



The Sea Fish Industry Authority Annual Report and Accounts 2012/2013

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The Sea Fish Industry Authority

ANNUAL REPORT & ACCOUNTS 2012/13

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THE SEA FISH INDUSTRY AUTHORITY DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

History and statutory background

The Sea Fish Industry Authority (Seafish) was established under the Fisheries Act 1981. Under the provisions of the Act all rights, obligations and property of the White Fish Authority and the Herring Industry Board became rights, obligations and property of the Sea Fish Industry Authority. The White Fish Authority and the Herring Industry Board ceased to exist on 1 October 1981.

These accounts have been prepared in a form directed by the Secretary of State for Environment, Food and Rural Affairs, with the consent of HM Treasury and in accordance with Section 11 of the Fisheries Act 1981 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2004.

Principal activities

Seafish is the only pan-industry body offering services to all parts of the seafood industry, including catching and aquaculture, processors, importers, exporters and distributors of seafood, restaurants and retailers. It aims to support all sectors of the seafood industry for a sustainable, profitable future.

Its key services aim to support and improve the environmental sustainability, efficiency, cost effectiveness and commercial success of the industry, as well as promoting sustainably-sourced seafood. Key aspects of these services include:

- (a) Promoting efficiency in the UK seafood industry including the marketing and consumption of sea fish and sea fish products in the United Kingdom;
- (b) Providing and assisting in the provision of training; and
- (c) Providing advice, information and analysis of a wide range of matters relevant to the sea fish industry.

Although Seafish has the role of administering financial assistance to the fishing industry under the terms of the Fisheries Act 1981, the facility to make loan arrangements does not presently exist.

Recent background

Following the discussion with industry on the role of Seafish, a new structure was established in April 2012. This established a new Board with responsibility for the governance of the organisation and setting the strategic direction. Under this, three sector panels have been established to inform the operational activities. These three panels represent the interests of their sectors:

- Domestic and exporting
- Processing and importing
- Supply chain and consumer

The panels are composed of a mix of representative organisations and those who bring direct skills and expertise to the Panel. They are constituted to meet twice per year to review the activities and progress towards the KPIs. During 2012, the Panels met three times to establish the priority work areas, consider the detail and budgets required. This resulted in the detailed activities of the Corporate Plan which received Ministerial sign off in April 2013.

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Board members

There are nine non-executive Board Members, appointed jointly by the Secretary of State for Environment, Food and Rural Affairs, the Cabinet Secretary for Rural Affairs and the Environment (Scotland), the Minister for Rural Affairs (Wales) and the Secretary of State for Northern Ireland. Four Board Members are independent of the sea fish industry and the remaining five members have expertise in and represent the interests of the sea fish industry.

Independent:	Elaine Hayes (Chairman as of 1 January 2013) John S. Whitehead OBE (Retired as Chairman 31 December 2012) Clare Dodgson Philip Huggon Jane Ryder
Industry:	Peter Hajipieris Michael Park Stephen Parry James Wilson Michel Kaiser

A Register of Board Members' Interests details company directorships and other significant interests held by Board Members which may conflict with their responsibilities. The Register is available on the website (www.seafish.org), or by contacting Seafish.

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

Board members' responsibilities

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

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

In preparing the accounts, the Board Members adopt an oversight role to ensure the accounts are prepared on an accruals basis, observe the accounts direction, apply suitable accounting policies on a consistent basis, make reasonable judgements and estimates and comply with all applicable accounting standards.

THE SEA FISH INDUSTRY AUTHORITY DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

The Board Members also exercise oversight in ensuring the keeping of proper accounting records, which disclose with reasonable accuracy at any time the financial position of Seafish, safeguarding the assets of Seafish and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management

The management of Seafish comprised the following Executive Directors during 2012/13:

Dr. P. Williams (Chief Executive)
Dr. J. Harman (Development Director)
Mrs J. Anderson (Finance Director/Business Services Director)

Business review and future developments

The Statement of Comprehensive Income is set out on page 32 of the accounts. The net income for the year, after taxation, amounted to £1.159m (2011/12: net income £3.389m).

A detailed Management Commentary is set out on pages 7 to 18. The Management Commentary contains a financial review of the activities undertaken by Seafish during 2012/13 and information on future developments.

Political and charitable donations

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

Payment of creditors

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

At 31 March 2013, £215k was owed to trade creditors representing 13 days purchases outstanding (31 March 2012 – 55 days). The number of days outstanding has decreased significantly because a great effort has been made to pay suppliers quickly.

Pension liabilities

Seafish is an admitted body to a funded defined benefit scheme operated by the West Yorkshire Pension Fund (WYPF), which is independently invested and administered. The Seafish element of the WYPF scheme has a total deficit (funded and non-funded) at 31 March 2013 of £9.4m (31 March 2012: deficit of £8.9m). From 1 April 2006, the WYPF scheme has not been offered to new members of staff. New starters now are offered a defined contribution scheme administered by the Legal & General Group. In addition to the WYPF, Seafish has a liability for a scheme on behalf of former Herring Industry Board employees, The Seafish Pension and Life Assurance Fund (SPLAF). At 31 March 2013 the liability for SPLAF was £316k (2012: £340k). The total pension liability at 31 March 2013 is therefore £9.734m as per note 11f of the accounts.

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Union recognition

The number of staff who were members of the union, Unite, exceeds 50%, and Seafish therefore formally recognises that body.

Disabled persons

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

Sickness absence

We have one common absence management policy which covers the whole of the organisation and provides a consistent framework approach to management. The policy is underpinned by an externally provided occupational health service and employee assistance programme which is available 24 hours a day. Our overall level of sickness absence during 2012/13 was 2 days (2011/12: 4 days) per person.

Employee involvement

Seafish recognises the benefits of involving staff in a range of business matters and encourages open discussion and availability of information. Involvement is encouraged through participation in a range of team meetings, short-term working groups and the 'Seafish Forum'.

Auditors

The Comptroller and Auditor General is the statutorily appointed external auditor for Seafish. The audit fee for the statutory audit for 2012/13 is £34,000 (2011/12: £35,000). There was no non statutory audit work undertaken by the Comptroller and Auditor General in 2012/13 or 2011/12.

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



**P Williams – Chief Executive
7th November 2013**

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY FOR THE YEAR ENDED 31 MARCH 2013

INTRODUCTION

When Seafish was established in 1981, the Fisheries Act defined its role as “promoting the efficiency of the seafood industry so as to serve the interests of that industry as a whole,” whilst at the same time giving “regard to the interests of consumers of sea fish and sea fish products”.

Whilst this establishes the organisation’s basic purpose, now summarised as “Securing a Sustainable and Profitable Future for the UK Seafood Industry” it also leaves broad scope for the definition of precise strategy and activities. In addition to the 1981 legislation, Seafish also has additional responsibilities under the Fishing Vessels (Safety Training) Regulations 1989 as a provider of mandatory Safety Training Certificates for fishermen.

It is important to recognise that Seafish can only achieve its wider purpose in collaboration with the industry itself, with the Fisheries Administrations and with other Government agencies.

Vision: ‘the authority on seafood’

The High Level Objectives and the workstreams that we outline in this report are part of refocusing and rebuilding Seafish as an organisation primarily concerned with providing information, analysis and guidance. It is our ambition to be the main source of information and analysis for industry, Government and media for all issues concerning the UK seafood industry. Information and analysis may include the need to carry out research to develop new data to inform analysis and the concept of guidance encompasses not only advice but practical help with implementation. Seafish should be the first organisation that comes to mind when seafood data, interpretations or advice are required, so that we become recognised as ‘the authority on seafood’.

High Level Objectives: ‘Protect, Promote, Inform’

The ‘High Level Objectives’ were developed in consultation with industry and a broader range of interested parties some years ago, prior to the legal challenge to the levy. They were reassessed as part of the Fisheries Administrations’ conversations with industry in October 2011, by the new Seafish Board and by the Sector Panels. The guiding principle ‘*Protect, Promote, Inform*’ now stands above all the work that Seafish undertakes, giving direction to the work supporting the purpose of Seafish.

These objectives relate directly back to our purpose and vision, and to our statutory duty to promote efficiency in the industry. In terms of ‘Protect’ and ‘Promote’, the seafood industry have indicated that poor public, regulatory and media understanding of seafood and the seafood industry is a significant restriction on the productivity and efficiency of the industry. Educating consumers and media to effect a significant change in understanding of global seafood supplies and the benefits of seafood consumption, is a major challenge for Seafish. The ‘Inform’ objective is intended to support industry in making considered and informed business decisions, the basis of business efficiency. It also supports Government in developing policy, again ensuring that decisions are informed and that policy can consider business efficiency implications from its implementation.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Workstreams

The High Level Objectives are supported by seven individual workstreams, reports of which are summarised below. These workstreams have been defined by the new Sector Panels who identified and prioritised key industry issues which fall within the Seafish strategy and which will help deliver the High Level Objectives.

REPORTING ON WORKSTREAMS

1. Reputation and integrity

Supported by all three Sector Panels, the Reputation workstream aims to protect and enhance the reputation of the seafood industry with all key target audiences. It aims to do this using a mix of communications activities across a number of different channels including the media, web, social networking and stakeholder events.

There are no 'quick fixes' to achieving an enhanced reputation – although the other side of the coin is that a good reputation can be destroyed overnight. Therefore our intention is to maintain a steady, medium to long term approach to building reputation whilst at the same time actively defending short term negatives and occasional misrepresentation of the industry in the media, particularly about the impact of fishing.

Key achievements

- Through the use of web analytics software, we can report that the Seafish website (seafish.org) is now averaging 16,000 unique visitors per month, an increased number from an average of 11,500 this time in 2012. Following user testing, we identified that the majority of visitors to our website termed themselves as 'consumers'. In light of this knowledge, we adapted seafish.org to strengthen its link to the website of our primary consumer campaign 'Fish is the Dish'. However, industry, Government and researchers remain integral target audiences, which is a key driver in our planned restructure of the site in terms of access to information and content in the next financial year. We are confident this will improve the user-friendly nature of the site and continue to drive footfall.
- We have added over 1,000 followers to our Twitter feed and reached upwards of 0.5 million people with our messages during Fish Fight alone.
- Our video response to Fish Fight went viral (an upward curve of over 1,000 views) in 24 hours on You Tube and we've added others on our Responsible Fishing scheme, Gear Technology, Fish preparation and some crossover recipes from Fish is the Dish in that time reaching several thousand more people.
- An independent and comprehensive analysis concluded that the media coverage and benefit that Seafish gained from the National Fish & Chip Awards exceeded a monetary value of £55,000. This analysis also concluded that coverage from the awards reached an audience of over 12.8 million people with 94% positive sentiment towards the industry.
- Media evaluation of our general industry coverage for October 2012 to March 2013 has been completed but some of the highlights include appearances on BBC Breakfast News and BBC Radio 4 Farming Today by Paul Williams, coverage in the Daily Mail on an increase in fish sales, Fishing for Litter featured in the Sunday Express and various opinion pieces in The Grocer, Fishing News, The Press and Journal and The Grimsby Telegraph, as well as our critique of Fish Fight which was widely covered in the trade and major media.
- Overall media coverage for the year added an estimated monetary value of over £133,000, reaching an audience of more than 18 million people.

**THE SEA FISH INDUSTRY AUTHORITY
MANAGEMENT COMMENTARY (CONTINUED)
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2. Promoting consumption

This aim of this workstream is to boost consumption of fish by increasing awareness of seafood and its health benefits – in particular by putting seafood front of mind when families are planning their menus. Our primary tactics are online promotion of seafood for family audiences; the development of classroom education projects and materials and providing practical support to help the foodservice sector improve the quality and range of seafood products they offer to consumers.

Key achievements

- The Fish is the Dish online campaign, which was launched in autumn 2011, has continued to grow and develop. In 2012 over 18 workshops for mums run across the country to introduce mums to easy and quick fish recipes for all the family. Fish is the Dish continued to work with bloggers and mums communities and was reaching circa 1 million mums by the end of 2012.
- In early 2013 we launched the Healthy Happy Hearts initiative working with a family to prove the demonstrable benefits of adding fish to their diet and reinforcing key messages, including 2 a week, fish is food and fish is easy. Comparing the six week family campaign with the same period before the challenge, web unique visitors increased by 54%, page views increased by 63% and the campaign period also saw an increase of 2,000+ Facebook 'likes' and 500+ Twitter followers.
- In line with the Fish is the Dish theme, we also launched two regional pilots for a new educational programme, engaging local industry representatives to help us deliver them. Research shows there is an appetite amongst schools for more seafood-related activity, although currently the volume of this is still low. In 2013 we plan to roll out this activity nationally.
- With the help of the British Nutrition Foundation (BNF), we developed a new module of 'Fantastic Fish' lesson resources for 3-11 year olds, including recipe videos, photographs, lesson resources and an animated story. We also presented Fish is the Dish at several BNF conferences in Scotland, where it was very well received.
- This year our annual National Fish & Chip Awards celebrated their 25th anniversary. The 2013 awards ceremony was held in London in January, presided over by TV celebrity impressionist Rory Bremner and attended by 650 industry guests. This year our coverage reached an estimated audience of 201 million online; over 38 million through print media and nearly 14 million via broadcast. The positive messaging this created is estimated to have generated a return on investment equivalent to 5,604 consumers/stakeholders for every £1 spent.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

3. Regulation

This workstream aims to provide a forum for industry, Government and regulators to discuss key issues and provide horizon-scanning to identify the potential impacts of legislation and develop future best practice.

Seafish helps to reduce the cost of complying with legislation by ensuring that legislation is proportionate to risk. Seafish helps to reduce the risk of non-compliance with legislation by advising and informing industry on legal requirements, and also makes sure that regulation is fairly applied by giving guidance and advice to enforcement authorities.

Key achievements

- We continued to issue our monthly Food and Marine legislation newsletters and held regular Food and Marine expert meetings.
- Working with British Frozen Food Federation, Food and Drink Federation, British Retail Consortium (and EU equivalents), we helped prevent an amendment to Regulation 16/2012, which would have affected the information required about first date of freezing, with a potential impact on consumer labelling. This amendment has now been postponed for further consultation.
- We worked with the Marine Management Organisation planning and licensing group to remove the need for aquaculture buoys to be licensed. We also assisted in writing the aquaculture policy for the marine plans.
- We worked closely with fishermen's groups and Defra to help limit potential negative impacts on the industry as a result of the proposed marine conservation zones in England and Wales.
- We published a Fisheries control traceability guide on the Seafish website.
- We contributed to the Business Expert Group on Labelling – representing various sectors of food industry and set up under the Better Regulation Delivery Office. One early outcome is agreement that products carrying unauthorised health claims would not have to be removed from sale, which could have had a major impact particularly on frozen products.
- After earlier work to help shape Food Standards Agency policy on parasite contamination, our input in this has now been reflected in amended EC guidance.

**THE SEA FISH INDUSTRY AUTHORITY
MANAGEMENT COMMENTARY (CONTINUED)
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4. Fishermen's safety

Fishing is the most dangerous job in the UK. According to the Marine Accident Investigation Branch Annual Report 2011, 24 fishing vessels were reported lost; with 299 serious accidents and eight fatalities to crew (0.64 per 1,000 fishermen). Whilst fishermen's safety in the UK is improving, the fatality rate in 2011 was still over six times higher than in agriculture.

Working closely with the fishing industry, the Maritime & Coastguard Agency and offshore industries, our main activities are in fishermen's training, fishing vessel survey and inspection and the provision of safety information (Kingfisher).

At the request of our Sector Panels, we undertook a comprehensive review of our work in support of fishermen's training, which will result in a reduction in the overall cost to levy of our work in this area and the removal of any direct levy input into the subsidies we offer fishermen to undertake training.

Key achievements

- We visited Iceland and Denmark to review their safety and training approaches. Both countries have a better safety record than the UK. We are now discussing our findings with industry and Government to help inform future improvements to the UK's own approach.
- We set up a new European network (Fish Industry Safety & Health: FISH) to share information, ideas and best practice.
- During 2012/2013 our network of Approved Training Providers delivered over 1,000 Seafish courses with 8,000 training places for fishermen, ranging from one-day courses in basic safety training to three-week courses for new entrants.
- In 2012/2013 we secured funding in excess of £1m to subsidise the delivery of induction training for new entrants; refresher safety training for experienced fishermen; training for skippers of vessels <16.5m and the provision of assistance to fishermen undertaking Deck and Engineering Certificates of Competency.
- We launched a new Modern Apprenticeship in Sea Fishing in Scotland and expanded delivery of the Sea Fishing Apprenticeship in England.
- Adding to our new Safety Awareness course, we developed a new Safety Management Folder for skippers (and their crew) to use to record details of their risk assessments, which is available free of charge.
- We continued to expand and develop our free online learning platform. This now has over 2,000 registered users.

**THE SEA FISH INDUSTRY AUTHORITY
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5. Responsible sourcing

Responsible sourcing underpins the reputation of the whole seafood supply chain. This workstream aims to provide information on seafood sourcing that is science based, useful, accessible and easy to understand. Seafish also has initiatives to increase the sustainability of supply chains, such as our work to reduce discards. We aim to ensure that our work in this area is recognised by industry as being credible and authoritative.

Key achievements

- We continue to be a key source of guidance on the many issues related to responsible sourcing. For instance our analysis of lemon sole in the North Sea gave the lead processor of that species sufficient reassurance to continue to purchase from this fishery.
- Attendance for all our Responsible Sourcing forums Common Language Group, Discard Action Group and Aquaculture Common Issues Group is growing steadily, with 60 plus attendees at our last Common Language Group meeting and 40 at our last Aquaculture Common Issues Group meeting. Almost all major UK retailers and major processors are now fully engaged with at least one of these forums.
- Our Discard Action Group continues to focus on supporting UK fishing to find ways to deliver a future discard ban. We produced a detailed report to assess all possible uses for currently discarded fish that might need to be landed under a future ban – both as human food but also considering next best options such as for fishmeal. A Discard Action Group meeting in Brussels in November 2012 attracted EU Commission officials and was followed up with successful January 2013 meeting – clear Government recognition that Discard Action Group has a key role to play in moving to discard-free fisheries.
- Our gear technology programme continued apace, with sea trials completed on our Scottish Nephrops grid. We await publication of reports on this and also on our Irish Sea selectivity trial. We also completed Hirtshals training for 36 fishermen and started a project to design a more fuel efficient and selective new pelagic net for blue whiting.
- Our Aquaculture programme developed significantly during the past 12 months, with new dialogues with Client Earth, SEAT, Sustainable Fisheries Partnership, and Stirling University. We have also developed new knowledge on ‘veterinary residues’ to help us take part in future dialogues on this subject. As part of this we also continue to work with water companies and the ‘The Cleaner Seas Forum’.

**THE SEA FISH INDUSTRY AUTHORITY
MANAGEMENT COMMENTARY (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

6. International trade

Seafood is an increasingly worldwide commodity. Indeed, 80% of the fish and shellfish processed and consumed in the UK are imported with the vast majority being sourced from outside the EU. On the other hand, about 60% of our domestic catch is exported. Our International Trade workstream is designed to support importing companies by ensuring the integrity and sustainability of imported seafood and securing continued supply from traditional sources as well as developing new relationships with new suppliers and providing up to date market information.

Key achievements

We continue to facilitate a UK presence at key export forums and exhibitions to help exporters meet potential buyers and showcase their products, as well as representing UK industry on relevant FAO committees, to ensure that the industry is conversant with current and up-coming issues.

Advice on international trade is taken from industry representatives who attend the Seafish/BFFF Importers Committee and Pelagic industry Issues Group, both of which are facilitated by Seafish and Chaired by the Chairs of the Importers & Processors and Domestic & Exporters Sector Panels respectively.

Some of our key outputs during the past year have included:

- 19 Export Guides updated and uploaded on the Seafish website.
- Supporting UK exporters at the British Pavilions at World Food Moscow and China Fisheries exhibitions.
- Organising receptions for British exporters at the China Fisheries Exhibition in Dalian in November 2012 and also at the North Atlantic Seafood Forum in Bergen in March 2013.
- Acting as the Official UK delegate at the United Nation's Food & Agriculture Organisation Committee on Fish (COFI) held in July.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

7. Industry: information & interpretation

This work programme aims to ensure that evidence, information, analysis and advice about seafood is freely available in a useful format to aid decision making by industry and Government. We primarily cover market data and economics but can deal with any information requests relating to the seafood industry.

Key achievements

- We made a short film 'The Business of Fishing' to inform Non-Government Organisations, policy makers and other interested stakeholders about the challenges and rewards faced by fishing vessel owners. Early screenings have generated much positive feedback. A programme of further screenings is now in the pipeline.
- Our economics expertise has been used by a number of expert groups. We also chaired an expert working group of the European Commission's Scientific, Technical and Economic Committee for Fisheries (STECF).
- We held a workshop via the UK Fisheries Economics Network (organised by Seafish Economics) to update our Best Practice Guidance on fishing industry economic impact assessments.
- Working with the Prince's Charities' International Sustainability Unit, we co-organised a steering group meeting in preparation for a UK-wide fishermen's knowledge exchange workshop later in 2013.
- We organised the European Association of Fisheries Economists conference in Edinburgh in April 2013 and secured high profile keynote speakers.
- We supplied information to the EU Commission to fulfil UK obligations under the data collection framework and continue to drive a number of expert working groups, including for the forthcoming EU-wide Annual Economic Report on EU fishing fleets.
- We published a total of 62 retail, trade and foodservice reports, providing a wealth of information which has been used to inform Government, the seafood sector and the media.
- Demand continues to increase for our 'market insight' newsletter. On average we now respond to more than 40 data requests each month.

Regional engagement

Seafish regional staff play a key role in helping to ensure that Seafish is properly engaged with key fishing and seafood processing regions of the UK, helping with communication and co-ordinating our national programmes at a local level. This national/regional approach recognises the diverse nature of the seafood industry in different parts of the UK; makes our services readily accessible and also ensures we can engage effectively with Small and Medium Enterprises (SMEs) as well as major national companies. Seafish has dedicated staff working on engagement with industry and government in Northern Ireland, England and Wales, and in Scotland dedicated staff similarly works closely with Seafood Scotland as the industry engagement body.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

As part of our Reputation and Information workstreams, we have organised opportunities for dialogue between the fishing community and their MPs in England, organised industry workshops in Northern Ireland, and built collaboration between industry, scientists and statutory bodies in Wales. In Scotland, we contributed to the Seafood in Schools project as part of our Promotion workstream and ran a Sustainability and Environmental Awareness programme helping businesses highlight the sustainability of seafood as part of our Responsible Sourcing work. Our regional staff also help with our Reputation work by representing the seafood industry in local media and at local events.

Marine services

In addition to our seven workstreams agreed by the Panels and Board, Seafish also has a service arm, which is run without call on levy support. This includes our marine surveyors and Kingfisher Information Services (KIS).

KIS has been supplying fishermen with seabed information for over 40 years. It now provides a host of products and services to the fishing industry to improve safety and awareness of surface and subsea hazards. In addition to the fishing industry, this information is also relevant to a number of other industries operating offshore, including oil and gas, telecoms, subsea power cables and marine renewables.

Most recently, Kingfisher has been actively incorporating the potentially hazardous structures of the offshore renewable energy industry, into its initiatives on fishing safety. Fishermen are now able to install the locations and details of wind farm structures and cables, along with existing oil and gas and subsea cable awareness data.

We also have a team of marine surveyors who uphold and improve the level of safety at sea in the fishing industry. They do this by providing various services, including the survey and certification of new fishing vessels to the Seafish Construction Standards.

Key achievements

- Kingfisher began publicising the dredging areas and offshore activities of the marine aggregate industry to fishermen. The Kingfisher Fortnightly Bulletin now includes all major offshore industries, continuing to promote the location of fishing hazards and potentially conflicting operations.
- September 2012 saw the release of the revised Seafish Construction Standards for new fishing vessels of less than 15m length, which incorporates new rules that addresses industry concerns and recommendations from the Maritime Coastguard Agency (MCA) & Marine Accident Investigation Branch (MAIB).
- Lloyds Register Quality Assurance (LRQA) audit of Marine Services Quality Management System (QMS) demonstrated adherence by Seafish to the procedures it has developed.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Financial position at 31 March 2013

Income and Expenditure

The total comprehensive income for the year was £184k, as compared with net expenditure in 2011/12 of £2.39m. The main reasons for the £2.574m improvement were:

- The overall pension loss reduced by £4.7m from £5.7m to £1m.
- Other expenditure increased by £2.6m (72%) as activities on the projects within the previous themes and agreed workstreams became fully operational and the work in line with the new Corporate Plan got underway.
- Staff costs increased by £510k which included the remuneration of the non-executive directors of £99k for the first time (see note 5b) and eight additional part-time and temporary staff members, and three full time staff members.
- Restructuring and redundancy costs increased by £251k as the result of one of the executive directors taking early retirement.
- Income increased by £1.211m (13%) mainly as a result of increased levy income of £556k, increased project income of £397k, and increased commercial income of £259k.
- Interest receivable increased by £126k due to the increase in the sums held on deposit and the better rates achieved.
- Tax increased by £26k as a result of the increased interest received.

Pension costs

The Board takes professional advice from Aon Hewitt about the costs of providing final salary based pension benefits both to current and former staff as although the scheme was closed to new entrants in 2006 there is a long term liability for those employed before that date. The next triennial actuarial valuation of the Fund is at 31 March 2013, with the results being available for the 2013/14 Annual Report and Accounts.

Risk and uncertainties

With the Seafish Corporate Plan now in place, our key risks are around delivery of the Plan. Seafish will undergo a Triennial Review at some point in 2014 and the seafood industry's view on the value provided by Seafish will form a central part of that review. It is consequently important that Seafish is in a position to demonstrate that it is delivering against the plan agreed with industry through the Panels and that this delivery is bringing real benefit. Some workstreams, in particular Responsible Sourcing, are ambitious in their scope and there is a risk that industry will not recognise sufficient progress towards stretching objectives.

At the same time as demonstrating benefit to industry, Seafish has to show relevance to government. Our Corporate Plan indicates where we provide support to government and we have to show that we are fulfilling these commitments as well as those provided to industry.

THE SEA FISH INDUSTRY AUTHORITY MANAGEMENT COMMENTARY (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

Review of tax arrangements of public sector appointees

Defra is required to disclose information in their annual report and accounts relating to the review of tax arrangements of public sector appointees. Seafish had no off payroll engagements at a cost in excess of £58,200 per annum in place at 31 January 2012, and had no new off payroll engagements between 23 August 2012 and 31 March 2013 for more than £220 per day for more than six months.

Future strategic direction

Seafish has a very clear purpose – to help secure a sustainable and profitable future for the UK seafood industry. However, defining the ‘UK seafood industry’ is a challenge. Seafish covers everything from individual fishermen, through to the importers and processors, and into the multiple retailers and the fish and chip shops. Equally importantly, we have the needs of the consumer in mind, talking to the people who buy and eat seafood. Across all this, we need a focused strategy that provides activities that have a real purpose and that deliver benefit.

Over the past couple of years we have listened to a broad industry voice and we were told that industry wanted Seafish to have a clear over-riding strategy, clear priorities and to be more transparent on how we operate. In particular, industry was looking for transparency on how we decide to spend the levy. We have opened the door to a different way of making decisions, with industry leading the way. We have made changes that will take us forward in a more engaged, more open manner.

These conversations have led us to our simplified set of three high level objectives, with seven underlying work programmes, including a more focused and defined set of activities. You have begun to see some of the outcomes of that work in this report but we have really only just begun. We have started reorganising the people who work for Seafish, so that now every individual knows exactly how they contribute to delivering the strategy and how they can help make a difference to the UK seafood industry.

In 2013 Seafish made its proposals clear to industry on a reduction in the standard rate of levy. We believe that a fairer system that reduces the burden on industry while still delivering direct benefit through the levy paid is the way forward. Seafish therefore began discussions with industry and other stakeholders in the summer ahead of presenting formal proposals in the autumn. All being well Seafish should be in a position to implement the new rates by April 2014 but it will require the sign-off from all four fishing administrations and the collective will of industry to ensure this.

We now move into an exciting new phase for Seafish where we have to deliver on the promises we make and the expectations of our industry. We are confident that over the next few years the UK seafood industry will increasingly ‘recognise the importance and value that Seafish provides and that we will truly deliver as “the authority on seafood”’.

How well are we performing?

Final sign-off of our corporate plan came in May 2013 but Seafish has been working to the programmes within that since October 2012. This means that significant progress has already been made against our targets and a lot of the necessary foundations have been laid for our future success.

**THE SEA FISH INDUSTRY AUTHORITY
MANAGEMENT COMMENTARY (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Our Panel Process, where industry representatives help recommend business priorities to the Board, has been successfully implemented with representatives from all industry sectors sitting on our three working panels looking at different aspects of our business priorities. Seafish is also at the stage where it is ready to inform industry of its proposals for a reduction in the standard levy rate in order to help introduce a fairer and more equitable system of levy charges. Both of these help address two of the most fundamental points raised by industry when giving their backing to a 'new' Seafish in 2011. Those were that they wanted to see a clearer and more transparent organisation and that they wanted the levy reviewed. We have listened and acted upon industry's wishes.

We are starting to bring fresh talent into the business in order to help drive the organisation forward and have reorganised our structure to ensure we have the right skills to achieve the objectives and outcomes proposed. A delay in the sign-off of the Corporate Plan has meant a delay in acquiring additional personnel so our achievements to date are all the more pleasing given our lack of resource in certain areas.

Related to our work-streams a lot of work has been done on developing a 'bottom-up' budget from fully costed project proposals with each project monitored at key milestones, with actual benefits and outcomes measured against those agreed at the outset. This gives an assurance on business direction as well as a transparency and ensures we target resource in the right areas.

We have strengthened our partnership working at local level with a revision of resource in England, the hiring of a new Head of Regional Engagement into Scotland and the provision of a Project Manager into Wales and continue to work closely with all devolved administrations in supporting their priorities for the marine environment as well as local industry.

Our plans for the future involve recruiting a post in Brussels, in response to industry wishes, in order to help assist with the new regulations and legislation coming out of Europe as part of a revised Common Fisheries Policy.

Our work will continue to be monitored and reviewed regularly over the coming year, both by Sector Panels and the Board, with our Key Performance Indicators and outcomes being refined as the programme matures. In this way the work of Seafish will remain focused and effective and we can use the foundations built over the last 12 months to fully deliver against our new corporate plan.

I would like to express my sincere thanks to Seafish levy payers, colleagues in the Sponsoring departments and Seafish staff for their support during the past year months.



P Williams – Chief Executive
7th November 2013

THE SEA FISH INDUSTRY AUTHORITY REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2013

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

The Committee comprises three members, all of whom are non-executive Board Members of Seafish and is chaired by the Deputy Chairman. Members during the year to 31 March 2013 were Jane Ryder, Clare Dodgson and Peter Hajjiperis. Meetings are normally held not less than twice a year and minutes are taken at all meetings. The committee met three times during the year.

Seafish Executive Directors are employed on standard contracts of employment which are in line with all other employees except for notice periods where Seafish are required to give six months' notice of termination of their employment. Executive Directors' remuneration is by way of a fixed annual salary, and benefits in kind including car benefit, medical insurance and subscriptions. Executive directors employed prior to 1 April 2006 are members of the defined benefit pension scheme, with those employed after that date members of the defined contribution scheme.

Pay policy is formally reviewed annually by the Committee. In seeking to ensure pay and other conditions are fair, competitive and affordable, market data and other relevant data are taken into account. Like all other Seafish employees, the pay associated with executive posts is derived from a formal job evaluation process, and pay increases are linked to performance. In line with the Governments pay policy, an award of 1% was made to staff for the year to March 2013.

In assessing individual performance, Seafish has a formal performance management system which is a core management process. It enables Seafish to be clear and consistent in focusing performance on the delivery of strategic objectives; assess contribution and recognise achievement and support and inform personal development, career development and succession planning as well as provide for growth of knowledge, skills and experience.

Emoluments of Members

The remuneration relating to all Directors in post in 2012/13 is detailed in the tables below. The information in the tables below represents the part of the Remuneration Report to be audited, as referred to in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament.

**THE SEA FISH INDUSTRY AUTHORITY
REMUNERATION REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Non-executive Directors' Emoluments

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

	2012-13	2011-12		
Name and title	Salary in £5k bands £000	Salary in £5k bands £000	Date of appointment	Appointment ends
E Hayes Chair	0-5 (FYE 15-20)	-	01/01/2013	31/12/2015
J S Whitehead OBE (Chairman to 31/12/2012)	35-40 (FYE 50-55)	50-55	01/04/2012	31/12/2012
J Ryder Deputy Chair	20-25	-	01/04/2012	31/03/2015
M Kaiser Industry Member (Deputy Chairman 2012)	5-10	15-20	01/04/2012	31/03/2015
C Dodgson Independent Member	5-10	-	01/04/2012	31/03/2015
P Hajipieris Industry Member	5-10	-	01/04/2012	31/03/2015
P Huggon Independent Member	5-10	-	01/04/2012	31/03/2015
M Park Industry Member	5-10	5-10	01/07/2010	31/03/2015
S Parry Industry Member	5-10	-	01/04/2012	31/03/2015
J Wilson Industry Member	10-15	5-10	14/04/2009	31/04/2015
L Cross Industry Member	-	5-10	01/04/2008	31/03/2012
I M MacSween OBE Industry Member	-	5-10	01/07/2010	31/03/2012
O Norgaard Industry Member	-	5-10	01/05/2009	31/03/2012
M Parker Industry Member	-	5-10	01/05/2009	31/03/2012
A West MBE Industry Member	-	5-10	01/04/2009	31/03/2012
C Pomfret Independent Member	-	5-10	03/12/2010	31/03/2012
Q Clark Industry Member	-	5-10	14/04/2009	31/03/2012
P Kerr Independent Member	-	5-10	15/06/2009	31/03/2012

**THE SEA FISH INDUSTRY AUTHORITY
REMUNERATION REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Non-executive directors receive no other payments or benefits in kind. The remuneration of non-executive directors is paid directly by Defra for agreed contractual days. The above remuneration includes £25k agreed with and paid for by Seafish, and relates to the additional time required in the first year of operation of the new board.

Executive directors' emoluments

Name and Title	2012-13			2011-12		Date of Contract Commencing	Contract Ended
	Salary in £5k bands £000	Performance Bonus £000	Benefits in Kind (rounded to the nearest £100) £000	Salary in £5k bands £000	Benefits in Kind (rounded to the nearest £100) £000		
P Williams Chief Executive	90-95	5-10	2.7	90-95	2.7	01/01/2004	-
J Harman Development Director	90-95 (includes £6k for prior year)	-	6.1	75-80	4.7	02/01/2003	12/04/2013
Mrs J Anderson Business Services Director (Finance Director to 31/01/2013)	70-75	0-5	3.2	55-60 (FYE £70k)	0.4	13/05/2011	-
J Campbell Finance Director	-	-	-	5-10 (FYE £56k)	0.4	05/09/2008	13/05/2011

Benefits in kind comprise car benefit, medical insurance and professional subscriptions.

Jon Harman left Seafish on 12 April 2013. His total redundancy cost accounted for in the Statement of Comprehensive Income for the year ended 31 March 2013 was £281k, and included an additional pension cost of £199k in line with his contractual entitlement. His benefits for the year end also included £5k for outstanding holiday pay at his date of leaving.

The bonus that Paul Williams received during the year related to his performance for the year to March 2012, and Mrs J Anderson's bonus was in respect of the year to December 2012.

No bonuses were paid to executive directors in the year to 31 March 2012.

Executive Directors' Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real decrease in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2013 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000) £000	Cash Equivalent Transfer value at 31 March 2013 £000	Cash Equivalent Transfer Value at 31 March 2012 £000	Real increase in Cash Equivalent Transfer Value £000
P Williams Chief Executive	0-2.5	0-2.5 decrease	10-15	10-15	192	163	26
J Harman Development Director	0-2.5	0-2.5 decrease	10-15	10-15	214	167	43

**THE SEA FISH INDUSTRY AUTHORITY
REMUNERATION REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

A contribution of £7,225 (2012: £3,500) was made to Mrs J Anderson's money purchase pension scheme during the year. Payments to the money purchase scheme are not part of the defined contribution scheme with West Yorkshire Pension Fund.

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

Cash Equivalent Transfer Value

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

The CETV figure and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

All executive directors are ordinary members of the West Yorkshire Pension Fund, a local government pension scheme of which Seafish is an admitted body as described at notes 1.2 and 11.

There were no off payroll pension arrangements made throughout the year.

Relationship between highest paid director and the median earnings in the workforce

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

The remuneration of the highest paid director in Seafish in 2012/13 was £105,200 (2011/12: £95,200). This was 3.21 times (2011/12: 3.09 times) the median salary of the workforce, which was £32,749 (2011/12: £30,760).

In 2012/13 or 2011/12 no employee received remuneration in excess of the highest paid director.

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



**P Williams – Chief Executive
7th November 2013**

**THE SEA FISH INDUSTRY AUTHORITY
STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2013**

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

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

- Observe the Accounts Direction issued by the Ministers with the consent of Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts, and
- Prepare the accounts on a going concern basis unless it is deemed inappropriate.

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

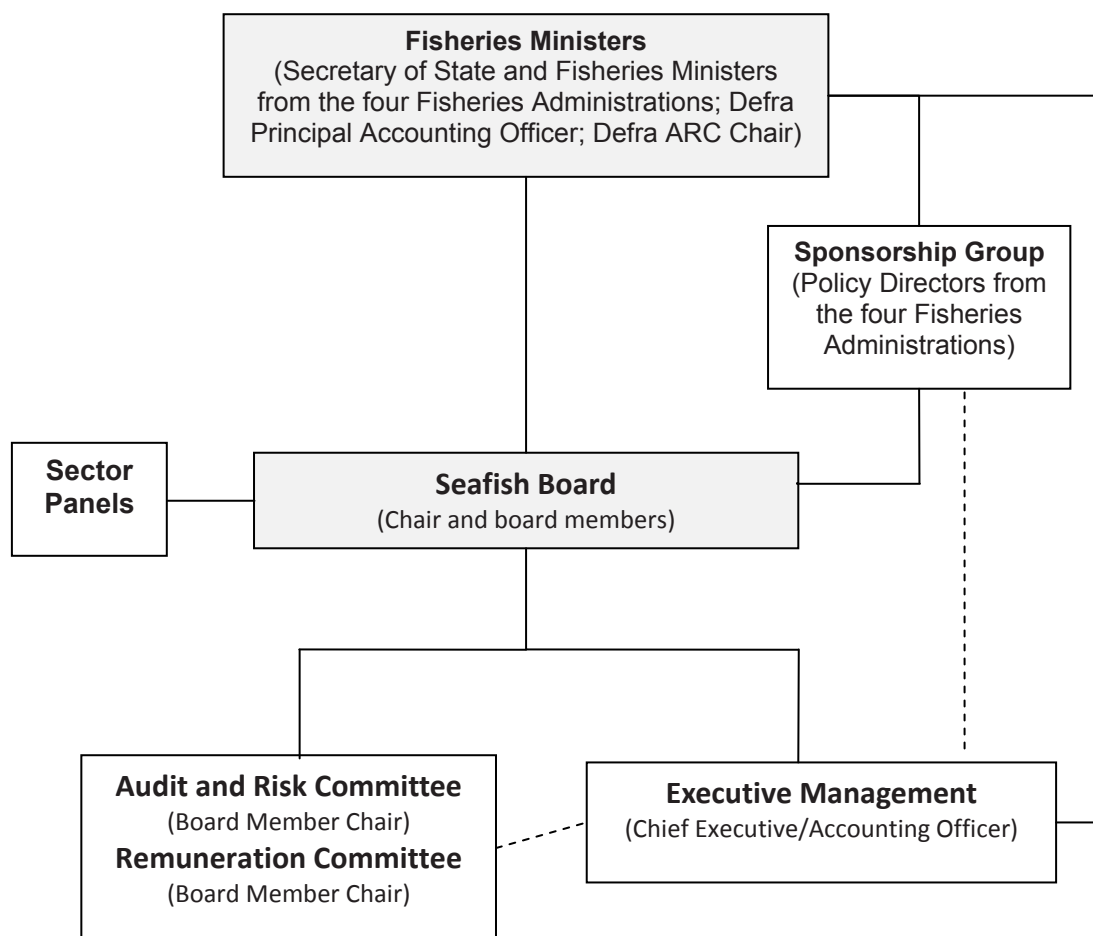
**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

As Accounting Officer, I have the responsibility for maintaining a sound system of risk, governance and control that supports the achievements of Seafish’s policies, aims and objectives, whilst safeguarding the public funds and Seafish assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*, issued by HM Treasury. I am also required to ensure that Seafish complies with the relevant principles and protocols outlined in the Corporate Governance Code.

THE GOVERNANCE FRAMEWORK OF THE ORGANISATION

In the course of 2013 Seafish and the four Fisheries administrations agreed the detail of a wholly new Framework Agreement that sets out the overarching framework for the sponsorship of Seafish and governance and accountability arrangements between the four Fisheries Administrations (being the Department for Environment, Food and Rural Affairs (Defra), Marine Scotland, Department for Agriculture and Rural Development Northern Ireland (DARD) and the Welsh Government) and Seafish. Although this Agreement was not formally approved by all four Ministers until April 2013, this structure was operational throughout the year.

GOVERNANCE STRUCTURE



Formal governance relationship _____

----- **Informal relationship**
(e.g. advisory, customer)

**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

The Framework Agreement replaces the Memorandum of Understanding (MoU) which previously set out the relationship between Seafish, Defra and the devolved administrations. In the MoU, Defra takes the lead in overseeing Seafish activities. Under the new Framework Agreement, a Sponsorship Group, comprising policy directors from the four Administrations, manage the day to day sponsorship activities. Defra still acts as the primary point of contact for Seafish in dealing with issues relating to sponsorship, finance, corporate governance and performance, and liaises with the other administrations as appropriate. Routine policy issues are handled through bilateral engagement between policy leads in the relevant Administration and Seafish.

The new Framework Agreement also sets out a new governance structure for Seafish, introducing a new set of Sector Panels to provide advice to the Seafish Board on work priorities.

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

Members of the three advisory Sector Panels are appointed by Seafish. The aim of the Panels is to enable greater representation and influence of the industry in defining Seafish's work programmes. These panels provide the Seafish Board with advice including the agreed work priorities for their sector. The three Panels represent the following sectors; Domestic and Export; Processing and Import; Consumer and Supply Chain.

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

THE BOARD

As stated in the directors' report on page 5, there were nine non-executive Board Members during the year, four of whom were independent members, and the remaining five were from the seafood industry. The Board met seven times during the year and all meetings were properly conducted and minuted. The Panel Chairs, the Chief Executive and two executive directors attend and participate in all Board meetings. The Board meets in closed session where appropriate.

In December 2012 a joint meeting of the Board and all three Panels was held, in what will become an annual event. The Board is also considering rotation of future Board meetings around the UK.

**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

BOARD MEETINGS

The meeting attendance records for Board members during 2012/13 are detailed in the table below:

Board Member	Board		ARC		RemCom		Possible Total	Attended Total
	Possible	Attended	Possible	Attended	Possible	Attended		
Elaine Hayes (Chair from 1/1/2013)	1	1	0	0	0	0	1	1
John Whitehead (Chair to 31/12/2012)	6	6	0	0	0	0	6	6
Jane Ryder (Deputy Chair)	7	7	6	6	3	3	16	16
Clare Dodgson	7	6	0	0	3	3	10	9
Peter Hajiperis	7	3	0	0	3	3	10	6
Philip Huggon	7	6	6	4	0	0	13	10
Michael Kaiser	7	5	0	0	0	0	7	5
Mike Park	7	6	6	4	0	0	13	10
Stephen Parry	7	7	6	6	0	0	13	13
James Wilson	7	7	0	0	0	0	7	7

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

During 2012/13, the Seafish Board considered the following significant items:

- **Governance structure**

The new system, of Sector Panels providing advice to the Board in development of the Corporate Plan, was successfully implemented during the year. Panel members were recruited from relevant representative organisations or by advertised recruitment. The Panels had two meetings to bring together their thoughts on Seafish activities, within the framework of the overall strategy agreed by the Board. The activity plan was then brought together by the Panel Chairs and executive as a recommendation to the Board.

- **Corporate Plan**

Much of Board discussion during 2012 focused on development of a new corporate plan. In addition to the input from the Panels, the Board had to agree appropriate governance and budget statements and how the Board would have effective oversight of the Plan's implementation.

- **Levy review**

The response to the 'Discussion with Industry' in the autumn of 2011 included a request for a review of the levy, to cover both the rates applied and the species included. A consultation took place during the summer of 2013 on the rates charged, in advance of proposals being presented to the four fisheries administrations. The board have been monitoring its progress.

**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

- **Pensions liability**

The overall pension's deficit reached £16m in March 2010, although this has reduced to £9.7m at March 2013, this is recognised within the Framework Agreement and meanwhile the Board has approved a formal reserves policy which aims to address this from within Seafish resources as far as practicable.

Conflicts of interest

Board members are required to declare any direct or indirect interest in any item on the agenda before the board meeting begins. Any declaration will be noted in the minutes and the member will not take part in any deliberation or decision making process. If deemed appropriate by the Chair, they may also be asked to withdraw from the meeting during consideration of the business to which the conflict relates.

Board effectiveness

As noted above, the Board met seven times during the year and identified and considered various issues with the significant ones as noted above. The Board was supported by the work carried out by both the Audit and Risk Committee and the Remuneration Committee. In line with best practice, the Board intend conducting a self-assessment exercise in 2013.

AUDIT AND RISK COMMITTEE (ARC)

The Audit and Risk Committee was led by the Deputy Chair and included three other non-executive members.

This committee met six times during the year, with the attendance as noted on page 26.

During 2012/13, this committee has:

- Considered the Annual Report and Accounts for three years – 2009/10, 2010/11 and 2011/12.
- Maintained oversight of a transition programme which covered staff recruitment, project management, risk management, and IT.
- Provided a critique of financial reporting to the Board, and considered the financial calculations which underpin the Business plan for the 18 months to March 2014.

For the year to 31 March 2013, assurance to the Accounting Officer and the Board has come primarily via scrutiny by the ARC.

The ARC identified the following significant issues during 2012/13:

- The need for development of the risk management strategy.
- The need for development of the project management systems.

Although work was undertaken during the year, the Annual report of the ARC identified that progress was slower than would have been wished and these two areas should be a priority for senior management in 2013/14. The ARC will keep these areas in particular focus in 2013/14.

**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

ARC effectiveness

In line with best practice, the ARC performance was assessed through a self-assessment toolkit, issued to members in advance of an NAO facilitated workshop in April 2013. The conclusion was that the ARC was effective for 2012/13, but with some changes to working practices appropriate as Seafish returns to a period of greater stability.

REMUNERATION COMMITTEE (RemCom)

From 1 April 2012 the RemCom was reduced to three non-executive members including the Deputy Chair of the Board who chairs this Committee. The role of the Remuneration Committee is to advise the Board on matters of staff remuneration, performance management and other systems and processes relating to staff management and welfare, attraction, retention and development, contributing to the Board's corporate role.

The RemCom met three times during the year and has focussed on two main areas: the development and delivery of an appropriate staffing structure, and the CEO targets and remuneration.

Significant issues

The RemCom identified the following issues during 2012/13:

- The absence of a clear HR strategy or senior HR support.
- Lack of internal clarity about responsibilities and accountabilities.

Although work was undertaken during the year, the Annual report of the RemCom identified that these two areas should be a priority for senior management in 2013/14. RemCom will keep these areas in particular focus in 2013/14.

RISK AND CONTROL FRAMEWORK

The key components of Seafish's governance and control framework are as follows:

Risk management strategy

Seafish is in the process of revising its risk management strategy, with the improvement of its systems to embed risk management in the business processes. A workshop, facilitated by the internal auditors Baker Tilly, was held in November 2012, and involved the Senior Management Team (SMT) and Executive and the new risk management strategy should be ready for approval by the Board in July 2013. The approach taken is that:

- All staff identify operational risks.
- The senior management team (SMT) consider the operational and strategic risks.
- A risk register is reviewed by the Executive and the ARC on a quarterly basis, and at least annually by the Board.
- The risk register has named risk owners and details of actions shown to mitigate and manage the risks.
- Risks are reviewed quarterly by the Executive and the senior management team, to monitor changes and check progress of mitigation measures.

**THE SEA FISH INDUSTRY AUTHORITY
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Key risk

During 2012/2013, the Board, ARC, and RemCom, all identified a key risk as being the ability to deliver the Corporate Plan.

In line with the work programmes recommended by the sectoral panels, a corporate plan was compiled through to March 2015. New staff resources are required to deliver this. However, a delay in sign off of this plan by the four administrations has meant that the reorganisation plan requesting the additional staff members was not approved until May 2013. The Board have concerns over the potential impact of this on the delivery of the Corporate Plan.

With the new posts having been agreed, recruitment is underway with the two new executive directors starting on 1 July 2013 and the new HR manager starting early August 2013. The Executive and Senior Management Team are endeavouring to ensure that the delivery of the Corporate Plan is on target and that the other significant issues raised by the Board, ARC and the RemCom are addressed.

INFORMATION MANAGEMENT

Seafish's approach to the management of security risks is proportionate to the nature of the risks, and I have put controls in place to ensure that all information is handled securely. There were no reported data losses in the course of the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Seafish complies with the relevant principles and protocols outlined in the Corporate Governance Code, with no known exceptions.



**P Williams – Chief Executive
7th November 2013**

THE SEA FISH INDUSTRY AUTHORITY

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

I have audited the financial statements of the Sea Fish Industry Authority for the year ended 31 March 2013 under the Fisheries Act 1981. These comprise the Statements of Comprehensive Income, Financial Position, Cash Flows, Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Sea Fish Industry Authority, the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Sea Fish Industry Authority and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Fisheries Act 1981. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sea Fish Industry Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Sea Fish Industry Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

Opinion on Regularity

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

THE SEA FISH INDUSTRY AUTHORITY

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Sea Fish Industry Authority's affairs as at 31 March 2013 and of the net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Fisheries Act 1981 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Fisheries Act 1981 and Secretary of State directions issued thereunder; and
- the information given in the Directors' Report and the Management Commentary included in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or

the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or

I have not received all of the information and explanations I require for my audit; or

the Governance Statement does not reflect compliance with HM Treasury's guidance.

*Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP*

13 November 2013

**THE SEA FISH INDUSTRY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2012-13 £000	2011-12 £000
Expenditure			
Staff costs	5b	2,995	2,485
Restructuring/redundancy	5e	286	35
IAS 19 pension charge	5c	399	349
Depreciation and amortisation	6&7	56	57
Other expenditure	3	6,216	3,633
		<u>9,952</u>	<u>6,559</u>
Income			
Levy income	2a	(8,234)	(7,678)
Project Income	2b	(1,727)	(1,330)
Other Income	2b	(700)	(442)
		<u>(10,661)</u>	<u>(9,450)</u>
Net income		(709)	(2,891)
Interest receivable		(153)	(27)
Financing income on pension scheme assets and liabilities	11b	(328)	(476)
Net income after interest		<u>(1,190)</u>	<u>(3,394)</u>
Taxation	4	31	5
Net income after taxation		<u>(1,159)</u>	<u>(3,389)</u>
Other Comprehensive Expenditure			
Actuarial loss on pension scheme assets and obligations	11c	975	5,779
Total Comprehensive Net (Income)/Expenditure		<u>(184)</u>	<u>2,390</u>

The previous year's income has been analysed on a different basis to that in the published 2011-12 accounts, but the totals have not been restated.

The notes on pages 36 to 60 form part of these accounts.

**THE SEA FISH INDUSTRY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	Note	31 March 2013 £000	31 March 2012 £000
Non-current assets			
Property, plant and equipment	6	979	914
Intangible assets	7	<u>100</u>	<u>0</u>
Total non-current assets		1,079	914
Current assets			
Trade and other receivables	9	3,653	3,290
Cash and cash equivalents	15	<u>9,532</u>	<u>8,867</u>
Total current assets		13,185	12,157
Total assets		<u>14,264</u>	<u>13,071</u>
Current liabilities			
Trade and other payables	10	<u>(2,150)</u>	<u>(1,767)</u>
Total current liabilities		(2,150)	(1,767)
Non-current assets plus net current assets		<u>12,114</u>	<u>11,304</u>
Non-current liabilities			
Provisions - unfunded pension liabilities	11f	(4,392)	(4,202)
Pension liabilities	11f	<u>(5,342)</u>	<u>(5,005)</u>
Total non-current liabilities		(9,734)	(9,207)
Assets less liabilities		<u>2,380</u>	<u>2,097</u>
Reserves			
Revaluation reserve		104	104
General fund		7,618	6,998
Pensions reserve		(5,342)	(5,005)
		<u>2,380</u>	<u>2,097</u>

The previous year's current assets and current liabilities have been analysed on a different basis to that in the published 2011-12 accounts, but there is no impact on the totals.


P. Williams, Chief Executive
7th November 2013

The notes on pages 36 to 60 form part of these accounts.

**THE SEA FISH INDUSTRY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2012-13 £000	2011-12 £000
Cash flows from operating activities			
Net income		709	2,891
Depreciation and amortisation		56	57
Decrease/(increase) in trade receivables		(257)	4,656
Increase/(decrease) in trade payables		357	536
Use of provisions		176	(12)
Board remuneration paid by Defra		99	0
Defined pension contributions paid		(296)	(578)
Corporation tax paid		(5)	(3)
Net cash inflow/(outflow) from operating activities		<u>839</u>	<u>7,547</u>
Cash flows from investing activities			
Interest received		47	27
Purchase of property, plant and equipment	6&7	(221)	(16)
Net cash (outflow)/inflow from investing activities		<u>(174)</u>	<u>11</u>
Net (decrease)/increase in cash and cash equivalents in the period		665	7,558
Cash and cash equivalents at the beginning of the period		8,867	1,309
Cash and cash equivalents at the end of the period	15	<u>9,532</u>	<u>8,867</u>

The Statement of Cash Flow has been prepared to ensure it is fully compliant with the FReM, and the previous year figures have been reclassified to aid comparability with the current year.

Cash reserves policy

Seafish should always have cash reserves, including long term deposits, of an amount no less than the sum of the unfunded pension liability (£4.4m at 31 March 2013), a six month operating cushion of £3.9m and general working capital of £1m. This totals £9.3m and is £220k less than the cash balance of £9.53m at 31 March 2013.

The notes on pages 36 to 60 form part of these accounts.

**THE SEA FISH INDUSTRY AUTHORITY
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2013**

	Revaluation Reserve £000	General Fund £000	Pension Reserve £000	Total Reserves £000
Balance at 1 April 2011	104	4,872	(489)	4,487
Changes in taxpayers' equity for 2011/12				
Transfers between reserves	0	(1,263)	1,263	0
Actuarial loss on pension scheme assets and obligations	0	0	(5,779)	(5,779)
Retained net income	0	3,389	0	3,389
Balance at 31 March 2012	<u>104</u>	<u>6,998</u>	<u>(5,005)</u>	<u>2,097</u>
Balance at 1 April 2012	104	6,998	(5,005)	2,097
Changes in taxpayers' equity for 2012/13				
Transfers between reserves	0	(638)	638	0
Actuarial loss on pension scheme assets and obligations	0	0	(975)	(975)
Notional charge to Defra	0	99	0	99
Retained net income	0	1,159	0	1,159
Balance at 31 March 2013	<u>104</u>	<u>7,618</u>	<u>(5,342)</u>	<u>2,380</u>

Pension reserve

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

Revaluation reserve

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

General fund

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

The notes on pages 36 to 60 form part of these accounts.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2012-13 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Seafish for the purpose of giving a true and fair view has been selected. The particular policies adopted by Seafish for its activities are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared on a going concern basis and under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Property, plant and equipment

Land and buildings: the value to Seafish of land and buildings is included at open-market value for existing use.

Land and buildings are valued by independent Chartered Surveyors every five years. A full valuation was last undertaken as at 31 March 2012. The valuation of £850,000 is incorporated in these accounts after confirmation was received that there had been no change to that value.

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

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

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

Depreciation

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

	(%)
Furniture and equipment	10-20
Computer equipment	33
Intangible asset – software	33

Freehold buildings are depreciated over their estimated useful economic life.

The buildings were valued in March 2012 with an estimated life of 30 years

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

so the buildings are scheduled to be fully depreciated by 2042. Freehold land is not depreciated.

□ Impairment

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

□ Intangible assets

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

□ Operating income

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

Revenue comprises levy income received which is raised on specified sea fish products and paid on a self-billing arrangement in arrears. Seafish recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to Seafish. In seeking to apply IAS 18 – Revenue Recognition, an estimation methodology is applied which reflects historic payment profiles. Seafish make all reasonable attempts to identify all liabilities but acknowledge that 100% compliance is unlikely to be achievable. The income reported in these accounts does not include any estimate for levy which might be legally payable but of which Seafish has no knowledge.

□ Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at 31 March 2013. Transactions in foreign currencies are translated at the rate ruling on the date of the transaction.

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

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

□ Leases

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

□ Financial instruments

Seafish has no borrowings and relies primarily on levy income for its cash requirements and is therefore not exposed to liquidity risks. Seafish has material deposits, and places funds, with the exception of daily working capital on fixed rate deposits to minimise any interest rate risk. All material assets and liabilities are denominated in sterling so Seafish is not exposed to currency risk. Full disclosure required by IAS 32, IAS 39 and IFRS 7 is shown at note 14.

□ Grants receivables

Grants are of a revenue nature and are credited to income in the year in which they are receivable.

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

□ Provisions

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

□ Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, Seafish discloses for parliamentary reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote – unless disclosure of those remote liabilities is itself believed likely to increase the possibility of the liability being accrued, or the value of these remote liabilities is not material. At 31 March 2013, Seafish had no contingent liabilities (31 March 2012: nil).

□ Corporation tax and value added tax

Under a specific agreement with the HM Revenue & Customs, the liability of Seafish for corporation tax is limited to the total of its net investment income (which excludes interest arising from loans to the industry) and its chargeable gains.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

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

□ Staff costs

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

1.2. Pensions

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

i. Defined Benefit Schemes

For the defined benefit scheme, the cost of providing benefits is determined using the projected unit method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period to which they relate in other comprehensive income/expenditure. The expected return on investment assets and the interest on liabilities are included in the finance charge and shown in the Statement of Comprehensive Income. The current service costs are shown as the IAS19 pension adjustment under Expenditure in the Statement of Comprehensive Income.

More detailed information can be found in note 11 to the accounts.

ii. Defined Contribution Schemes

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

2. Income

a) Levy Income

Fees and charges (recovered costs)

	Income £000	Full Cost £000	Surplus £000
Levies collected under the Fisheries Act 1981	8,234	7,492	742

Seafish sets its levy rates with due regard to HM Treasury's Fees, Charges and Levies guidance in Managing Public Money, with the financial objective of recovering all costs.

The information provided has been for fees and charges purposes and not for IFRS8 purposes.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

2. Income (continued)

b) Project and other income

	2012-13	2011-12
	£000	£000
Project income		
EU	818	593
Non EU	909	737
	<u>1,727</u>	<u>1,330</u>
Other income		
Commercial income	687	434
VAT recovery	13	8
	<u>700</u>	<u>442</u>
Total	<u>2,427</u>	<u>1,772</u>

The prior year comparatives have been reclassified to be consistent with a change to show the split between project and commercial activities, which are then split in accordance with related funding. Any activities that are subject to EU grants are noted as EU, and those that attract no EU grants are noted as other. The total income for 2011-2012 is unchanged from the published 2011-12 accounts.

3. Other expenditure

Details of Seafish expenditure is made up as follows:

		2012-13	2011-12
		£000	£000
Project Activities	- EU	1,335	732
	- Other	<u>3,173</u>	<u>1,515</u>
		<u>4,508</u>	<u>2,247</u>
Commercial Activities	- EU	0	115
	- Other	<u>267</u>	<u>80</u>
		<u>267</u>	<u>195</u>
Location costs		649	498
Professional fees		(22)	35
Motor vehicle costs		221	184
Other administration costs		111	108
Travel & subsistence		106	74
Staff training & recruitment		132	55
Consultancy spend		149	123
Repairs & maintenance		3	1
Computing costs		85	45
Increase in receivables impairment		7	68
		<u>1,441</u>	<u>1,191</u>
Total other expenditure		<u>6,216</u>	<u>3,633</u>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

3. Other expenditure (continued)

The prior year comparatives have been reclassified to be consistent with the change in the reporting of the project and other income as noted in note 2. above. Again the total expenditure for 2011-2012 is unchanged from the published 2011-12 accounts.

Total net income is stated after charging:

	2012-13	2011-12
	£000	£000
Auditors remuneration	<u>34</u>	<u>35</u>
Operating lease rental		
- Land and buildings	105	105
- Motor vehicles	<u>92</u>	<u>93</u>
	<u>197</u>	<u>198</u>

4. Taxation on profit on ordinary activities

	2012-13	2011-12
	£000	£000
(a) Current tax expense	<u>31</u>	<u>5</u>
	31	5
Deferred tax expense		
Origination and reversal of temporary differences	0	0
Reduction in tax rate	0	0
Adjustments relating to prior year trading losses	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Total income tax expense in income statement	<u>31</u>	<u>5</u>
(b) Reconciliation of effective tax rate		
Accounting profit	<u>1,190</u>	<u>3,394</u>
Tax at the applicable tax rate of 20% (2012: 20%)	238	679
Tax effect of expenses that are not deductible in determining taxable profit:		
Inland revenue agreement	(166)	(613)
Tax deductible pension contributions	(66)	(95)
Short term timing differences	25	34
Movement in losses	0	0
Rate changes	<u>0</u>	<u>0</u>
Tax expense	<u>31</u>	<u>5</u>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

5. Staff numbers and related costs

(a) The average number of whole time equivalent staff employed by Seafish during the year is noted below.

	Management and Staff		Agency & Temp Contract Staff		Total Staff	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Research	35	30	3	3	38	33
Business development	24	27	1	0	25	27
Corporate services	13	12	0	0	13	12
Board Members	9	12	0	0	9	12
Panel Members	7	0	0	0	7	0
	<u>88</u>	<u>81</u>	<u>4</u>	<u>3</u>	<u>92</u>	<u>84</u>

The prior year staff numbers have been restated to include the board members.

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

	Management and Staff		Agency & Temp Contract Staff		Total Staff	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	£000	£000	£000	£000	£000	£000
Gross salaries	2,633	2,241	42	12	2,675	2,253
Social security costs	223	195	4	1	227	196
Agency staff costs	0	0	11	0	11	0
Defined contribution scheme costs	31	36	0	0	31	36
Defined benefit scheme past service costs	51	0	0	0	51	0
	<u>2,938</u>	<u>2,472</u>	<u>57</u>	<u>13</u>	<u>2,995</u>	<u>2,485</u>

The salaries of the non-executive directors are paid by Defra. The amount paid by Defra during the year to March 2013 amounted to £99k, and is included as a notional cost in gross salaries above. This is the first time that we have accounted for these in the Seafish accounts. The previous year comparatives have not been restated as the amounts involved (£161k) are not considered material.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

5 Staff numbers and related costs (continued)

(c) Analysis of pension costs

	2012-13 £000	2011-12 £000
Pension current service cost	399	349
Past service (gain)/cost	0	0
	399	349

(d) Executive directors' emoluments and pension benefits

Details of emoluments and pension benefits for the executive directors are shown in the Remuneration Report at pages 19 to 22. Details of related party transactions are shown in note 16.

(e) Redundancy Costs

No members of staff were made redundant during the year. During the year to March 2012, 3 members of staff were made redundant at a cost of £35k.

J Harman took early retirement in April 2013, and his total retirement and exit cost was provided for in the 2012-2013 accounts.

Reporting of compensation schemes – exit packages

Exit package cost band	31 March 2013			31 March 2012		
	Compulsory redundancies	Other departures agreed	Total exit packages by cost band	Compulsory redundancies	Other departures agreed	Total exit packages by cost band
Under £10,000	0	0	0	2	0	2
£10,001-£25,000	0	0	0	1	0	1
£25,001-£50,000	0	0	0	0	0	0
£285,001-£290,000	0	1	1	0	0	0
Total number of exit packages by type	0	1	1	3	0	3
Total resource cost £	0	286,481	286,481	35,026	0	35,026

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

6. Property, plant and equipment

Analysis by type	Land £000	Buildings Excluding Dwellings £000	Furniture & Fittings £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2012	150	700	531	321	1,702
Additions	0	0	15	103	118
Disposals	0	0	(310)	(168)	(478)
At 31 March 2013	<u>150</u>	<u>700</u>	<u>236</u>	<u>256</u>	<u>1,342</u>
Depreciation					
At 1 April 2012	0	22	474	292	788
Charge for year	0	22	16	15	53
Disposals	0	0	(310)	(168)	(478)
At 31 March 2013	<u>0</u>	<u>44</u>	<u>180</u>	<u>139</u>	<u>363</u>
Net book value					
At 31 March 2013	<u><u>150</u></u>	<u><u>656</u></u>	<u><u>56</u></u>	<u><u>117</u></u>	<u><u>979</u></u>

Seafish land and buildings is offices in Edinburgh. The office was surveyed and valued by Drivers Jonas Deloitte, independent Chartered Surveyors as at 31 March 2012 in accordance with the RICS Appraisal and Valuation Manual. This valuation at open market value for existing use is incorporated in Seafish accounts.

Continuing annual financial commitments in respect of short leaseholds are disclosed in note 13. Improvements, which include buildings on leased sites, are capitalised and are normally written off over the life of the leases as permitted under IAS 16.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

6. Property, plant and equipment (continued)

Analysis by type	Land £000	Buildings Excluding Dwellings £000	Furniture & Fittings £000	Information Technology £000	Total £000
Cost or valuation					
At 1 April 2011	150	700	530	311	1,691
Additions	0	0	1	15	16
Disposals	0	0	0	(5)	(5)
At 31 March 2012	150	700	531	321	1,702
Depreciation					
At 1 April 2011	0	0	453	282	735
Charge for year	0	22	21	14	57
Disposals	0	0	0	(4)	(4)
At 31 March 2012	0	22	474	292	788
Net book value					
At 31 March 2012	150	678	57	29	914

7. Intangible assets

Cost or valuation

At 1 April 2012	243
Additions	103
Disposals	(56)
At 31 March 2013	290

Amortisation

At 1 April 2012	243
Charged in year	3
Disposals	(56)
At 31 March 2013	190
Net book value at 31st March 2013	100

Intangible assets comprise software licenses.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

7 Intangible assets (continued)

Intangible assets: software at 31 March 2012 **£000**

Cost or valuation

At 1 April 2011	243
At 31 March 2012	<u>243</u>

Amortisation

At 1 April 2011	243
At 31 March 2012	<u>243</u>

Net book value at 31 March 2012	<u><u>0</u></u>
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8. Impairments

There were no impairments of fixed or intangible assets during the year (2012: nil).

9. Trade receivables and other current assets

	31 March 2013 £000	31 March 2012 £000
Amounts falling due within one year		
Trade receivables	909	483
Provision for impairment of trade and levy receivables	(7)	(187)
Levy receivables	1,769	1,952
Prepayments	89	1
Accrued Income	106	313
EU accrued income	787	728
	<u>3,653</u>	<u>3,290</u>

The above receivables include £738k (2012: £446k) being due from central government bodies.

Provision for impairment of trade and levy receivables

	2013 £000	2012 £000
Balance at 1 April	187	16
New provisions	7	187
Released during year	0	(8)
Utilised during year	(187)	(8)
Balance at 31 March	<u>7</u>	<u>187</u>

The above provision for impairment of trade and levy receivables includes nil (2012: £111k) in respect of amounts due from central government bodies and nil (2012: £73k) in respect of estimates due from levy debtors.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

10. Trade payables and other current liabilities

	31 March	31 March
	2013	2012
Amounts falling due within one year	£000	£000
Bank overdraft	12	0
Trade payables	216	547
Accruals	1,198	542
Deferred income	520	555
PAYE and social security	69	63
VAT	70	23
Corporation tax	31	5
Pensions contributions payable	34	32
	<u>2,150</u>	<u>1,767</u>

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

The above payables includes £266k (2012: £177k) being due to central government bodies.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11. Pension scheme arrangements

(a) Information on the Schemes

West Yorkshire Pension Fund (WYPF)

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

i.) Funded

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

ii.) Unfunded: West Yorkshire Pension Fund (WYPF)

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

The latest formal triennial actuarial valuation of Seafish's liabilities took place as at 31 March 2010. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The defined benefits obligation represents the amount of money that needs to be set aside now to meet the benefits that the employer is committed to provide for service up to the 31 March 2013 on the basis of the assumptions used.

The assets shown are an estimate of Seafish's notional share of the total Fund assets as at 31 March 2013. Seafish's notional share of assets is assumed to be invested in the same proportion as the Fund as a whole within the different asset classes. Seafish employs a block building block approach in determining a rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31 March 2013.

Seafish Pension and Life Assurance Fund (SPLAF)

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

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

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

(b) Amounts charged to statement of comprehensive income

	Funded	Non- funded	SPLAF	Total
	2013	2013	2013	2013
	£000	£000	£000	£000
Interest cost	(1,767)	(172)	(15)	(1,954)
Expected return on plan assets	2,282	0	0	2,282
Financing income/(expense) on pension scheme assets	515	(172)	(15)	328
Current service cost	(399)	0	0	(399)
Past service cost	(51)	0	0	(51)
	<hr/>	<hr/>	<hr/>	<hr/>
Total income/(expense) recognised	65	(172)	(15)	(122)
	<hr/>	<hr/>	<hr/>	<hr/>
	2012	2012	2012	2012
	£000	£000	£000	£000
Interest cost	(1,836)	(191)	(17)	(2,044)
Expected return on plan assets	2,520	0	0	2,520
Financing income/(expense) on pension scheme assets	684	(191)	(17)	476
Current service cost	(349)	0	0	(349)
Past service cost	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total income/(expense) recognised	335	(191)	(17)	127
	<hr/>	<hr/>	<hr/>	<hr/>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(c) Amounts charged to other comprehensive income

	Funded	Non- funded	SPLAF	Total
	2013	2013	2013	2013
	£000	£000	£000	£000
Actuarial gains on assets	2,507			2,507
Actuarial gains/(losses) on liabilities	(3,205)	(286)	9	(3,482)
	<u>(698)</u>	<u>(286)</u>	<u>9</u>	<u>(975)</u>
	2012	2012	2012	2012
	£000	£000	£000	£000
Actuarial losses on assets	(1,891)			(1,891)
Actuarial losses on liabilities	(3,538)	(313)	(37)	(3,888)
	<u>(5,429)</u>	<u>(313)</u>	<u>(37)</u>	<u>(5,779)</u>

(d) Movements in the fair value of scheme assets

	Funded	Non- funded	SPLAF	Total
	2013	2013	2013	2013
	£000	£000	£000	£000
At 1 April 2012	33,167	0	0	33,167
Expected return on scheme assets	2,282	0	0	2,282
Contributions	426	0	0	426
Actuarial gains and losses	2,507	0	0	2,507
Benefits/transfers paid	(1,732)	0	0	(1,732)
At 31 March 2013	<u>36,650</u>	<u>0</u>	<u>0</u>	<u>36,650</u>
	2012	2012	2012	2012
	£000	£000	£000	£000
At 1 April 2011	33,478	0	0	33,478
Expected return on scheme assets	2,520	0	0	2,520
Contributions	709	0	0	709
Actuarial gains and losses	(1,891)	0	0	(1,891)
Benefits/transfers paid	(1,649)	0	0	(1,649)
At 31 March 2012	<u>33,167</u>	<u>0</u>	<u>0</u>	<u>33,167</u>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(e) Movements in the present value of defined benefit obligation

	Funded	Non- funded	SPLAF	Total
	2013	2013	2013	2013
	£000	£000	£000	£000
At 1 April 2012	38,172	3,862	340	42,374
Current service cost	399	0	0	399
Interest cost	1,767	172	15	1,954
Contributions	130	0	0	130
Past service cost	51	0	0	51
Actuarial losses	3,205	286	(9)	3,482
Curtailments	0	0	0	0
Benefits/transfers paid	(1,732)	(244)	(30)	(2,006)
At 31 March 2013	<u>41,992</u>	<u>4,076</u>	<u>316</u>	<u>46,384</u>

	Funded	Non- funded	SPLAF	Total
	2012	2012	2012	2012
	£000	£000	£000	£000
At 1 April 2011	33,967	3,599	321	37,887
Current service cost	349	0	0	349
Interest cost	1,836	191	17	2,044
Contributions	131	0	0	131
Past service cost	0	0	0	0
Actuarial losses	3,538	313	37	3,888
Benefits/transfers paid	(1,649)	(241)	(35)	(1,925)
At 31 March 2012	<u>38,172</u>	<u>3,862</u>	<u>340</u>	<u>42,374</u>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(f) Analysis of the movement of the deficit in the year

	Funded	Non- funded	SPLAF	Total
	2013	2013	2013	2013
	£000	£000	£000	£000
Deficit at the start of the year	(5,005)	(3,862)	(340)	(9,207)
Contributions paid	296	0	0	296
Current service cost	(399)	0	0	(399)
Past service cost	(51)	0	0	(51)
Actuarial losses	(698)	(286)	9	(975)
Interest cost	(1,767)	(172)	(15)	(1,954)
Expected return on scheme assets	2,282	0	0	2,282
Benefits/transfers paid	0	244	30	274
	<u>(5,342)</u>	<u>(4,076)</u>	<u>(316)</u>	<u>(9,734)</u>
	2012	2012	2012	2012
	£000	£000	£000	£000
Deficit at the start of the year	(489)	(3,599)	(321)	(4,409)
Contributions paid	578	0	0	578
Current service cost	(349)	0	0	(349)
Past service cost	0	0	0	0
Actuarial losses	(5,429)	(313)	(37)	(5,779)
Interest cost	(1,836)	(191)	(17)	(2,044)
Expected return on scheme assets	2,520	0	0	2,520
Benefits/transfers paid	0	241	35	276
	<u>(5,005)</u>	<u>(3,862)</u>	<u>(340)</u>	<u>(9,207)</u>

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(g) Assets and expected return

	Long term expected rate of return at 31 March 2013 (% pa)	Asset split at 31 March 2013 (% pa)	Long term expected rate of return at 31 March 2012 (% pa)	Asset split at 31 March 2012 (% pa)
Equities	7.8	70.9	8.1	71.1
Property	7.3	3.3	7.6	3.6
Government bonds	2.8	12.4	3.1	12.6
Corporate bonds	3.8	6.0	3.7	5.4
Cash	0.9	2.9	1.8	2.8
Other	7.8	4.5	8.1	4.5
Total	6.7	100	7.0	100

(h) Assumptions

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

The most recent actuarial valuation of the fund was to March 2010. The principal assumptions used by the independent qualified actuary in updating this valuation were:

31 March 2013	Funded	Un-funded	SPLAF
Rate of inflation (RPI)	3.6%	3.5%	3.5%
Rate of inflation (CPI)	2.7%	2.6%	2.6%
Rate of increase in salaries	4.6%	N/A	N/A
Rate of increase in pensions	2.7%	2.6%	2.6%
Discount rate	4.3%	4.1%	4.1%
Mortality tables	1992 (PMA and PFA)		
31 March 2012	Funded	Un-funded	SPLAF
Rate of inflation (RPI)	3.5%	3.4%	3.4%
Rate of inflation (CPI)	2.5%	2.4%	2.4%
Rate of increase in salaries	5.0%	N/A	N/A
Rate of increase in pensions	2.5%	2.5%	2.4%
Discount rate	4.7%	4.6%	4.6%
Mortality tables	1992 (PMA and PFA)		

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(h) Assumptions (Continued)

Scheme assets

31 March 2013	Funded	Un-funded	SPLAF	Total
Equities	70.9%	70.9%	N/A	70.9%
Government bonds	12.4%	12.4%	N/A	12.4%
Other bonds	6.0%	6.0%	N/A	6.0%
Property	3.3%	3.3%	N/A	3.3%
Cash/liquidity	2.9%	2.9%	N/A	2.9%
Other	4.5%	4.5%	N/A	4.5%

Scheme assets

31 March 2012	Funded	Un-funded	SPLAF	Total
Equities	71.1%	71.1%	N/A	71.1%
Government bonds	12.6%	12.6%	N/A	12.6%
Other bonds	5.4%	5.4%	N/A	5.4%
Property	3.6%	3.6%	N/A	3.6%
Cash/liquidity	2.8%	2.8%	N/A	2.8%
Other	4.5%	4.5%	N/A	4.5%

(i) Sensitivity Analysis

IAS 1 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in Assumption	Approximate % increase in employer liability	Approximate monetary amount (£'000)
0.1% decrease in discount rate	1.6%	671
One year increase in member life expectancy	2.3%	958
0.1% increase in salary increase rate	0.2%	83
0.1% increase in pension increase rate	1.4%	574

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Pension scheme arrangements (continued)

(k) Historic trend data

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
FUNDED					
Present value of defined benefit obligations	(41,992)	(38,172)	(33,967)	(42,065)	(29,234)
Fair value of scheme assets	36,650	33,167	33,478	30,285	23,067
Deficit in the scheme	(5,342)	(5,005)	(489)	(11,780)	(6,167)
Experience adjustment on scheme liabilities	(1,767)	(1,836)	(2,101)	(2,035)	(2,056)
Percentage of scheme liabilities	4%	5%	6%	5%	7%
Experience adjustment on scheme assets	2,282	2,520	2,135	2,131	2,032
Percentage of scheme assets	6%	8%	6%	7%	9%
	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
UNFUNDED					
Present value of defined benefit obligations	(4,076)	(3,862)	(3,599)	(4,182)	(3,338)
Fair value of scheme assets	0	0	0	0	0
Deficit in the scheme	(4,076)	(3,862)	(3,599)	(4,182)	(3,338)
Experience adjustment on scheme liabilities	(172)	(191)	(206)	(229)	(231)
Percentage of scheme liabilities	4%	5%	6%	5%	7%
	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
PENSION AND LIFE ASSURANCE					
Present value of defined benefit obligations	(316)	(340)	(321)	(308)	(276)
Fair value of scheme assets	0	0	0	0	0
Deficit in the scheme	(316)	(340)	(321)	(308)	(276)
Experience adjustment on scheme liabilities	(15)	(17)	(15)	(18)	(19)
Percentage of scheme liabilities	5%	5%	5%	6%	7%

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

12. Events after the reporting date

Issue of accounts

In accordance with the requirements of IAS 10, events after 31 March 2013 are considered up to the date on which the accounts are authorised for issue. These accounts were authorised for issue on 13 November 2013.

Award of costs

In early 2009, Seafish was subject to a legal challenge in the High Court regarding the entitlement to raise levies on imported sea fish and sea fish products. The High Court ruled in Seafish's favour and ruled that the claimants meet Seafish's reasonable costs in connection with the case. This has been the subject of extended negotiation and it is anticipated that a settlement agreement will be concluded very shortly. However, given the uncertainty of the recoverable amount throughout the reporting period, no asset has been identified in the accounts.

13. Commitments under leases

Operating Leases

Total future minimum lease payments under operating leases are given in the table below analysed according to the period in which the lease expires.

	2013	2012
	£000	£000
Buildings:		
Not later than one year	94	96
Later than one year and not later than five years	360	358
Later than five years	0	86
	<u>454</u>	<u>540</u>
Other:		
Not later than one year	97	72
Later than one year and not later than five years	179	46
Later than five years	0	0
	<u>276</u>	<u>118</u>

Seafish also occupy a small office under licence in Hull at a cost of £1k per month.

14. Financial instruments

IAS 32, 39 and IFRS 7 Financial Instruments require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

14. Financial instruments (continued)

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

Liquidity risk

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

Interest rate risk

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

Credit risk

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

Foreign currency risk

Seafish has no foreign currency income or foreign currency expenditure other than in euros and Danish and Norwegian Kroner. All material assets and liabilities are denominated in sterling. Seafish is therefore not exposed to any significant foreign currency risk.

Fair values

The fair values of financial assets and financial liabilities for Seafish approximates to their book values.

Financial assets by category

	Loans and Receivables	2013 Total	Loans and Receivables	2012 Total
	£000	£000	£000	£000
Assets as per SFP:				
Trade Receivables	902	902	296	296
Levy Receivables	1,769	1,769	1,879	1,879
Cash at Bank and in Hand	9,532	9,532	8,867	8,867
Total	12,203	12,203	11,042	11,042

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

14. Financial instruments (continued)

An analysis of the ageing of the impaired trade receivables is shown below.

	31 March 2013 £000	31 March 2012 £000
Trade receivables		
Less than one month	212	90
More than one month less than three months	33	3
More than three months	657	203
	<u>902</u>	<u>296</u>

Financial liabilities by category

	Financial Liabilities £000	2013 Total £000	Financial Liabilities £000	2012 Total £000
Liabilities as per SFP:				
Trade Payables	216	216	547	547
Other Payables	1,752	1,752	1,129	1,129
Bank overdraft	12	12		
Total	<u>1,980</u>	<u>1,980</u>	<u>1,676</u>	<u>1,676</u>

The above figures exclude statutory payables, which relates to VAT and Corporation Tax due to HM Revenue & Customs.

15. Cash and cash equivalents

	31 March 2013 £000	31 March 2012 £000
Balance at 1 April	8,867	1,309
Net change in cash and cash equivalent balances	665	7,558
Balance at 31 March	<u>9,532</u>	<u>8,867</u>
The following balances at 31 March were held at:		
Cash in hand	3	3
Cash held with commercial banks	1,437	2,714
Short term investments	8,092	6,150
Balance at 31 March	<u>9,532</u>	<u>8,867</u>

The short term investments represent funds placed on fixed deposits for between 30 and 95 days.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

16. Related party transactions

Seafish is a Non Departmental Public Body (NDPB), funded by statutory levies and sponsored by the Defra. Defra is regarded as a related party and the ultimate controlling party. During the year, Seafish has had a number of transactions with Defra, and a number of material transactions with one of its sponsored bodies, the Marine Management Organisation, and with other Government Departments and their sponsored bodies; notably the Scottish Government; Department of Agriculture and Rural Development (Northern Ireland); and the Welsh Government.

These income transactions predominantly relate to the processing of EFF grants for approved projects as follows:

Transactions during the year to 31 March 2013 **£**

Marine Management Organisation	292,849
Scottish Government	82,263
Welsh Government	12,886
Department of Agriculture and Rural Development (NI)	60,348

The balances payable to Seafish at 31 March 2013 were: **£**

Marine Management Organisation	403,455
Scottish Government	208,524
Welsh Government	75,163
Department of Agriculture and Rural Development (NI)	51,440

The balance payable by Seafish at 31 March 2013 was: **2013**
£

Welsh Government	90,527
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No expenditure transactions with the Welsh Government were processed throughout the year to 31 March 2013.

Seafish also had transactions with HM Revenue & Customs.

**THE SEA FISH INDUSTRY AUTHORITY
NOTES TO ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

16. Related Party Transactions (continued)

In addition, Seafish was involved in the following related party transactions during the year which are considered to be material. All payments were made by 31 March 2013 unless otherwise stated:

Chairman Mr J S Whitehead was:

- A trustee of Billingsgate Seafood Training School which was paid £10,708 by Seafish and from whom Seafish received £752.

Deputy Chair Ms J Ryder is:

- A board member of Marine Management Organisation from whom Seafish received £292,849.

Board Member Mr P Hajpieris is:

- A director of Birds Eye Iglo Limited from whom Seafish received £534,696.

Board Member Mr M Park is:

- A director of Scottish Fishermen's Federation Services which was paid £40,387 by Seafish.

Board Member Mr J Wilson is:

- A director of Deep Dock Ltd from whom Seafish received £2,993.

Chief Executive Officer Dr P Williams is:

- A director of Whitby & District Fish Industry Training School which was paid £50,920 by Seafish and from whom Seafish received £130.

Development Director Dr J Harman was:

- A director of Seafood Scotland Ltd which was paid £120,066 by Seafish and from whom Seafish received £136,586. Seafood Scotland Ltd owed Seafish a balance of £434 at 31 March 2013.

17. Impending application of newly issued accounting standards not yet effective

All International Reporting Standards (IFRS), Interpretations and Amendments to Published Standards, effective at March 2013 have been adopted in these financial statements, taking into account the specific interpretations and adaptations included within the FReM.

Seafish has reviewed the IFRS's in issue but not yet effective, to determine if there is a requirement to make any disclosures. None are thought to be of significant impact to Seafish and no disclosures have been made.



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