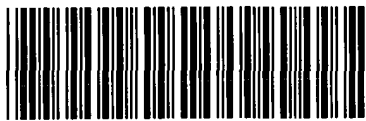


Company Registration No. 5654335 (England and Wales)

**ATLANTIC FRESH LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

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# ATLANTIC FRESH LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Gudmundsson O E Jonsson
<b>Secretary</b>	O E Jonsson
<b>Company number</b>	5654335
<b>Registered office</b>	Grimsby Fish Market Wharnccliffe Road Grimsby South Humberside DN31 3QJ
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Two Humber Quays Wellington Street West Hull HU1 2BN

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# ATLANTIC FRESH LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present the strategic report for the year ended 31 December 2019.

#### **Fair review of the business**

The group subsidiaries continued to perform well during the period, however despite the holding company meeting satisfactory performance levels the bulk of the auction trading division was transferred to the Grimsby Fish Market November 2019 for a nominal fee.

On 1 December 2019, the Group disposed of the trade in the division of the business operating from Grimsby Fish Market for cash consideration of £1 and transferred over two employees as part of the agreement. None of the company's assets and liabilities were transferred on the disposal of this business. Details of the discontinued trade is disclosed separately at the Consolidated Statement of Comprehensive Income.

Mariner Foods Trading Limited continued to consolidate and increase business during the year seeing a 25% increase in turnover year on year.

The French operation SAS Atlantic Fresh Europe subsidiary expanded marginally with turnover exceeding €50 million.

#### **Future developments**

The decision to dispose of the bulk of the company's UK auction trading division was taken as part of the group's business strategy in response to Brexit and enables the UK business to continue to build upon the UK fish processing business based in Grimsby.

#### **Principal risks and uncertainties**

The group financial position remains strong with sufficient liquidity available to meet the groups ongoing requirements.

Although Brexit uncertainties relating to tariffs and volatile foreign exchange movements pose a potential risk to the business, the unforeseen post year-end problems relating to COVID-19, the subsequent lockdown and impact on the hospitality sector poses a greater risk to the group's performance. Depending upon geographic circumstances and Government action taken, factors outside of the group's control, all businesses within the group continue to manage and mitigate the risks involved.

#### **Credit risk management**

The group monitors credit risk closely and considers that its current policies of credit checks and insurance meets its objectives of managing exposure to credit risk.

# ATLANTIC FRESH LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

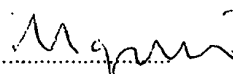
### Key performance indicators

The following key performance indicators are provided to give an understanding of the development, performance and position of the business.

		2019	2018	2017
Turnover	£M	69.3	70.7	56.8
Gross profit	£M	3.2	3.1	1.9
Gross margin		4.6%	4.3%	3.3%
Operating profit	£M	2.2	2.3	1.2
Profit before tax	£M	2.3	2.3	1.2

Given the nature of the business, the Directors are of the opinion that analysis using non-financial KPI's is not necessary to give a clear understanding of the development, performance or position of the business overall.

On behalf of the board

  
M Gudmundsson  
Director

Date: 17.12.2020

# ATLANTIC FRESH LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

---

The directors present their annual report and financial statements for the year ended 31 December 2019.

#### **Principal activities**

The principal activities of the company and group during the year were those of whole fish sales and fish processing.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Gudmundsson  
O E Jonsson

#### **Results and dividends**

The results for the year are set out on pages 8 to 9.

On 6 October 2020 the directors approved a dividend of £2,000,000 for the financial year 31 December 2020 (2018: £nil).

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Matters of strategic importance**

The future developments details that are required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

# ATLANTIC FRESH LIMITED

## DIRECTORS' REPORT (CONTINUED)

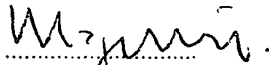
FOR THE YEAR ENDED 31 DECEMBER 2019

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### Covid-19 (coronavirus)

Subsequent to the year end there has been a global Covid-19 pandemic which has impacted on all areas and sectors including whole fish sales and fish processing activities. The group is continuing to operate, taking measures to ensure the health and safety of its employees and implementing the necessary business continuity procedures.

On behalf of the board



M Gudmundsson

Director

Date: 17.12.2020

# **ATLANTIC FRESH LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC FRESH LIMITED**

---

### **Opinion**

We have audited the financial statements of Atlantic Fresh Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLANTIC FRESH LIMITED (CONTINUED)

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### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

18/12/2020

# ATLANTIC FRESH LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Continuing operations £	Discontinued operations £	31 December 2019 £	Continuing operations £	Discontinued operations £	31 December 2018 £
<b>Turnover</b>	<b>3</b>	53,939,223	15,348,167	69,287,390	51,272,673	19,388,467	70,661,140
Cost of sales		(51,112,230)	(14,979,621)	(66,091,851)	(48,726,751)	(18,880,114)	(67,606,865)
<b>Gross profit</b>		<u>2,826,993</u>	<u>368,546</u>	<u>3,195,539</u>	<u>2,545,922</u>	<u>508,353</u>	<u>3,054,275</u>
Administrative expenses		(1,042,415)	-	(1,042,415)	(780,307)	-	(780,307)
Other operating income		92,382	-	92,382	42,944	-	42,944
<b>Operating profit</b>	<b>7</b>	<u>1,876,960</u>	<u>368,546</u>	<u>2,245,506</u>	<u>1,808,559</u>	<u>508,353</u>	<u>2,316,912</u>
Interest receivable and similar income	<b>8</b>	41,531	-	41,531	36,350	-	36,350
Interest payable and similar expenses	<b>9</b>	(19,139)	-	(19,139)	(21,203)	-	(21,203)
<b>Profit before taxation</b>		<u>1,899,352</u>	<u>368,546</u>	<u>2,267,898</u>	<u>1,823,706</u>	<u>508,353</u>	<u>2,332,059</u>
Tax on profit	<b>10</b>	(672,843)	-	(672,843)	(692,090)	-	(692,090)
<b>Profit for the financial year</b>	<b>25</b>	<u>1,226,509</u>	<u>368,546</u>	<u>1,595,055</u>	<u>1,131,616</u>	<u>508,353</u>	<u>1,639,969</u>
<b>Other comprehensive income net of taxation</b>							
Currency translation differences				(165,259)			35,872
<b>Total comprehensive income for the year</b>				<u>1,429,796</u>			<u>1,675,841</u>

# ATLANTIC FRESH LIMITED

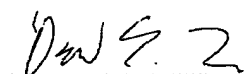
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

Notes	Continuing operations	Discontinued operations	31 December 2019	Continuing operations	Discontinued operations	31 December 2018
	£	£	£	£	£	£
Profit for the financial year is attributable to:						
- Owners of the parent company			1,196,521			1,259,866
- Non-controlling interests			398,534			380,103
			<u>1,595,055</u>			<u>1,639,969</u>
Total comprehensive income for the year is attributable to:						
- Owners of the parent company			1,084,106			1,284,315
- Non-controlling interests			345,690			391,526
			<u>1,429,796</u>			<u>1,675,841</u>

**ATLANTIC FRESH LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	438,957		319,652	
<b>Current assets</b>					
Stocks	16	-		2,862	
Debtors	17	7,228,622		7,475,708	
Cash at bank and in hand		4,403,830		4,125,399	
		11,632,452		11,603,969	
<b>Creditors: amounts falling due within one year</b>	18	(3,719,934)		(4,274,596)	
<b>Net current assets</b>		7,912,518		7,329,373	
<b>Total assets less current liabilities</b>		8,351,475		7,649,025	
<b>Creditors: amounts falling due after more than one year</b>	19	(99,771)		(98,788)	
<b>Provisions for liabilities</b>	21	(50,978)		(39,134)	
<b>Net assets</b>		8,200,726		7,511,103	
<b>Capital and reserves</b>					
Called up share capital	24	450		500	
Capital redemption reserve	25	600		550	
Other reserves	25	82,144		247,403	
Profit and loss reserves	25	7,412,531		6,573,166	
<b>Equity attributable to owners of the parent company</b>		7,495,725		6,821,619	
<b>Non-controlling interests</b>		705,001		689,484	
		8,200,726		7,511,103	

The financial statements were approved by the board of directors and authorised for issue on 17.12.2020 and are signed on its behalf by:



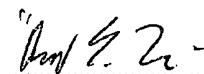
O E Jonsson  
Director

**ATLANTIC FRESH LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	40,676		52,830	
Investments	14	20,879		20,879	
			61,555		73,709
<b>Current assets</b>					
Debtors	17	2,932,845		3,046,152	
Cash at bank and in hand		2,510,803		2,187,389	
		5,443,648		5,233,541	
<b>Creditors: amounts falling due within one year</b>	18	(259,915)		(434,972)	
<b>Net current assets</b>		5,183,733		4,798,569	
<b>Total assets less current liabilities</b>		5,245,288		4,872,278	
<b>Creditors: amounts falling due after more than one year</b>	19	(14,760)		(23,194)	
<b>Provisions for liabilities</b>	21	(508)		(578)	
<b>Net assets</b>		5,230,020		4,848,506	
<b>Capital and reserves</b>					
Called up share capital	24	450		500	
Capital redemption reserve	25	600		550	
Profit and loss reserves	25	5,228,970		4,847,456	
<b>Total equity</b>		5,230,020		4,848,506	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £791,514 (2018 - £642,435 profit).

The financial statements were approved by the board of directors and authorised for issue on 17.12.2020 and are signed on its behalf by:



O E Jonsson  
Director

# ATLANTIC FRESH LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 January 2018</b>		500	550	211,531	5,324,723	5,537,304	486,620	6,023,924
<b>Year ended 31 December 2018:</b>								
Profit for the year		-	-	-	1,259,866	1,259,866	380,103	1,639,969
Other comprehensive income net of taxation:								
Currency translation differences		-	-	-	35,872	35,872	-	35,872
Amounts attributable to non-controlling interests		-	-	-	(11,423)	(11,423)	11,423	-
Total comprehensive income for the year		-	-	-	1,284,315	1,284,315	391,526	1,675,841
Dividends		-	-	-	-	-	(188,662)	(188,662)
Transfers		-	-	35,872	(35,872)	-	-	-
<b>Balance at 31 December 2018</b>		500	550	247,403	6,573,166	6,821,619	689,484	7,511,103
<b>Year ended 31 December 2019:</b>								
Profit for the year		-	-	-	1,196,521	1,196,521	398,534	1,595,055
Other comprehensive income net of taxation:								
Currency translation differences		-	-	-	(165,259)	(165,259)	-	(165,259)
Amounts attributable to non-controlling interests		-	-	-	52,844	52,844	(52,844)	-
Total comprehensive income for the year		-	-	-	1,084,106	1,084,106	345,690	1,429,796
Dividends		-	-	-	-	-	(330,173)	(330,173)
Purchase of own shares	24	(50)	50	-	(410,000)	(410,000)	-	(410,000)
Transfers		-	-	(165,259)	165,259	-	-	-
<b>Balance at 31 December 2019</b>		450	600	82,144	7,412,531	7,495,725	705,001	8,200,726

# ATLANTIC FRESH LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		500	550	4,205,021	4,206,071
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	642,435	642,435
<b>Balance at 31 December 2018</b>		500	550	4,847,456	4,848,506
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	791,514	791,514
Purchase of own shares	24	(50)	50	(410,000)	(410,000)
<b>Balance at 31 December 2019</b>		450	600	5,228,970	5,230,020

# ATLANTIC FRESH LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	2,264,725		2,895,638	
Interest paid		(19,139)		(21,203)	
Income taxes paid		(659,258)		(642,149)	
<b>Net cash inflow from operating activities</b>		<b>1,586,328</b>		<b>2,232,286</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(192,526)		(85,678)	
Proceeds on disposal of tangible fixed assets		-		1,500	
Interest received		41,531		36,350	
<b>Net cash used in investing activities</b>		<b>(150,995)</b>		<b>(47,828)</b>	
<b>Financing activities</b>					
Purchase of own shares		(410,000)		-	
Repayment of borrowings		(250,611)		(408,851)	
Dividends paid to non-controlling interests		(330,173)		(188,662)	
<b>Net cash used in financing activities</b>		<b>(990,784)</b>		<b>(597,513)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>444,549</b>		<b>1,586,945</b>	
Cash and cash equivalents at beginning of year		4,124,316		2,501,621	
Effect of foreign exchange rates		(165,259)		35,750	
<b>Cash and cash equivalents at end of year</b>		<b>4,403,606</b>		<b>4,124,316</b>	
<b>Relating to:</b>					
Cash at bank and in hand		4,403,830		4,125,399	
Bank overdrafts included in creditors payable within one year		(224)		(1,083)	



# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Atlantic Fresh Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Grimsby Fish Market, Wharncilffe Road, Grimsby, DN31 3QJ.

The group consists of Atlantic Fresh Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", including the adoption of the amendments issued in December 2017 ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The reported financial position and financial performance for the previous period are not affected by the adoption of the amendments issued in December 2017.

The Triennial Review has amended paragraph 11.41 to only require disclosure of carrying amounts of financial instruments measured at fair value through profit or loss and therefore the Financial Instruments disclosure has been removed. The requirement to separately disclose directors remuneration and key management personnel where directors are the only key management personnel has also been removed and the requirement to disclose an analysis of changes in net debt in the cash flow statement, included in note 26, has been added.

The consolidated financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;

#### Basis of consolidation

The consolidated financial statements incorporate those of Atlantic Fresh Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### **Basis of consolidation (continued)**

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Where an interest in a subsidiary is increased or reduced, but control is not obtained or lost, the difference between the fair value of any consideration paid or received and the change to the non-controlling interest is recognised directly in equity and attributed to owners of the parent.

#### **Going concern**

From March 2020, subsequent to the company's year-end, the worldwide spread of Covid-19 (Coronavirus) has had an impact on the group's ability to trade and cash flows during this period. The directors have prepared cash flow forecasts up to 31 December 2021 based on what they consider to be worst case assumptions. These forecasts, together with the current level of cash at bank and in hand, the additional measures taken and the support available from the government during the pandemic, demonstrate that the group has adequate resources to cover expected expenditure to at least 31 December 2021. Thus, the directors consider that the preparation of the financial statements on a going concern basis to be appropriate.

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and supply of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of two years. The directors consider two years to be the that in which the future economic benefits of the net assets acquired will be utilised.

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Three years straight line
Patents	Three years straight line

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold improvements	Ten years straight line
Plant and machinery	Three years straight line
Fixtures, fittings and equipment	Three years straight line
Motor vehicles	Four years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### **Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Transaction differences are recognised in other comprehensive income and accumulated in equity.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Other debtors and loans

There is a critical judgement from the directors on the recoverability of loans to other companies involved in the group's activities and when a provision or write off is likely to need to be made.

#### Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of whole fish	16,875,359	20,832,051
Sale of processed fish products	52,412,031	49,829,089
	<u>69,287,390</u>	<u>70,661,140</u>
	2019 £	2018 £
<b>Other revenue</b>		
Interest income	41,531	36,350
Release of grants	19,455	17,883
	<u>60,986</u>	<u>54,233</u>
	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	25,200,508	27,487,629
Europe	44,086,882	43,173,511
	<u>69,287,390</u>	<u>70,661,140</u>

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Administrative	8	9	4	5
Sales	8	7	1	1
Production	13	11	-	-
	<u>29</u>	<u>27</u>	<u>5</u>	<u>6</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,071,131	1,143,025	379,562	501,673
Social security costs	185,465	192,951	11,638	12,741
Pension costs	65,440	60,027	49,703	48,745
	<u>1,322,036</u>	<u>1,396,003</u>	<u>440,903</u>	<u>563,159</u>

### 5 Directors' remuneration

	2019 £	2018 £
Sums paid to third parties for directors' services	<u>259,560</u>	<u>380,000</u>

### 6 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	23,950	21,500
Audit of the financial statements of the company's subsidiaries	3,100	3,500
	<u>27,050</u>	<u>25,000</u>



# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	69,802	477
Government grants	(19,455)	(17,883)
Depreciation of owned tangible fixed assets	73,221	53,614
(Profit)/loss on disposal of tangible fixed assets	-	9
Amortisation of intangible assets	-	695
Operating lease charges	26,071	18,754
	<u>          </u>	<u>          </u>

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	914	73
Other interest income	40,617	36,277
	<u>          </u>	<u>          </u>
Total income	41,531	36,350
	<u>          </u>	<u>          </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	41,531	36,350
	<u>          </u>	<u>          </u>

### 9 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	19,139	21,203
	<u>          </u>	<u>          </u>

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	82,692	85,805
Adjustments in respect of prior periods	(2,923)	567
Total UK current tax	79,769	86,372
Foreign current tax on profits for the current period	581,230	599,251
Total current tax	660,999	685,623
<b>Deferred tax</b>		
Origination and reversal of timing differences	11,844	6,467
Total tax charge	672,843	692,090

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	2,267,898	2,332,059
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	430,901	443,091
Tax effect of expenses that are not deductible in determining taxable profit	27,868	4,530
Adjustments in respect of prior years	(2,923)	567
Effect of change in corporation tax rate	(1,394)	(759)
Effect of overseas tax rates	218,391	244,661
Taxation charge	672,843	692,090

### 11 Discontinued operations

On 1 December 2019, the Group disposed of the trade in the division of the business operating from Grimsby Fish Market for cash consideration of £1 and transferred over two employees as part of the agreement. None of the company's assets and liabilities were transferred on the disposal of this business. Detail of the discontinued trade is disclosed separately at the Consolidated Statement of Comprehensive Income.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Intangible fixed assets

Group	Goodwill £	Software £	Patents £	Total £
<b>Cost</b>				
At 1 January 2019	20,000	14,686	8,797	43,483
Disposals	-	-	(466)	(466)
Exchange adjustments	-	-	(512)	(512)
At 31 December 2019	20,000	14,686	7,819	42,505
<b>Amortisation and impairment</b>				
At 1 January 2019	20,000	14,686	8,797	43,483
Disposals	-	-	(466)	(466)
Exchange adjustments	-	-	(512)	(512)
At 31 December 2019	20,000	14,686	7,819	42,505
<b>Carrying amount</b>				
At 31 December 2019	-	-	-	-
At 31 December 2018	-	-	-	-
<b>Company</b>				<b>Software £</b>
<b>Cost</b>				
At 1 January 2019 and 31 December 2019				12,186
<b>Amortisation and impairment</b>				
At 1 January 2019 and 31 December 2019				12,186
<b>Carrying amount</b>				
At 31 December 2018 and 31 December 2019				-

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Tangible fixed assets

Group	Short leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2019	304,398	101,642	83,613	50,707	540,360
Additions	74,883	100,552	17,091	-	192,526
Disposals	-	-	(34,555)	-	(34,555)
Exchange adjustments	-	-	(1,897)	(324)	(2,221)
At 31 December 2019	379,281	202,194	64,252	50,383	696,110
<b>Depreciation and impairment</b>					
At 1 January 2019	94,227	20,690	65,143	40,648	220,708
Depreciation charged in the year	38,687	25,233	6,677	2,624	73,221
Eliminated in respect of disposals	-	-	(34,555)	-	(34,555)
Exchange adjustments	-	-	(1,897)	(324)	(2,221)
At 31 December 2019	132,914	45,923	35,368	42,948	257,153
<b>Carrying amount</b>					
At 31 December 2019	246,367	156,271	28,884	7,435	438,957
At 31 December 2018	210,171	80,952	18,470	10,059	319,652

Company	Short leasehold improvements	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2019	120,249	50,671	34,597	205,517
Additions	-	1,346	-	1,346
Disposals	-	(29,309)	-	(29,309)
At 31 December 2019	120,249	22,708	34,597	177,554
<b>Depreciation and impairment</b>				
At 1 January 2019	75,157	42,933	34,597	152,687
Depreciation charged in the year	12,025	1,475	-	13,500
Eliminated in respect of disposals	-	(29,309)	-	(29,309)
At 31 December 2019	87,182	15,099	34,597	136,878
<b>Carrying amount</b>				
At 31 December 2019	33,067	7,609	-	40,676
At 31 December 2018	45,092	7,738	-	52,830

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15	-	-	20,879	20,879

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2019 and 31 December 2019	20,879
<b>Carrying amount</b>	
At 31 December 2019	20,879
At 31 December 2018	20,879

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect	
Mariner Foods Trading Limited	England and Wales	Fish processing	Ordinary	100.00	-
SAS Atlantic Fresh Europe	France	Fish processing	Ordinary	70.00	-

Investments in subsidiaries are all stated at cost. All subsidiaries have been consolidated in these financial statements.

The registered office for Mariner Foods Trading Limited is Grimsby Fish Market, Wharnccliffe Road, Grimsby, South Humberside, DN31 3QJ. The registered office for SAS Atlantic Fresh Europe is 40-42, Terrasse Batiment 1, Rue Huret Lagache, Boulogne Sur Mer, 62200.

### 16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	-	2,862	-	-

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	4,723,501	4,932,972	187,730	448,125
Amounts owed by group undertakings	-	-	595,217	511,625
Other debtors	2,488,383	2,529,511	2,142,349	2,080,089
Prepayments and accrued income	16,738	13,225	7,549	6,313
	<u>7,228,622</u>	<u>7,475,708</u>	<u>2,932,845</u>	<u>3,046,152</u>

### 18 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank overdrafts	20	224	1,083	-	-
Invoice discount finance facilities	20	2,480,644	2,731,255	-	-
Trade creditors		587,080	691,132	44,108	291,680
Corporation tax payable		90,471	88,730	41,909	53,489
Other taxation and social security		318,691	630,230	2,085	7,416
Deferred income	22	19,455	17,883	8,434	8,434
Other creditors		121,838	39,792	121,838	39,792
Accruals		101,531	74,491	41,541	34,161
		<u>3,719,934</u>	<u>4,274,596</u>	<u>259,915</u>	<u>434,972</u>

### 19 Creditors: amounts falling due after more than one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Deferred income	22	99,771	98,788	14,760	23,194
		<u>99,771</u>	<u>98,788</u>	<u>14,760</u>	<u>23,194</u>

### 20 Borrowings

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Bank overdrafts	224	1,083	-	-
Invoice discount finance facilities	2,480,644	2,731,255	-	-
	<u>2,480,868</u>	<u>2,732,338</u>	<u>-</u>	<u>-</u>
Payable within one year	2,480,868	2,732,338	-	-
	<u>2,480,868</u>	<u>2,732,338</u>	<u>-</u>	<u>-</u>

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 20 Borrowings (Continued)

The bank overdrafts are secured by a fixed charge over book and other debts both present and future and a first floating charge over all assets both present and future.

The invoice discount financing facilities of £2,480,644 (2018 - £2,732,338) are secured on debtors of £3,497,999 (2018 - £3,632,145). The group has also provided a guarantee to the factors as disclosed in note 28.

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	51,758	39,915
Other timing differences	(780)	(781)
	<u>50,978</u>	<u>39,134</u>
	Liabilities 2019 £	Liabilities 2018 £
<b>Company</b>		
Accelerated capital allowances	<u>508</u>	<u>578</u>
	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 January 2019	39,134	578
Charge/(credit) to profit or loss	11,844	(70)
	<u>50,978</u>	<u>508</u>

The deferred tax liability set out above includes £9,456 (2018 - £6,632) which is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 22 Deferred income

	Group 2019 £	2018 £	Company 2019 £	2018 £
Arising from government grants	108,853	102,527	12,821	17,484
Arising from other grants	10,373	14,144	10,373	14,144
	<u>119,226</u>	<u>116,671</u>	<u>23,194</u>	<u>31,628</u>

Deferred income is included in the financial statements as follows:

Current liabilities	19,455	17,883	8,434	8,434
Non-current liabilities	99,771	98,788	14,760	23,194
	<u>119,226</u>	<u>116,671</u>	<u>23,194</u>	<u>31,628</u>

Cumulative government grants received as at 31 December 2019 were £163,291 (2018 - £141,120) for expenditure on fixed assets. The release of the grant matching the expected useful economic life of the assets.

Cumulative other grants received as at 31 December 2019 were £37,713 (2018 - £37,713) for expenditure on fixed assets. The release of the grant matching the expected useful economic life of the assets.

There are no unfulfilled conditions attached to either grant.

### 23 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>65,440</u>	<u>60,027</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £8,924 (2018: £5,289) were payable to the fund at the year end by the group and are included in creditors. No contributions were payable by the company at the year end.



# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 24 Share capital

	Group and company	
	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
450 Ordinary shares of £1 each	450	500
	<u>          </u>	<u>          </u>

The ordinary shares carry no right to fixed income and each carry the right to one vote at meetings of the company.

On 19 March 2019, 50 ordinary £1 shares were cancelled and repaid to the shareholder for a value of £410,000.

### 25 Reserves

#### **Capital redemption reserve**

The nominal value of shares repurchased and still held at the end of the reporting period.

#### **Other reserves**

Other reserves include:

#### **Legal reserve**

Legal reserve created within a subsidiary.

#### **Foreign currency translation reserve**

The balance from the translation of amounts stated in foreign currencies to sterling.

#### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 26 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	1,595,055	1,639,969
Adjustments for:		
Taxation charged	672,843	692,090
Finance costs	19,139	21,203
Investment income	(41,531)	(36,350)
(Gain)/loss on disposal of tangible fixed assets	-	9
Amortisation and impairment of intangible assets	-	695
Depreciation and impairment of tangible fixed assets	73,221	53,614
Movements in working capital:		
Decrease/(increase) in stocks	2,862	(2,862)
Decrease/(increase) in debtors	247,086	(219,758)
(Decrease)/increase in creditors	(306,505)	670,419
Increase in deferred income	2,555	76,609
<b>Cash generated from operations</b>	<b>2,264,725</b>	<b>2,895,638</b>

### 27 Analysis of changes in net funds - group

	1 January 2019 £	Cash flows £	Exchange rate movements £	31 December 2019 £
Cash at bank and in hand	4,125,399	443,690	(165,259)	4,403,830
Bank overdrafts	(1,083)	859	-	(224)
	4,124,316	444,549	(165,259)	4,403,606
Borrowings excluding overdrafts	(2,731,255)	250,611	-	(2,480,644)
	1,393,061	695,160	(165,259)	1,922,962

### 28 Financial commitments, guarantees and contingent liabilities

#### Group

The group is party to a guarantee of £42,330 (€50,000) (2018 - £44,920 (€50,000)) and a pledge to the bank of £211,649 (€250,000) (2018 - £224,598 (€250,000)).

The group is party to a guarantee to the factors of SAS Atlantic Fresh Europe of £269,217 (€318,000) (2018 - £285,689 (€318,000)).

#### Company

The company has given indemnities to its bankers in respect of guarantees, given in the normal course of trading, to third parties amounting to £160,000 (2018 - £160,000).

# ATLANTIC FRESH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 29 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	26,071	26,071	5,071	5,071
Between one and five years	105,449	110,520	4,649	9,720
In over five years	75,600	96,600	-	-
	<u>207,120</u>	<u>233,191</u>	<u>9,720</u>	<u>14,791</u>

### 30 Related party transactions

#### Transactions with related parties

##### Group

Management fees of £270,056 (2018 - £272,511) were paid to other related parties during the year.

A dividend was paid to other related parties of £330,173 (2018 - £188,662).

All guarantees that have been given are noted in note 28.

Other related parties relates to a company of which it's shareholder is a director of one of the group's subsidiaries.

##### Company

During the year Atlantic Fresh Limited made sales to one of it's subsidiaries totaling £263,551 (2018 - £872,424). The amounts owing to Atlantic Fresh Limited at 31 December 2019 were £63,305 (2018 - £nil).

A subsidiary paid a dividend to Atlantic Fresh Limited of £784,483 (2018 - £437,500).

Included in other debtors is a loan to a connected company in which Atlantic Fresh Limited's directors have a controlling interest. Interest is charged on this loan at 2% pa. At the year end £2,070,652 (2018 - £2,050,748) is included in other debtors and interest of £40,617 (2018 - £36,276) was charged.

Other debtors include amounts due from directors at 31 December 2019 of £43,352 (2018 - £16,681). No interest is charged on the amounts due.

### 31 Events after the reporting date

As a result of the Covid-19 (Coronavirus) pandemic, there was a dramatic downturn in global markets in March 2020. The outbreak is having an impact on the group's ability to trade and the directors are monitoring the situation. The directors have prepared cash flow forecasts up to 31 December 2021 based on what they consider to be worst case assumptions. These forecasts demonstrate that the group has adequate resources to cover expected expenditure to at least 31 December 2021. The directors regard the impact of Covid-19 as a non-adjusting post balance sheet event and no adjustments have been made to the financial statements at 31 December 2019.