

**ONWARD FISHING COMPANY
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2020



COMPANIES HOUSE

30 SEP 2021

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ONWARD FISHING COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr G Baldvinsson Mr B Thorsteinsson	(Appointed 31 March 2021)
Secretary	Mackinnons	
Company number	00069212	
Registered office	The Orangery Hesslewood Country Business Park Ferriby Road Hessle East Yorkshire HU13 OLH	
Auditor	Johnston Carmichael LLP Bishop's Court 29 Albyn Place ABERDEEN AB10 1YL	
Solicitors	Mackinnons 14 Carden Place Aberdeen AB10 1UR	

ONWARD FISHING COMPANY LIMITED

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ONWARD FISHING COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The company has continued its fishing operations throughout the year using available fishing quotas. After reconstruction of the factory due to the fire in 2019, catches in 2020 increased compared to prior year.

Turnover has decreased by £236,558 in 2020. Principle reasons for this is due to the impact of the COVID-19 pandemic restricting activity. Pre-tax profits are £1,890,456 compared to £279,309 in 2019 after foreign exchange differences of £892,812 gain (2019 - £961,129 loss).

The company has net assets at 31 December 2020 of £23,105,716 compared to £21,549,418 at 2019. The directors are confident of the future prospects of the company.

Principal risks and uncertainties

The key business risks affecting the company and wider group are considered to relate to competition and market dynamics and the availability of fishing opportunities in the company's key areas of operation.

As a result from Brexit, the UK and Norway negotiated in 2021 for the first time directly regarding bilateral access to their fishing grounds. They failed to reach a fisheries agreement in time to have an impact for the year to 31 December 2021. As Norway has a strong interest to get access to UK waters for the catch of pelagic species (Blue Whiting, Herring, Mackerel, etc), management are confident that the UK and Norway will come to an agreement for the years from 2022.

Key performance indicators

The shareholders are closely involved in the company's operations and therefore the directors believe that an analysis of the company's performance for the year using key performing indicators are not necessary as the shareholders already understand the development, performance and financial position of the company.

Development and performance

In June 2021, the company sold its vessel, Norma Mary, for an amount of DKK 95 million (£11 million GBP) recognising a gain of £9.9m on disposal. The purchase price was fully paid upon delivery of the vessel. The reason for the sale of the vessel was uncertainty that has been created by Brexit and a potential change in allocation of fishing rights to the vessel in the future. It is expected that a new vessel will be purchased when the uncertainty has been eliminated.

COVID-19 is also still a challenge but there are very positive signals regarding the effectiveness of the developed and distributed vaccines. Nevertheless, this crisis still bears many uncertainties, such as the development and spread of virus mutations. Thus, the development of the crisis at this stage is still not foreseeable.

The directors remain confident that the company will continue to trade profitably in the future, under the condition that uncertainties related to allocation of fishing rights will be cleared.

On behalf of the board



Mr B Thorsteinsson

Director

29 September 2021

ONWARD FISHING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company during the year was fishing related activities.

Directors

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

Mr H Gretarsson	(Resigned 31 March 2021)
Mr G Baldvinsson	
Mr B Thorsteinsson	(Appointed 31 March 2021)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Information contained within the Strategic Report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

On behalf of the board



Mr B Thorsteinsson
Director

Date: 29 September 2021

ONWARD FISHING COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 company and the profit or loss of the company 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 company will continue in business.

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

ONWARD FISHING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONWARD FISHING COMPANY LIMITED

Opinion

We have audited the financial statements of Onward Fishing Company Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue trading as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

ONWARD FISHING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ONWARD FISHING COMPANY LIMITED

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.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

ONWARD FISHING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ONWARD FISHING COMPANY LIMITED

Extent to which an audit is considered capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct impact on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks identified include:

- UK GAAP
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation
- Health and safety legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management. We corroborated these enquires through our review of submitted returns, relevant correspondence with regulatory bodies and the company's solicitors.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. As a result of performing these procedures we assessed intercompany transactions as having heightened risk of fraud.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Perform audit work over the risk of management override of controls, including the use of data analytics techniques to review nominal data for unusual or unexpected journal entries and transactions throughout the period, including review for appropriateness and whether they were outside the normal course of business;
- Review of expenditure incurred in the period for evidence of items without proper description or nature for instances of potential or actual fraud;
- Reconciliation of intercompany balances against third party confirmation for evidence of unreconciled transactions; and
- Review of reporting information for the period post year-end to date of signing this report for any abnormal trends or unexplained movements to mitigate the risk of management override of controls to the date of approval of the financial statements.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

ONWARD FISHING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ONWARD FISHING COMPANY LIMITED

Use of our report

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



David Wilson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

30 September 2021
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Chartered Accountants
Statutory Auditor

Bishop's Court
29 Albyn Place
ABERDEEN
AB10 1YL

ONWARD FISHING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	7,101,281	7,337,839
Cost of sales		(5,608,664)	(6,066,622)
Gross profit		1,492,617	1,271,217
Administrative expenses		(949,700)	(727,541)
Other operating income		297,495	490,364
Exceptional items	4	892,812	(961,129)
Operating profit	5	1,733,224	72,911
Interest receivable and similar income	8	157,282	206,458
Interest payable and similar expenses	9	(50)	(60)
Profit before taxation		1,890,456	279,309
Taxation	10	(334,158)	59,903
Profit for the financial year and total comprehensive income		1,556,298	339,212

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ONWARD FISHING COMPANY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	1,778,750		1,778,750	
Tangible assets	12	1,038,722		2,077,454	
Investments	13	2,500,075		2,500,075	
			5,317,547		6,356,279
Current assets					
Stocks	16	182,704		123,500	
Debtors	17	3,032,376		4,836,189	
Cash at bank and in hand		15,763,234		11,799,277	
			18,978,314		16,758,966
Creditors: amounts falling due within one year	18	(1,190,145)		(1,398,598)	
Net current assets			17,788,169		15,360,368
Total assets less current liabilities			23,105,716		21,716,647
Provisions for liabilities			-		(167,229)
Net assets			23,105,716		21,549,418
Capital and reserves					
Called up share capital	20	3,123,750		3,123,750	
Revaluation reserve	21	400,000		400,000	
Profit and loss reserves		19,581,966		18,025,668	
Total equity			23,105,716		21,549,418

The financial statements were approved by the board of directors and authorised for issue on 29 September 2021 and are signed on its behalf by:



Mr B Thorsteinsson
Director

Company Registration No. 00069212

ONWARD FISHING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2019	3,123,750	400,000	17,686,456	21,210,206
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	339,212	339,212
Balance at 31 December 2019	3,123,750	400,000	18,025,668	21,549,418
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	1,556,298	1,556,298
Balance at 31 December 2020	3,123,750	400,000	19,581,966	23,105,716

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Onward Fishing Company Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is The Orangery, Hesslewood Country Business Park, Ferriby Road, Hessle, East Yorkshire, HU13 0LH.

1.1 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" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This 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:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Samherji Holding ehf, a company incorporated in Iceland, and is included in the consolidated accounts of that company.

Onward Fishing Company Limited is a wholly owned Subsidiary of Alda Seafood Holding B.v., a company incorporated in the Netherlands. Alda Seafood Holding B.v. is a wholly owned Subsidiary of Samherji Holding ehf, a company incorporated in Iceland. Consolidated financial statements of Samherji Holding ehf are available from Glerárgötu 30, 1600 Akureyri, Iceland.

1.2 Going concern

At the time of approving the financial statements, the directors have considered the continual impact of the coronavirus pandemic and have a reasonable expectation that the company has adequate resources to trade for the foreseeable future. The company is assessing future Vessel acquisitions to continue trade however believe that cash reserves are sufficient to cover operational expenses until such an acquisition is completed. Thus the directors continue to adopt the going concern basis of accounting in preparation of the financial statements.

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable from the sale of fish during the year.

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets include fishing licences and fishing quota.

Fishing quota is stated at cost less amortisation. Amortisation is charged over 5 years, the estimated useful life of the asset.

Fishing licenses are stated at their deemed cost less amortisation. Under FRS 102 section 39.5(d), on transition to FRS 102, a first-time adopter may elect to use a previous GAAP revaluation as its deemed cost going forward. The date of transition to FRS 102 was 1 January 2014. No amortisation is provided on fishing licences as the estimated residual value is greater than the original cost.

1.5 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fishing vessel	- 10% Straight Line
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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 the profit and loss account.

1.6 Fixed asset investments

Interests in subsidiaries and jointly controlled entities 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 the profit and loss account.

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

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Stocks

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated selling costs.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.10 Financial instruments

The company 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Loans and receivables

Trade debtors, amounts owed by group undertakings and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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 company 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 company after deducting all of its liabilities. All of the company's liabilities are classified as basic.

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors and loans from group undertakings, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the 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 company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.14 Retirement benefits

Payments to defined contribution retirement schemes are charged as an expense as they fall due.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period as an exceptional item given their size and magnitude to the company in each period.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

Carrying value of fishing licenses

The fishing licenses are not amortised and instead subject to an annual impairment review. This impairment review is subject to market conditions at the time of review. Future events could cause the market conditions to change.

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover analysed by class of business		
Fishing	7,101,281	7,337,839

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3	Turnover and other revenue	(Continued)	
		2020	2019
		£	£
	Other significant revenue		
	Interest income	157,282	206,458
		<u> </u>	<u> </u>
		2020	2019
		£	£
	Turnover analysed by geographical market		
	UK	4,251,010	5,746,314
	Europe	2,850,271	1,591,525
		<u> </u>	<u> </u>
		7,101,281	7,337,839
		<u> </u>	<u> </u>
4	Exceptional items	2020	2019
		£	£
	Gain/(loss) on foreign exchange	892,812	(961,129)
		<u> </u>	<u> </u>
5	Operating profit	2020	2019
		£	£
	Operating profit for the year is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's financial statements	25,750	23,500
	Depreciation of owned tangible fixed assets	1,038,732	1,038,732
		<u> </u>	<u> </u>
6	Employees		
	There were no employees during the year apart from the directors.		
7	Directors' remuneration	2020	2019
		£	£
	Remuneration for qualifying services	240,000	300,000
	Company pension contributions to defined contribution schemes	-	5,832
		<u> </u>	<u> </u>
		240,000	305,832
		<u> </u>	<u> </u>

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	240,000	300,000
Company pension contributions to defined contribution schemes	-	5,832
	<u>240,000</u>	<u>305,832</u>

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	26	170
Interest receivable from group companies	123,399	206,288
Other interest income	33,857	-
	<u>157,282</u>	<u>206,458</u>
Total income	<u>157,282</u>	<u>206,458</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Other interest	50	60
	<u>50</u>	<u>60</u>

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	486,443	94,350
Adjustments in respect of prior periods	-	(126,703)
Group tax relief	14,944	89,173
	<u>501,387</u>	<u>56,820</u>
Total current tax	<u>501,387</u>	<u>56,820</u>
Deferred tax		
Origination and reversal of timing differences	(167,229)	(116,723)
	<u>(167,229)</u>	<u>(116,723)</u>
Total tax charge/(credit)	<u>334,158</u>	<u>(59,903)</u>

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,890,456	279,309
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	359,187	53,069
Adjustments in respect of prior years	-	(126,703)
Other permanent differences	6,267	13,731
Group relief payment	14,944	89,173
Losses surrendered from group companies	(14,944)	(89,173)
Deferred tax asset not recognised	(31,296)	-
Taxation charge/(credit) for the year	334,158	(59,903)

11 Intangible fixed assets

	Fishing licences £	Fishing quota £	Total £
Cost			
At 1 January 2020 and 31 December 2020	1,778,750	2,610,875	4,389,625
Amortisation and impairment			
At 1 January 2020 and 31 December 2020	-	2,610,875	2,610,875
Carrying amount			
At 31 December 2020	1,778,750	-	1,778,750
At 31 December 2019	1,778,750	-	1,778,750

The fishing licenses held on 4 September 1992 were revalued to their current cost of £400,000 (from historical cost of £nil). Licenses acquired after this date are included at their historical cost of £1,378,750.

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Fishing vessel £
Cost	
At 1 January 2020 and 31 December 2020	9,977,190
Depreciation and impairment	
At 1 January 2020	7,899,736
Depreciation charged in the year	1,038,732
At 31 December 2020	8,938,468
Carrying amount	
At 31 December 2020	1,038,722
At 31 December 2019	2,077,454

13 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	14	75	75
Investments in joint ventures	15	2,500,000	2,500,000
		2,500,075	2,500,075

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 January 2020 & 31 December 2020	2,500,075
Carrying amount	
At 31 December 2020	2,500,075
At 31 December 2019	2,500,075

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Subsidiaries

These financial statements are separate company financial statements for Onward Fishing Company Limited.

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Onward Investment Limited	United Kingdom	Intermediate holding company	Ordinary	75.00	-
Onward Fishing Company NL Limited (1)	Canada	Intermediate holding company	Ordinary	-	75.00
Fame Fisheries Limited (2)	Canada	Fishing	Ordinary	-	75.00
Bunratty Investments Limited (3)	Canada	Intermediate holding company	Ordinary	-	37.00
Newfound Resources Limited (3)	Canada	Fishing	Ordinary	-	37.00
Newfound Marine Management Limited (4)	Canada	Fishing	Ordinary	-	37.00
Bunratty Investments Estonia OU (4)	Estonia	Intermediate holding company	Ordinary	-	37.00
OU SubLand (5)	Estonia	Fishing	Ordinary	-	37.00

(1) Onward Fishing Company NL Limited is a fully owned subsidiary of Onward Investment Limited.

(2) Fame Fisheries Limited is a fully owned subsidiary of Onward Fishing Company NL Limited.

(3) These holdings are held by Fame Fisheries Limited.

(4) These holdings are fully owned by Newfound Resources Limited.

(5) This holding is fully owned by Bunratty Investments Estonia OU.

15 Joint ventures

Details of the company's joint ventures at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
UK Fisheries Limited	United Kingdom	Fishing	Ordinary	50.00	-
REM Offshore AS (1)	Norway	Offshore Vessels	Ordinary	-	25.00

(1) REM Offshore AS is held by Onward Investment Limited.

16 Stocks

	2020 £	2019 £
Finished goods and goods for resale	182,704	123,500

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	255,271	-
Corporation tax recoverable	176,452	224,747
Amounts owed from group undertakings	2,465,669	2,193,789
Other debtors	134,984	2,417,653
	<u>3,032,376</u>	<u>4,836,189</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost. Amounts due from group undertakings include a loan of £2,131,225 (2019 - £2,131,225) which is repayable within one year and is charging interest at a market rate.

18 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	296,174	257,249
Amounts owed to group undertakings	609,972	468,352
Accruals and deferred income	283,999	672,997
	<u>1,190,145</u>	<u>1,398,598</u>

Amounts due to group undertakings are repayable on demand and no interest is charged on these balances.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Fixed Asset Timing Differences	-	99,229
Capital Gains	-	68,000
	<u>-</u>	<u>167,229</u>

ONWARD FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 January 2020	167,229
Credit to the profit and loss account	(167,229)
Liability at 31 December 2020	-

20 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
3,123,750 ordinary shares of £1 each	3,123,750	3,123,750

The share capital account records the nominal value of shares issued. The ordinary shares carry no right to fixed income.

21 Revaluation reserve

The revaluation reserve records the accumulated revaluation gains on fishing licenses which are now held at deemed cost less amortisation on adoption of FRS 102 on 1 January 2014.

22 Related party transactions

The company has taken advantage of the exemption available in accordance with Section 33 of FRS 102 "Related Party Disclosures" not to disclose transactions entered into between two or more wholly owned members of a group.

23 Events after the reporting date

During 2021, the company sold its fishing Vessel to an unconnected party, recognising a gain of £9.9m on disposal.

24 Ultimate controlling party

The company's immediate parent undertaking is Alda Seafood Holding B.v., a company registered in the Netherlands.

The ultimate parent undertaking and controlling party is Samherji Holding ehf, a company registered in Iceland. Samherji Holding ehf prepares group financial statements which are publicly available. Copies of the group financial statements are available at the following address:

Glerárgötu 30
1600 Akureyri
Iceland