood industry to thrive.
- Our work programme was widely and positively endorsed, and we got a clear steer on the highest priorities for industry right now. We have listened and we are focusing our efforts, making sure our resources are being directed to deliver with impact on the issues that matter most.
- Industry acknowledged that, to move forward with purpose and ambition, we need to be funded to deliver the support they need. We will develop and consult on proposals to change the levy during 2023, working closely with industry and the Fisheries Administrations.

We will start to implement a set of recommendations made by the Seafish Board. This will be a priority for us throughout 2022-23.

These recommendations cover:

- Our function: we will strengthen our capability and capacity to ensure we support the industry across the areas they told us they want more support.
- Our form: we will address outdated governance arrangements, increase partnership opportunities with the four government administrations, and consolidate our position as the only organisation working across the seafood supply chain and across the UK.
- Our funding: a significant programme of work will be progressed, in collaboration with Defra and the Fisheries Administrations, to address the outdated Seafish levy system and to ensure our future financial stability.

We are confident that these recommendations will give us a solid foundation so we can keep supporting the seafood industry in the UK to thrive now and in the future. It is our intention that the work ahead will also support the development of our next Corporate Plan covering the period 2023-28.

A handwritten signature in blue ink, appearing to read 'M. Coleman', with a long horizontal flourish extending to the right.

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 32-34.

Seafish Purpose

Seafish exists to give the UK seafood sector the support it needs to thrive.

We know what seafood can do for the nation: it's packed full of nutrition; when managed responsibly, it's sustainable; it creates long-term job opportunities; builds and sustains communities and drives business prosperity. When this sector thrives, the whole nation thrives.

As in previous years, our high-level objectives align with the five big challenges that affect the industry. Seafish is working to manage both the potential upsides and downsides of these challenges on businesses and to help the sector find solutions.

Challenge 1: Changing landscape

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

Challenge 2: Increasing seafood consumption

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

Challenge 3: A safe and skilled workforce

Supporting the sector to find and retain 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 welfare (both human and animal), and the environment 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 three divisions: Enabling Services, Corporate Relations and Operations. The performance against the challenges under the Corporate Relations and Operations divisions are reported on pages 11-13. The director leading each division and the divisional teams are demonstrated in the following organisational structure.



Kenneth McIntosh

Finance Director

Business Services
consisting of:

- Finance
- Levy



Lynn Gilmore

Communications
& Engagement
Director

Delivery of Corporate
Relation Challenges
relating to:

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



Aoife Martin

Director of
Operations

Delivery of Operation
Challenges relating to:

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



Linsey Neill

Human
Resources
Director

- Human Resources
- Health and Safety
- Information Systems

The Executive Management team are governed by the Seafish Board – please see page 20-21 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 2021/22 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 £4.9m in 2021/22 compared to a surplus of £1.6m for 2020/21. The main reasons for this £3.3m movement were:

	2021/22 £'000	2020/21 £'000	Movement £'000	Reason for Movement
Levy Income	(7,641)	(6,902)	739	Levy increased by 11% due to the Covid-19 pandemic lockdown easing and the UK seafood supply chain recovering.
Other Operating Income	(1,614)	(866)	748	Due to the easing of Covid-19 restrictions, we were able to carry out new projects and courses eligible for grant funding.
Project Expenditure	2,914	2,595	(319)	Project work picked back up in line with the increase in grants awarded and as a result of the Covid-19 restrictions easing.
Actuarial pension gain	(3,555)	(2,851)	704	This is an actuarial gain in our defined benefit pension scheme assets mostly driven by market recovery after the initial drop in the value of Fund assets at the onset of Covid-19.
Other income and expenditure	5,021	6,433	1,412	
Total	(4,875)	(1,591)	3,284	

Review of the Financial Position as at 31 March 2022

After covering all our liabilities, we had assets of £5.1m at 31 March 2022 (2021: net assets of £0.2m). This increase in assets of £4.9m were largely the result of the large decrease in the pension liability and an increase in net operating income. The key balance sheet movements are as follows:

	2021/22 £'000	2020/21 £'000	Movement £'000	Reason for Movement
Cash and cash equivalents	5,693	4,346	1,347	Cash increased largely due to net operating income of £1.3m for the year.
Pension liability	(3,247)	(7,149)	3,902	Liability decreased mainly due to positive returns on the Fund's assets.
Other	2,670	3,004	(334)	
Total	5,116	201	4,915	

Levy Income

Total levy income for 2021/22 was £7.6m (2020/21 £6.9m). This increase of £0.7m was due to the UK market recovering after being adversely impacted during the Covid-19 pandemic in 2020/21.

Any variance in levy is a result of variations on volumes or categories of landed or purchased fish by levy payers and are based on the rate of levy set in 1999. We are in the process of reviewing our levy rates in 2022/23 with the expectation that existing rates will be amended during the financial year 2023/24. This is aligned to our commitment to achieving continual improvement in support for the fishing industry.

Performance Across the Five Challenges

In relation to the five challenges, we continued to work collaboratively with stakeholders in industry and government to make positive progress. The following are a selection of notable activities for each challenge presented below:

Challenge 1: Changing landscape

We played a key role in assisting seafood businesses adapt to the new trading arrangements with the EU – this included work on Export Health Certificates, import guidance and procedures, tariff issues, new border operating model and the single trade window. We provided advice and guidance to industry on areas where the EU and UK may see regulatory divergence following the UK's departure from the EU.

We worked closely with the Defra GREAT Team and the Department for International Trade (DIT) on an international marketing toolkit comprising a suite of digital assets that DIT's global advisors and UK Exporters will be able to use to showcase UK seafood in international markets.

Beyond the EU, we were involved in interpreting changes to controls with China exports and with the Gulf co-operation Council Free Trade Agreement. We closed the year focusing on the impacts on seafood trade from the Russian invasion of Ukraine.

We also continued to monitor and report on sector performance on a quarterly basis. These quarterly reports provided detailed insights into how the UK seafood supply chain responded to the impacts of EU Exit and to ongoing Covid restrictions.

Challenge 2: Increasing seafood consumption

We continued with our 'Love Seafood' initiative, which launched in 2020. The brand secured a reach of 70 million via earned media and engaged 9.8 million individual consumers across paid media channels in the first 9 months of the financial year.

It should be noted that our Strategic Review identified that going forward, Seafish should focus on industry priorities detailed below in the section on "Future Strategic Direction". As a result of the demand for more focus on these priority issues, our consumer marketing activity through Love Seafood was substantially reduced from the end of 2021 and ceased completely from the end of the financial year.

We also supported other seafood promotional initiatives such as the 'Northern Ireland Seafood Trails' and the 'Marketing Seafood through Education' project.

Throughout the year, our Market Insight service provided 53 sector and species-specific reports, as well as responding to 402 individual stakeholder enquiries.

Challenge 3: A safe and skilled workforce

We continued to deliver 'at sea' and on-shore training support to industry with a total of 7,194 training places taken up (Seagoing 6,256; Onshore 938).

We delivered the second phase of our 'Sea a Bright Future' careers campaign pilot focused in north-east Scotland. Our Young Seafood Leaders Network hosted several events for its members including a leadership series and a 'Seafood, Sustainability and Seaspiracy' event.

Our Kingfisher service continued its work to highlight and alert fishermen to subsea hazards. In the period, the service issued more than 8,500 alerts and launched a new Bulletin app to help reach even more users.

Our latest 'Home and Dry' safety campaign focusing on fishing vessel stability was launched on 9 December and has secured funding from Trinity House to fund further campaign activity through to December 2024. Fishermen's Safety Roadshows were undertaken at six ports in Northern Ireland and six Man Overboard Awareness events were delivered in Poole, Fleetwood and Aberdeen reaching 70 fishermen in a high impact behaviour changing experience. We also delivered over 600 courses through our Approved Training Provider Network offering 4,270 training places to fishermen.

Challenge 4: Ensuring sustainable supply

Fisheries Management activities have increased significantly since the UK left the EU. We have taken a core role in enabling co-management through our Shellfish Industry Advisory Group and the new Industry Advisory Committee which is focused on non-quota species. We have progressed work on the frontrunner shellfish fisheries management plans and delivered the Southwest Ecological Risk Assessment which focused on managing the risk to data limited fisheries in the area.

Other work in this arena includes animal welfare, support for the North Atlantic Pelagic Advocacy Group, crew welfare and end of life fishing gear. Our Seafish Issues Group goes from strength to strength with participant numbers much increased on pre-pandemic levels and the engagement very strong indeed. Finally, we have worked with industry and government to progress options to improve the shellfish classification system for the bivalve mollusc sector.

Challenge 5: Data, innovation and insight

The notable work in this area are our fleet and processor surveys but alongside these, our Economics team responded to many enquiries from a range of industry and government stakeholders. Our 'Horizons' work shines a light on emerging issues and helps raise awareness of these issues. Our special reviews include a focus on climate change while our participation in research initiatives helps connect industry needs to academia when funding rounds are launched. Building on our work on Ecosystem Services we produced a report that looked specifically at the ecosystem services and public good benefits associated with shellfish.

Another highlight was the launch of our Fishing Restrictions service providing fishers with information on 1,500 restricted areas. This was launched in November 2021 and has proven popular with the fishing industry as well as with government and regulators.

Key Operational Issues and Risks

We identified six key risks regarding the governance of the organisation. More information on these is available in the Governance Statement on pages 32-34. 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 pose a significant risk to the basic operations of Seafish and to 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 staff and stakeholders from the virus.

All of our 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. When restrictions were lifted during the year, we put in place measures to ensure the safety of employees who required access to our offices.

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

The gradual lifting of government restrictions and Covid-19 safety measures during 2021/22 meant that services such as the Safety and Training for those working on fishing vessels could resume.

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. A review of our fraud risk was carried out and a Fraud Risk Management Report was presented to our Audit and Risk Committee 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 (v2.0) which was issued in August 2021.

Going Concern

The Seafish Board has considered going concern in line with the requirements of the government Financial Reporting Manual (FReM) for accounts preparers and is content for each of the reasons discussed below that it remains appropriate to prepare accounts on a going concern basis.

The Covid-19 pandemic led to a reduction in firsthand sales of seafood across the UK during the financial year 2020/21. However in 2021/22, with the gradual lifting of pandemic restrictions, levy income recovered by more than 10% (£6.9m 20/21 vs £7.6m 21/22), but nevertheless to a level below that observed pre-pandemic. Risks and uncertainties created by the pandemic were reviewed by both the Executive and the Board through monitoring of forecasts and levy projection scenarios during the financial year. Flexibility exists to influence cash inflows through grants, and expenditure can be actively managed in response to changes in levy income received.

The war in Ukraine has the potential to bring about further financial uncertainty with sanctions or tariffs applied by the UK Government likely to impact the volume of fish imported from Russia to the UK. This could potentially have a significant financial impact for Seafish and at the time of writing this report we are monitoring the situation carefully but are not yet observing a material impact.

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. The situation with the war in the Ukraine and other key risks continue to be monitored closely.

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.

Throughout the Strategic Review consultation process undertaken during last year, the seafood industry told us there are six areas they want more of our support with:

Workforce Issues: They want our help to access, retain and support a safe and skilled workforce.

Reputation: The seafood industry is increasingly responding to a range of societal and environmental challenges. Whether that be on the impacts of fishing on the marine environment, marine pollution, microplastics, human rights and ethical issues, animal welfare issues or the environmental credentials of seafood. They have asked us to do even more to support them in managing these supply chain challenges.

Climate Change: Industry needs our help to support them in adapting to and mitigating the effects of climate change and, where possible, reduce the industry's carbon footprint.

International Trade: Our stakeholders are looking for support in helping them address trading challenges whether that be navigating regulatory changes, exploring new markets, or fostering good relations between trading countries.

Insight and Innovation: Industry value the data, analysis, research and advice that we provide which supports them in making good business decisions.

Fisheries Management: Our work in facilitating collaboration between industry, government and scientists to improve fisheries management outcomes are valued and even more important as we find our way as an Independent Coastal State.

It is our intention to take forward these priorities in partnership with all four administrations and industry stakeholders in a transitional Annual Plan for 2022-23 and then consolidate these into a five-year Corporate Plan for 2023-28.

Industry also recognised that we live in times of resource scarcity and that Seafish is currently spread too thin. They urged us to be more focused on the key priorities above to ensure we can 'deliver with impact'. As a result of the demand for more focus on these priority issues, our consumer marketing activity through 'Love Seafood' ceased from the end of the financial year.

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 internal stakeholders 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.

In delivering our 2018-21 Seafish Corporate Plan (which was extended for a further two years), 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.

Seafish is a valued member of Defra Group's Sustainability Leadership Group. We were invited to contribute to discussions to help shape Defra's sustainability vision and strategy. In addition to data reporting requirements to comply with our Greening Government Commitment (2021-25), Seafish is committed to aligning with and supporting the Defra Group's forthcoming sustainability strategy.

Sustainability Data

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

	Year ended 31 March 2022			Year ended 31 March 2021			Year ended 31 March 2020		
	Expenditure £'000	Measure	Tonnes CO2	Expenditure £'000	Measure	Tonnes CO2	Expenditure £'000	Measure	Tonnes CO2
Scope 2: Energy indirect									
Electricity (kWh)	11	54,236	13	9	37,911	9	11	57,032	15
Gas (kWh)	5	92,250	17	5	111,306	21	5	102,615	19
Scope 3: Other indirect emissions									
Air Travel (miles)	6	12,893	2	-	-	-	65	150,696	24
Rail Travel (miles)	11	26,840	1	-	-	-	130	302,480	13
Travel by non-owned transport (miles)	66	49,555	13	85	4,222	1	226	350,929	98
Water supply (m3)	5	10	-	4	80	-	5	115	-
Waste management (tonnes)	2	2	-	-	0.3	-	7	5	1
Total	106		46	103		31	449		170

As is evident from the table, with the Covid-19 restrictions easing in 2021/22, this have resulted in an increase in staff travel whilst maintaining the use of technology to host remote meetings. A slightly higher usage of electricity and gas is evident as some staff returned to the office to work. This increase in 2021/22 is not significant compared to the pre-Covid year of 2019/20 which is shown in the table for comparison.

A substantial proportion of the 'Travel by non-owned transport' are due to the costs of our 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 our 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 are 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
1 February 2023

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 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 2021/22, there were ten non-executive Seafish Board members, appointed jointly by the Minister of State for Food, Farming and Fisheries (Defra), the Cabinet Secretary for Rural Affairs and Islands (Scottish Government), the Cabinet Secretary for Environment and Rural Affairs (Welsh Government) and the Minister for Agriculture, and the Secretary of State for Northern Ireland. Five Board members are independent of the seafood industry and the remaining five members represent the interests of the seafood industry.

Independent: Michael Sheldon (Chair)
Jeffrey Halliwell (Deputy Chair)
Linda Rosborough
Graham Black
David Brooks

Industry: Michael Mitchell
Nathan de Rozarieux
Heather Jones
Nigel Edwards
Harry Wick

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 maintaining accounting records and maintaining a sound system of internal control. The Accounting Officer is also 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 2021/2022:

- Marcus Coleman (Chief Executive from 5th January 2016)
- Aoife Martin (Director of Operations from 3rd July 2017)
- Lynn Gilmore (Communications & Engagement Director from 1st November 2021)
- Linsey Neill (Human Resources Director from 1st April 2017)
- Kenneth McIntosh (Interim Finance Director from 22nd November 2021, Permanent Finance Director from 1st March 2022)
- Hazel Curtis (*Corporate Relations Director from 7th January 2019 – 31st August 2021*)
- Grace Baxter (*Interim Human Resources Director from 4th May 2020 – 30th June 2021*)
- Louise Ballantyne (*Interim Finance Director from 18th January 2021 – 29th October 2021*)

Business Review and Future Developments

The Statement of Comprehensive Net Income is set out on page 58 of the accounts. The net income for the year, after taxation but prior to Other Comprehensive Income gains, amounted to £1.2m (2020/21: net expenditure £1.3m).

A detailed Performance Report is set out on pages 3 to 18. The Performance Report contains a performance and financial review of the activities undertaken by us during 2021/22 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 2022, £0.3m was owed to trade payables representing 23 days purchases outstanding (31 March 2021 – 23 days).

Auditors

The Comptroller and Auditor General is the statutorily appointed external auditor for Seafish. The audit fee for the statutory audit for 2021/22 is £57k (2020/21: £55k). There was no non-statutory audit work undertaken by the Comptroller and Auditor General in 2021/22 or 2020/21.

Personal Data Related Incidents

There was no personal data breach during 2021/22 (2020/21: one). Seafish progressed the personal data breach reported in 2020/21 in conjunction with the Information Commissioner's Office. This included engaging directly with the complainant and having more focused staff awareness and training on the careful management of sensitive personal data.

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 accruals 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.

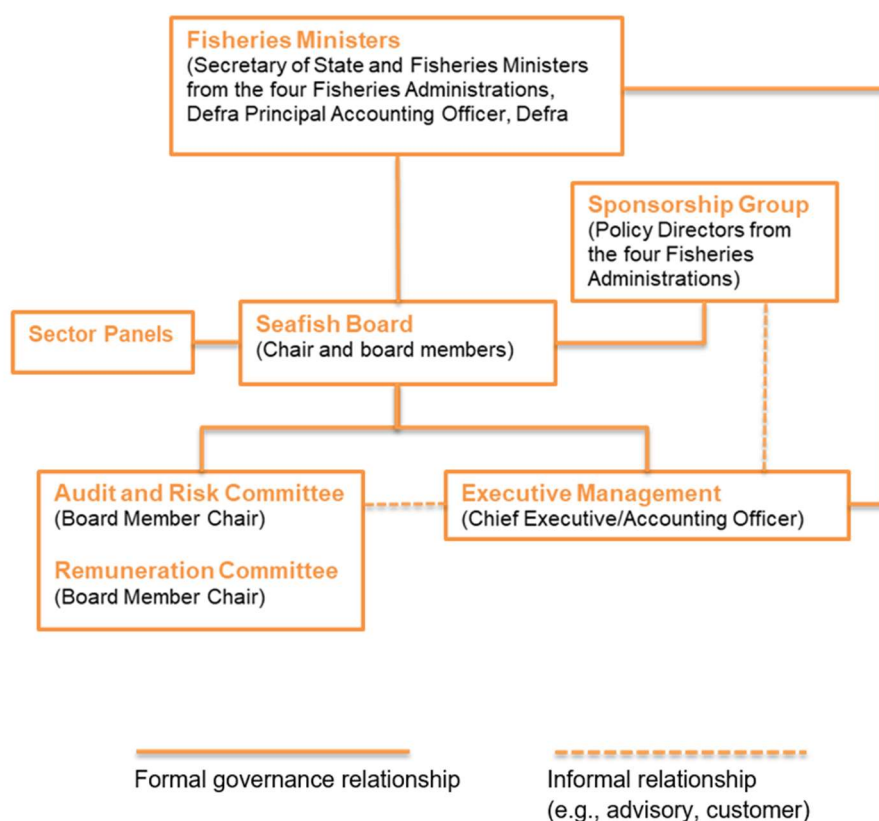
The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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 Corporate Governance in Central Government Departments - Code of Good Practice 2017.

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 2021/22 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 ten non-executive Board members during the year, five of whom were independent members, with the remaining five being from the seafood industry. Defra completed 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.

The new Board members appointed in 2021/22 were:

- | | |
|------------------------------------|------------------------|
| • Jeffrey Halliwell (Deputy Chair) | Appointment 01/04/2021 |
| • 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 six times during the year and the minutes of these meetings 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 2021/22 are detailed in the table below:

Board Member	Possible ¹	Attended
Michael Sheldon (Chair)	6	6
Jeffrey Halliwell (Deputy Chair)	6	5
Linda Rosborough	6	6
Graham Black	6	6
David Brooks	6	6
Michael Mitchell	6	6
Nathan de Rozarieux	6	6
Heather Jones	6	4
Nigel Edwards	6	5
Harry Wick	6	6

Executive Directors	Possible	Attended
Marcus Coleman (Chief Executive)	6	6
Louise Ballantyne (Interim Finance Director)	2	2
Kenneth McIntosh (Finance Director)	1	1
Grace Baxter (Interim Human Resources Director)	1	1
Linsey Neill (Human Resources Director)	6	5
Aoife Martin (Director of Operations)	6	6
Hazel Curtis (Corporate Relations Director)	1	0
Lynn Gilmore (Communications & Engagement Director)	4	4

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, in particular undertaking a strategic review following a stakeholder engagement process. The Board also continued to monitor the impact of Covid-19 on our levy income and on staff wellbeing. Unlike other government departments, no Covid-19 support schemes were administered by Seafish in 2021/22. 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 28-29.

¹ Includes 2 Extraordinary Board meetings to work on Strategic Review recommendations

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 2022.

Board Effectiveness

As noted above, the Board met six times during the year and had some challenging decisions to make especially as uncertainty remained over levy income associated with the Covid-19 pandemic. The Board was supported by the work carried out by both the ARC and the Remuneration Committee.

In 2020, a comprehensive and independent Internal Audit exercise was carried out on Board Effectiveness. 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 evidence that the Seafish Board have implemented, and is adhering to, effective controls designed to achieve its objectives.

In 2021/22 a full Strategic Review was completed with final recommendations to the four administrations agreed by the Board at the November 2021 meeting.

It is the intention that a full Board effectiveness review will be carried out in March 2023 as the relatively new Board members become better orientated with Seafish activities and the operation of the Board.

Audit and Risk Committee

The ARC was chaired by one of the Independent Seafish Board members 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 five times during the year.

During 2021/22, this committee has:

- Considered the Annual Report and Accounts for the year to 31 March 2021.
- Reviewed the NAO's Audit Completion Report for the Annual Report to 31 March 2021 and ensured any recommendations have been acted on.

- Received and commented upon several Internal Audit reports.
- Helped educate new Committee members about the Seafish levy collection process
- Reviewed Fraud Risk Management within the organisation
- Overhauled the Strategic Risk Register
- Reviewed a new Business Continuity Plan
- Determined a new Cash Reserves Policy
- Considered the new UK government's Functional Standards initiative
- Initiated a review of the Defined Benefit Seafish Pension Scheme
- Provided oversight for the Digital Transformation Programme and the use of digital solutions to support seafood business throughout the pandemic.

Throughout the year the committee has maintained its focus on ensuring Seafish has a stable financial position. Concerns arose in the previous financial year due to a fall in levy income as a result of the Covid-19 pandemic. The financial position at the mid-year point was worse than expected and this prompted further precautionary measures to reduce expenditure accordingly. These measures and a slightly improved income position during the latter part of the year helped ease the financial strain.

ARC subsequently scrutinised a budget proposal for 2022/23 that comprised a balanced budget for the year that also retains reserves in excess of £4m. The committee is aware that the longer-term financial sustainability of our organisation needs to be addressed and this fuelled a number of the recommendations arising from the Strategic Review process.

The framework of assurance in place throughout 2021/22 has enabled ARC to support the organisation through challenging times and emerge in a stable financial position.

Audit Risk Committee Effectiveness

The ARC followed through with its own review of effectiveness. This took place in July 2022 using a template survey provided by the NAO. A detailed discussion took place and findings were captured in the minutes of the meeting. Going forward, a process was agreed for future assessments.

The findings of this review will be reported to the Seafish Board.

Internal Audit

During 2021/22 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 involved BDO with designing and implementing the annual audit programme, attending each ARC meetings 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 three internal audits during 2021/22, as follows:

- Business Continuity Planning and Covid Response
- Business Performance Management
- Communications and Stakeholder Engagement

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, except in the case of business continuity planning, 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 business continuity planning where we noted gaps in the controls and the operating effectiveness of the controls across the organisation. Management have agreed the related recommendations and have made progress towards implementing these recommendations."*

Remuneration Committee

The Remuneration Committee (RemCom) is chaired by an Independent Board Member who is also the Seafish Deputy Chair 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 five times during the year.

During 2021/22 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.
- Reviewed proposals around the proposals for management of the Local Government Pension Scheme (WYPF)
- Oversight of decisions relating to unexpected organisational changes to ensure good governance was in place during the decision-making processes.

RemCom Effectiveness

In 2021/22 three newly appointed Board members joined the Remuneration Committee. The Committee also appointed a new Chair. Given the change in membership during 2021/22, it has been agreed that an effectiveness review will take place during 2022/23 for all Board level committees.

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 six 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 are reviewed and monitored as described above.

Risk 1. Strategic Review

The risk here relates to implementation. If the four administrations cannot agree with the Seafish Board Recommendations arising from the Strategic Review then a hiatus could result with us being unable to meet stakeholder expectations. We have engaged with the four administrations throughout the Strategic Review process and they appear aligned with the recommendations made. No formal indications of disagreement have been forthcoming.

Risk 2. Financial Stability

The risk here is if we have insufficient funds available then we may fail to meet stakeholder expectations and fail to 'deliver with impact': a) If the proposals for a levy review are not agreed, b) if levy income reduces significantly due to the pandemic or trade or market reasons, c) if other cost liabilities (e.g. pensions) become a disproportionate financial burden. The Strategic Review recommendations include several pertaining to levy system and rates reform. Efforts have increased to recover levy debts owed to us. An assessment of likely levy income for 2022-23 has been undertaken. A review of our pension benefit arrangements are underway exploring what future options are available.

Risk 3. Devolution

The risk here is that if developments in terms of devolved powers or new devolved structures emerge, there could be an impact on our ability to continue to operate as a UK-wide public body serving the whole of the UK seafood supply chain in a coherent way. The Strategic Review recommendations by the Board advise that we should continue to operate with a UK-wide outlook with a new 'central' delivery model.

Risk 4. Stakeholder Satisfaction

The risk here is if we fail to meet the needs and expectations of our stakeholders then we risk losing our mandate or 'licence to operate'. Stakeholder needs are front and centre as the Seafish Executive assemble the Annual Plan for 2022-23. This plan will follow the extremely successful Strategic Review engagement process where priorities and key issues were identified. We are constantly looking at ways to further engage our stakeholders in our work and ensure that the activities undertaken are delivering impact.

Risk 5. IT Security Breach

The risk here is if our IT infrastructure are either hacked, breached or otherwise rendered inoperable, then our organisation would struggle to function. This risk is exacerbated now that most staff are working remotely and not utilising office spaces on a regular basis. Digital communication is essential. New IT security accreditation has been achieved thereby increasing levels of resilience and assurance. Higher levels of accreditation are being considered. Day to day email and communication and access to files are all now possible from any computer anywhere in the world thanks to cloud-based applications.

Risk 6. Ukraine Conflict

The risk here for us arising in the event that governments and businesses implement sanctions or adjust their business practices in relation to Russia is a financial one. Russia is a significant supplier of seafood into the UK either directly or via extended global supply chains. If these imports are interrupted, then we could well experience a significant

reduction in levy income. We have taken a view of the extent of our levy exposure arising from different scenarios. We are maintaining a watching brief and have started to identify options to accommodate a reduction in levy income if the conflict continues.

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 to come forward and voice their concerns. 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 2022.

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 us 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 are handled securely. There were no reported data losses during the year.

Compliance with Corporate Governance in Central Government

Departments: Code of Good Practice 2017

We comply with the codes as appropriate for NDPBs as outlined in the Code of Good Practice 2017.

We received no ministerial directions in 2021/22.

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. Our organisation continues to align to the needs of the seafood industry through its three Sector Panels, and that relationships with all four administrations are maintained. Furthermore, it ensures that our strategy is clearly aligned to the organisations remit, external environments and political landscape.

The Board continues to evidence strong effectiveness as highlighted through a positive internal audit report in 2021/22. 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 submitted a series of recommendations arising from a thorough Strategic Review/Tailored Review process in partnership with the four fisheries administrations. The purpose of this was 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. We look forward to taking forward the recommendations once agreed.

Parliamentary Accountability Report

The Remuneration and Staff Report provides information on our employees and sets out the organisation's 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 2022 were Jeffrey Halliwell (Chair), Michael Mitchell, Heather Jones and Nathan de Rozarieux.

Meetings are normally held no less than twice a year and minutes are taken at all meetings. The Committee met five times during the year in 2021/22.

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. Executive directors' remuneration is by way of a fixed annual salary and benefits-in-kind including car benefit, medical insurance and subscriptions.

Set out below are the details of the contracts of employment for our senior executive staff as at 31 March 2022.

	Contract Start Date	Contract Expiry Date	Notice Period	Unexpired Term
Marcus Coleman Chief Executive	05/01/2016	Indefinite	3 months	n/a
Linsey Neill Human Resources Director	01/04/2017	Indefinite	3 months	n/a
Aoife Martin Director of Operations	03/07/2017	Indefinite	3 months	n/a
Lynn Gilmore Communications & Engagement Director	01/11/2021	Indefinite	3 months	n/a
Kenneth McIntosh Finance Director	22/11/2021	Indefinite	3 months	n/a

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 HM Treasury Pay Guidelines, consolidated pay awards were based on a pot of 2% of total pay bill and non-consolidated pay awards were based on a pot of 1% of total pay bill to the year 31 March 2022. Only eligible staff receive pay awards and a process of moderation of performance ratings is in place that includes Senior Executive Staff.

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 facilitate conversation about staff personal development and career development and is used to assist with succession planning. The performance framework includes a four-level organisational competency framework which enables us to assess performance on both delivery of results and behaviour.

Remuneration 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 2022. Benefits-in-kind comprise car benefit and medical insurance.

	Basic Salary ²		Bonus		Benefits-in-kind ³		Pension Benefit		Total	
	(Bands of £5,000)		(Bands of £5,000)		(Nearest £100)		(£000)		(Bands of £5,000)	
	21/22	20/21	21/22	20/21 ⁴	21/22	20/21	21/22	20/21	21/22	20/21 ⁵
Marcus Coleman	110-115	110-115	0-5	0-5	6,200	6,200	11	11	130-135	130-135
Linsey Neill	85-90	55-60 (FYE 80-85)	0-5	0-5	9,500	9,600	9	8	105-110	75-80
Aoife Martin	90-95	90-95	0-5	0-5	n/a	n/a	9	8	100-105	100-105
Lynn Gilmore (Starter)	30-35 (FYE 75-80)	n/a	0-5	n/a	600	n/a	3	n/a	35-40	n/a
Kenneth McIntosh (Starter)	30-35 (FYE 95-100)	n/a	0-5	n/a	n/a	n/a	3	n/a	35-40	n/a
Hazel Curtis (Leaver)	40-45 (FYE 80-85)	80-85	n/a	0-5	200	500	12	28	50-55	110-115
Louise Ballantyne (Leaver)	80-85 (FYE 90-95)	15-20 (FYE 90-95)	n/a	0	n/a	n/a	7	2	85-90	20-25
Grace Baxter (Leaver)	20-25 (FYE 85-90)	75-80 (FYE 85-90)	n/a	0-5	100	300	2	8	25-30	85-90

² Basic salary includes car allowance where applicable.

³ Benefits-in-kind refers to company cars and private medical care.

⁴ Restated

⁵ Restated

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 2022.

	Pension Scheme Details	Employer's Contribution Rate
Marcus Coleman	Legal and General	10.0%
Linsey Neill	Legal and General	10.0%
Aoife Martin	Legal and General	10.0%
Lynn Gilmore	Legal and General	10.0%
Kenneth McIntosh	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 2022.

	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 2022.

	For the year ended 31 March 2022 £000	For the year ended 31 March 2021 £000
Marcus Coleman	11	11
Linsey Neill	9	8
Aoife Martin	9	8
Lynn Gilmore	3	n/a ⁶
Kenneth McIntosh	3	n/a
Louise Ballantyne	7	2
Grace Baxter	2	8

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 2022.

	Real increase in pension £000	Real increase in pension lump sum £000	Total accrued pension at 31/03/2022 £000	Total Accrued Lump sum at 31/03/2022 £000	CETV at 31/03/2022 £000	Increase in CETV £000
Hazel Curtis	0.0 - 2.5	0.0 - 2.5	20 - 25	20 - 25	415	1

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

⁶ As at 31st March 2021, Lynn was not a Director but was an employee within Seafish

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 lower quartile, median and upper quartile remuneration of the organisation's workforce.

In 2021/22 or 2020/21 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.

The annualised banded remuneration of the highest paid director in 2021/22 was £120k - £125k (2020/21: £120k - £125k). This was:

- 3.01 times (2020/21: 2.98 times) the median remuneration of the workforce, which was £40,666 (2020/21: £41,053).
- 4.00 times (2020/21: 3.77 times) the 25th percentile of pay and benefits which was £30,619 (2020/21: £32,479).
- 2.56 times (2020/21: 2.54 times) the 75th percentile of pay and benefits which was £47,880 (2020/21: £48,218).

The median remuneration has decreased slightly by 0.9% due to an additional interim director salary being included in 2020/21 workings who had since left in 2021/22. The lowest annualised remuneration band paid was £20k - £25k and the highest was £120k - £125k.

Percentage change in total salary and bonuses for the staff average and the highest paid director

	2021-22		2020-21	
	Total salary and allowances	Bonus Payments ⁷	Total salary and allowances	Bonus Payments
Staff average	-2.31%	-81.77%	8.70%	-4.14%
Highest paid director	1.82%	-70.23%	1.51%	0.00%

Ratio between the highest paid directors' total remuneration and the lower quartile, median and upper quartile for staff pay

	Lower quartile	Median	Upper quartile
2021-22	4.0:1	3.01:1	2.56:1
2020-21	3.77:1	2.98:1	2.54:1

Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits

	Lower quartile		Median		Upper quartile	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Salary	30,619	31,766	39,260	40,195	42,745	42,449
Total Pay and Benefits ⁸	30,619	32,479	40,666	41,053	47,880	48,218

⁷ Staff eligible for non-consolidated bonus payments based on performance assessment as noted on page 37

⁸ Includes bonuses

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	2021-22 Salary in £5k bands £000	2020-21 Salary in £5k bands £000	Date of appointment	Appointment end date
Michael Sheldon Chair	15-20	10-15	01/04/2021	31/03/2024
Jeffrey Halliwell Deputy Chair	10-15	-	01/04/2021	31/03/2024
Linda Rosborough Independent Member	5-10	5-10	01/01/2019	27/02/2025
Graham Black Independent Member	5-10	-	01/04/2021	31/03/2024
David Brooks Independent Member	5-10	-	01/04/2021	31/03/2024
Michael Mitchell Industry Member	5-10	5-10	01/04/2018	31/03/2024
Nathan de Rozarieux Industry Member	5-10	5-10	01/04/2018	31/03/2024
Heather Jones Industry Member	5-10	-	01/04/2021	31/03/2024
Nigel Edwards Industry Member	5-10	-	01/04/2021	31/03/2024
Harry Wick Industry Member	5-10	-	01/04/2021	31/03/2024

No non-executive Directors receive any other payments or benefits-in-kind. The remuneration of non-executive Directors are paid directly by Defra for agreed contractual days. This amounted to £73,655 during the year to 31 March 2022.

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000
Gross salaries	2,809	3,677	345	330	3,154	4,007
Social security costs	369	496	28	23	397	519
Defined contribution scheme costs	193	196	20	14	213	210
Defined benefit scheme costs	247	365	-	-	247	365
Total	3,618	4,734	393	367	4,011	5,101

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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Research and project	52	56	7	5	59	61
Corporate services	19	21	-	-	19	21
Directors	4	6	-	-	4	6
Board Members	10	8	-	-	10	8
Panel Chairs	3	4	-	-	3	4
Total	88	95	7	5	95	100

Staff Turnover

For 2021-22 and 2020-21 the staff turnover is calculated as the number of leavers within 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	2021-22	2020-21
Leavers in the year	18	27
Average staff during year	95	100
Staff turnover during the year	19%	27%

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 2022 of £3.1m (31 March 2021: deficit of £7.0m).

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 2022 the liability for SPLAF was £0.2m (2021: £0.2m). The total pension liability at 31 March 2022 is therefore £3.2m (2021: £7.1m) 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 2021/22 was on average six days per person (2020/21: five 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 2022 was £2k (2020/21: £4k), as shown in note 3 to the accounts.

Gender Profile

Our total staff as at the 31 March 2022 is shown in the table below. This table includes permanent and temporary staff.

	Male	Female
Non-Executive Directors	8	2
Executive Directors	2	3
Management	7	5
Panel Chairs	3	0
All Other Staff	31	33
Total Staff	51	43

Gender Pay Gap

Our gender pay gap reporting as at the 31 March 2022 is shown below.

Average gender pay gap as a mean average	11.6%
Average gender pay gap as a median average	13.9%
Average bonus gender pay gap as a mean average	14.4%
Average bonus gender pay gap as a median average	18.3%

The proportion of males receiving a bonus payment was 48.7% and the proportion of females receiving a bonus payment was 55.3%.

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	65%	58%	37%	37%
Male	35%	42%	63%	63%

Exit Packages (subject to audit)

There was no exit package in 2021/22 compared to 10 redundancies in 2020/21.

	2021/22			2020/21		
	No. of compulsory redundancies	No. of other departures agreed	Total exit packages by cost band	No. of compulsory redundancies	No. of other departures agreed	Total exit packages by cost band
Under £10,000	-	-	-	-	3	3
£10,001 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	3	3
£50,001 - £100,000	-	-	-	-	4	4
Total	-	-	-	-	10	10
Total resource cost	-	-	-	-	£387,652	£387,652

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 2021/22.

Health and Safety at Work

As referenced on page 31, 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 31, during 2021/22 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 can confirm that it is a nil report on trade union time during 2021/22.

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)

	2021-22		
	Income	Full Cost	Surplus
	£000	£000	£000
Levies collected under the Fisheries Act 1981	7,641	6,573	1,068

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 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 2022.

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 20/21 into 21/22 we have had an 27% decrease in expenditure due to the impact of Covid-19 compared to the 19/20 year.



Marcus Coleman - Chief Executive

1 February 2023

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 2022 under the Fisheries Act 1981 as amended by the Government Resources and Accounts Act 2000.

The financial statements comprise the:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

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 2022 and its net operating income for the year then ended; and
- have been properly prepared in accordance with the Fisheries Act 1981 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 (UK) (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 the 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 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 financial statements nor my auditor's certificate. 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 the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Fisheries Act 1981.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Fisheries Act 1981; 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 and is in accordance with the applicable legal requirements.

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:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Sea Fish Industry Authority 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 subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; 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 Accounting Officer are responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Chief Executive as 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 Chief Executive as 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.

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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Sea Fish Industry Authority's accounting policies.
- Inquiring of management, the Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Sea Fish Industry Authority'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 Sea Fish Industry Authority's compliance with the Fisheries Act 1981 and Managing Public Money.
- discussing among the engagement team and involving relevant internal and external specialists, including pensions experts, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Sea Fish Industry Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and the defined benefit pension liability. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Sea Fish Industry Authority's framework of authority as well as other legal and regulatory frameworks in which the Sea Fish Industry Authority operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in 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, Managing Public Money, employment law, pensions legislation, and or tax legislation.

In addition, I considered whether all grants recognised during the year were applied to the purposes intended by Parliament, and ensured that all relevant approvals were obtained for payments made by the Sea Fish Industry Authority.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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 bias;
- in addressing the risk relating to the defined benefit pension balances, reviewing the actuary's report and agreeing all information to the accounts; and reviewing the scheme auditor's report to ensure asset values are correctly stated in the Sea Fish Industry Authority's accounts

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

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.

Other auditor's responsibilities

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

6 February 2023

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

Financial Statements

Financial Statements

Statement of Comprehensive Net Income for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Income:			
Revenue from contracts with customers – Levies	2a	(7,641)	(6,902)
Revenue from contracts with customers – other than Levies	2a	(951)	(945)
Other operating income	2b	(1,614)	(866)
Total operating income		(10,206)	(8,713)
Expenditure:			
Staff costs	4	4,011	5,101
IAS 19 pension charge	9f	279	281
Other operating expenditure	3	4,627	4,445
Total operating expenditure		8,917	9,827
Net operating (income)/ expenditure		(1,289)	1,114
Finance income		(7)	(19)
Financing expense on pension scheme assets and liabilities	9b	141	230
Net (income)/expenditure for the year		(1,155)	1,325
Other Comprehensive Income:			
Actuarial gain on pension scheme assets and obligations	9c	(3,555)	(2,851)
Net gain on revaluation of property, plant and equipment	5	(165)	(65)
Total comprehensive net income for the year		(4,875)	(1,591)

The notes on pages 62 to 89 form part of these accounts.

Statement of Financial Position
as at 31 March 2022

	Note	31 March 2022 £000	31 March 2021 £000
Non-current assets:			
Property, plant and equipment	5	1,166	975
Intangible assets	6	171	233
Total non-current assets		<u>1,337</u>	<u>1,208</u>
Current assets:			
Trade and other receivables	7	3,104	3,195
Cash and cash equivalents	12	<u>5,693</u>	<u>4,346</u>
Total current assets		8,797	7,541
Total assets		<u>10,134</u>	<u>8,749</u>
Current liabilities:			
Trade and other payables	8	<u>(1,771)</u>	<u>(1,399)</u>
Total current liabilities		<u>(1,771)</u>	<u>(1,399)</u>
Total assets less current liabilities		8,363	7,350
Non-current liabilities:			
Provisions - unfunded pension liabilities	9e	(3,247)	(3,510)
Pension liabilities	9f	<u>0</u>	<u>(3,639)</u>
Total non-current liabilities		<u>(3,247)</u>	<u>(7,149)</u>
Total assets less total liabilities		<u>5,116</u>	<u>201</u>
Taxpayers' equity and other reserves:			
Revaluation reserve		204	164
General fund		4,912	3,676
Pensions reserve		0	(3,639)
Total equity		<u>5,116</u>	<u>201</u>


Marcus Coleman - Chief Executive
1 February 2023

The notes on pages 62 to 89 form part of these accounts.

Statement of Cash Flows
for the year ended 31 March 2022

	Note	2021-22 £000	2020-21 £000
Cash flows from operating activities			
Net operating income/ (expenditure)	SoCNI	1,289	(1,114)
Adjustments for non-cash transactions	3	100	262
Increase in trade and other receivables	7	91	263
Increase/(decrease) in trade and other payables	8	372	(255)
Use of provisions		279	281
Defined pension contributions paid	9f	(767)	(948)
Net cash inflow/ (outflow) from operating activities		1,364	(1,511)
Cash flows from investing activities			
Interest received		7	19
Purchase of property, plant and equipment	5	(20)	(8)
Purchase of intangible assets	6	(4)	(140)
Net cash outflow from investing activities		(17)	(129)
Net increase/ (decrease) in cash and cash equivalents in the period			
		1,347	(1,640)
Cash and cash equivalents at the beginning of the period	12	4,346	5,986
Cash and cash equivalents at the end of the period	12	5,693	4,346

The notes on pages 62 to 89 form part of these accounts.

Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2022

		Revaluation Reserve	General Fund	Pension Reserve	Total Reserves
	Note	£000	£000	£000	£000
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 on pension scheme assets and obligations	9c	-	-	2,851	2,851
Total net expenditure		-	(1,325)	-	(1,325)
Net gain on revaluation	5	30	35	-	65
Balance at 31 March 2021		164	3,676	(3,639)	201
Balance at 1 April 2021		164	3,676	(3,639)	201
Changes in taxpayers' equity for 2021/22					
Transfers between reserves		-	(84)	84	-
Actuarial gain on pension scheme assets and obligations	9c	-	-	3,555	3,555
Total net income		-	1,155	-	1,155
Net gain on revaluation	5	40	165	-	205
Balance at 31 March 2022		204	4,912	-	5,116

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 62 to 89 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 accruals 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 page 15.

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 2022. The valuation of £1.100m 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 2022 with an estimated life of 50 years, so the buildings are scheduled to be fully depreciated by 2072. Freehold land is not depreciated.

1.6 Impairment

The carrying amounts of the tangible and 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.

More detailed information can be found in note 2 to the accounts.

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at 31 March 2022. 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 Income 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 are recognised in line with IAS 20. Grant revenue is recognised only when there is reasonable assurance that we comply with the conditions attached to the grant and that the grant will be received.

Grants are recognised as income over the period and are matched with the related costs, for which they are intended to compensate or when the conditions of the grant income have been met.

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. Seafish's SPLAF and funded and non-funded pension valuations have been discounted.

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 2022, Seafish had no contingent liabilities (31 March 2021: 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 Income.

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 2021.

1.19 Impending application of newly issued accounting standards not yet effective

Published standards adopted by the 2021/22 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 £1k 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, £1k 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

	2021-22 £000	2020-21 £000
Levy Income		
Levies collected under the Fisheries Act 1981	7,641	6,902
	7,641	6,902
Sale of goods and services		
Project income - EU	3	5
Project income - Non-EU	571	543
Commercial income	376	385
	950	933
Other income		
VAT recovery	1	12
	1	12
Total	8,592	7,847

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.

	2021-22	2020-21
	£000	£000
Current Grant Income		
Grant income - EU	283	273
Grant income - Non-EU	1,331	593
Total	1,614	866

3. Other Expenditure

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

	2021-22 £000	2020-21 £000
Project Activities		
EU	297	274
Non-EU	2,617	2,321
	2,914	2,595
Commercial Activities		
EU	56	2
Non-EU	144	115
	200	117
Location costs	390	402
Professional fees	78	74
Motor vehicle costs	27	22
Other administration costs	95	86
Travel and subsistence	27	3
Staff training and recruitment	116	107
Consultancy spend	2	4
Repairs and maintenance	14	19
Computing costs	324	498
Increase/ (decrease) in bad debt provision	155	43
Auditors remuneration	57	55
Operating lease rental	127	154
Taxation	1	4
	1,413	1,471
Non-cash items		
Depreciation and amortisation	100	216
Loss on disposal of assets	-	46
	100	262
Total other expenditure	4,627	4,445

4. Staff Costs

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

	2021-22 £000	2020-21 £000
Gross salaries	3,082	3,892
Social security costs	397	519
Agency staff costs	72	115
Defined contribution scheme costs	213	210
Defined benefit scheme costs	247	365
	4,011	5,101

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 2022 amounted to £73,655 (2021: £58,000) as stated in the Remuneration Report on page 43.

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 2021	180	730	321	429	1,660
Revaluations	40	150	-	-	190
Additions	-	-	5	15	20
Disposals	-	-	(15)	(194)	(209)
At 31 March 2022	220	880	311	250	1,661
Depreciation					
At 1 April 2021	-	-	270	415	685
Revaluations	-	(15)	-	-	(15)
Charge for year	-	15	11	8	34
Disposals	-	-	(15)	(194)	(209)
At 31 March 2022	0	0	266	229	495
Net book value					
At 31 March 2022	220	880	45	21	1,166

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 2022 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	Buildings Excluding Dwellings	Furniture and Fittings	Information Technology	Total
	£000	£000	£000	£000	£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

6. Intangible Assets

	Software	Websites	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2021	455	254	709
Additions	-	4	4
Disposals	(53)	-	(53)
Reclassification	-	-	-
At 31 March 2022	402	258	660
Amortisation			
At 1 April 2021	440	36	476
Charged in year	15	51	66
Disposals	(53)	-	(53)
At 31 March 2022	402	87	489
Net book value at 31 March 2022	0	171	171

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

	Software	Websites	Total
	£000	£000	£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

7. Trade Receivables and Other Current Assets

	31 March 2022	31 March 2021
Amounts falling due within one year	£000	£000
Trade receivables	569	511
Levy receivables	1,099	551
Levy accrued income	677	1,299
Provision for bad debt	(234)	(46)
Prepayments	202	186
Non levy accrued income	635	343
EU accrued income	156	351
	3,104	3,195

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 within the levy accrued income.

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

	31 March 2022	31 March 2021
	£000	£000
Trade receivables		
Less than one month	536	472
More than one month less than three months	19	36
More than three months	14	3
	569	511

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

8. Trade Payables and Other Current Liabilities

	31 March 2022 £000	31 March 2021 £000
Amounts falling due within one year		
Trade payables and accruals	894	909
Deferred income	794	415
VAT	50	45
Corporation tax	1	4
Pension contributions payable	32	26
	<u>1,771</u>	<u>1,399</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.

The actuarial valuation as at 31 March 2022 showed a net pension asset in the Funded part of the scheme and under paragraph 64 of IAS19 as interpreted by IFRIC 14, we have limited the net pension asset (surplus) that can be recognised on the balance sheet. We have further adjusted the net pension asset to *nil* to recognise the fact that no economic benefits will arise from the surplus which is supported from the post balance sheet event noted on page 89.

9. Pension Scheme Arrangements (continued)

(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.

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 2022 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 2022. 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 2022.

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

9. Pension Scheme Arrangements (continued)

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.

(b) Amounts Charged to Statement of Comprehensive Net Income

	Funded	Non- funded	SPLAF	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
Interest cost	(1,042)	(68)	(3)	(1,113)
Expected return on plan assets	972	-	-	972
Financing expense on pension scheme assets	(70)	(68)	(3)	(141)
Current service cost	(279)	-	-	(279)
Past service cost	-	-	-	-
Total expense recognised in SoCNI	(349)	(68)	(3)	(420)

	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 SoCNI	(434)	(73)	(4)	(511)

9. Pension Scheme Arrangements (continued)

(c) Amounts Charged to Other Comprehensive Income

	Funded	Non- funded	SPLAF	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
Actuarial gains/(losses) on liabilities	2,682	119	(5)	2,796
Remeasurement gain on assets	3,620	-	-	3,620
IFRIC 14 adjustment	(1,148)	-	-	(1,148)
Adjustment to write down Funded asset to nil ⁹	(1,713)	-	-	(1,713)
	3,441	119	(5)	3,555

	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

⁹ The Funded asset position has been written down to nil as the surplus will be irrecoverable due to the post balance sheet event noted on pages 75 and 89.

9. Pension Scheme Arrangements (continued)

(d) Movements in the Fair Value of Scheme Assets

	Funded	Non- funded	SPLAF	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
At 1 April 2021	46,986	-	-	46,986
Expected return on scheme assets	972	-	-	972
Contributions by the employer	547	203	17	767
Contributions by participants	57	-	-	57
Remeasurement gain on assets	3,620	-	-	3,620
IFRIC 14 adjustment	(1,148)	-	-	(1,148)
Adjustment to write down Funded asset to nil	(1,713)	-	-	(1,713)
Benefits/transfers paid	(2,059)	(203)	(17)	(2,279)
At 31 March 2022	47,262	-	-	47,262

	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	0	0	46,986

9. Pension Scheme Arrangements (continued)

(e) Movements in the Present Value of Defined Benefit Obligation

	Funded	Non- funded	SPLAF	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
At 1 April 2021	50,625	3,336	174	54,135
Current service cost	279	-	-	279
Past service cost	-	-	-	-
Interest cost	1,042	68	3	1,113
Contributions by participants	57	-	-	57
Actuarial losses on experience	178	12	10	200
Actuarial gains on financial assumptions	(2,383)	(89)	(2)	(2,474)
Actuarial gains on demographics	(477)	(42)	(3)	(522)
Benefits/transfers paid	(2,059)	(203)	(17)	(2,279)
At 31 March 2022	47,262	3,082	165	50,509

	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

9. Pension Scheme Arrangements (continued)

(f) Analysis of the Movement of the Deficit in the Year

	Funded	Non- funded	SPLAF	Total
	2022	2022	2022	2022
	£000	£000	£000	£000
Deficit at the start of the year	(3,639)	(3,336)	(174)	(7,149)
Contributions by the employers	547	203	17	767
Current service cost	(279)	-	-	(279)
Past service cost	-	-	-	-
Actuarial gains/(losses)	3,441	119	(5)	3,555
Interest cost	(1,042)	(68)	(3)	(1,113)
Expected return on scheme assets	972	-	-	972
Benefits/transfers paid	-	-	-	-
Total	-	(3,082)	(165)	(3,247)

	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)

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 31st March 2022. The principal assumptions used by the independent qualified actuary in updating this valuation were:

31 March 2022	Funded	Non-funded	SPLAF
Rate of inflation (CPI)	3.10%	3.10%	3.10%
Rate of increase in salaries	4.35%	N/A	N/A
Rate of increase in pensions	3.10%	3.10%	3.10%
Discount rate	2.80%	2.80%	2.80%
Mortality tables		1992 (PMA and PFA)	
31 March 2021	Funded	Non-funded	SPLAF
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)	

9. Pension Scheme Arrangements (continued)

(g) Assumptions (continued)

Scheme assets				
31 March 2022	Funded	Non-funded	SPLAF	Total
Equities	79.8%	79.8%	N/A	79.8%
Government bonds	7.4%	7.4%	N/A	7.4%
Corporate bonds	4.8%	4.8%	N/A	4.8%
Property	4.0%	4.0%	N/A	4.0%
Cash	2.9%	2.9%	N/A	2.9%
Other	1.1%	1.1%	N/A	1.1%

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%
Corporate bonds	4.6%	4.6%	N/A	4.6%
Property	3.8%	3.8%	N/A	3.8%
Cash	2.0%	2.0%	N/A	2.0%
Other	1.6%	1.6%	N/A	1.6%

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-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Years	Years	Years	Years	Years	Years
Male currently aged 65	21.8	21.9	21.8	21.9	21.8	21.9
Female currently aged 65	24.6	24.7	24.6	24.7	24.6	24.7
Male currently aged 45	22.5	22.6	N/A	N/A	N/A	N/A
Female currently aged 45	25.7	25.8	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 below. In each case, only the assumption mentioned is altered; all other assumptions remain the same.

Change in Assumption	Approximate % increase in employer liability	Approximate monetary amount (£'000)
0.1% decrease in discount rate	1.6%	756
One year increase in member life expectancy	-3.5%	(1,654)
0.1% increase in salary increase rate	0.1%	47
0.1% increase in pension increase rate	1.4%	662

i) Maturity Profile

	Funded	Non- funded	SPLAF	Total
	£000	£000	£000	£000
Expected benefit payments made during 2022/23	2,123	209	18	2,350
Expected benefit payments made during 2023/24	2,189	216	18	2,423
Expected benefit payments made during 2024/25	2,256	222	19	2,497
Expected benefit payments made during 2025/26	2,326	229	19	2,574
Expected benefit payments made during 2026/27	2,399	236	20	2,655
Expected benefit payments 2027/28 to 2031/32	13,155	1,297	109	14,561

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 2022 £000	31 March 2021 £000
Buildings:		
Not later than one year ¹⁰	12	12
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>12</u>	<u>12</u>
Motor Fleet:		
Not later than one year	8	16
Later than one year and not later than five years	1	9
Later than five years	-	-
	<u>9</u>	<u>25</u>

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 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 2022 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 2022.

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.

¹⁰ Grimsby office is on a rolling monthly lease

11. Financial Instruments (continued)

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 £14k 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.

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 2022 £000	31 March 2021 £000
Balance at 1 April	4,346	5,986
Net change in cash and cash equivalent balances	1,347	(1,640)
Balance at 31 March	5,693	4,346
The following balances at 31 March were held at:		
Commercial banks and cash in hand	3,192	1,845
Short term investments	2,501	2,501
Balance at 31 March	5,693	4,346

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 have 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 2022 unless otherwise stated:

Board Member Michael 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 £11,940 by Seafish.
- A Managing Director of Fair Seas Ltd which was paid £800 by Seafish.

Board Member Nathan De Rozarieux is:

- Managing Director and sole shareholder of Tegen Mor Fisheries Consultants Ltd which was paid £960 by Seafish.

Panel Chair Jonathan Parker is:

- A Director of Camnesa Consulting Ltd which was paid £780 by Seafish.

Panel Chair Tom Pickerell is:

- A Director of Tomolamola Consulting Ltd which was paid £41,799 by Seafish.¹¹

Chief Executive Marcus Coleman is:

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

¹¹ Tom Pickerell is the lead of the North Atlantic Pelagic Advocacy Group (NAPA) and Seafish facilitate the receipt and payment of consulting fees on behalf of NAPA, who represent retailers and processors across the UK. There is no levy funding towards Tomolamola Consulting Ltd and therefore no associated conflict of interest.

14. Events After the Reporting Period

Issue of Accounts

In accordance with the requirements of IAS 10, events after 31 March 2022 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

A consultation with active members of the West Yorkshire Pension Fund scheme (WYPF) commenced on 2 August 2022 with the aim of ceasing future accrual to the WYPF scheme. Active membership of the WYPF ceased following the consultation with accrual to the scheme ceasing on 30 November 2022. This will trigger an exit payment which is likely to be known towards the end of quarter 4 of the financial year of 2022/23, with terms of settlement to be agreed with WYPF. An indicative exit valuation as of 31 August 2022 prepared by WYPF scheme actuaries, which relates to the funded part of the scheme, estimated a shortfall of £2.158m as of that date.

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