# E D & F MAN FISHOILS LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR YEAR ENDED 30 SEPTEMBER 2019

Company Number: 02697807

# GENERAL INFORMATION

**Directors**

K R Bayfield
I Falshaw
M D Innes (resigned 6 March 2020)
J B G Laing (resigned 29 September 2020)

**Company secretary**

G A Bassey

**Company Registration Number**

02697807

**Registered office**

E D & F Man Fishoils Limited
3 London Bridge Street
London
SE1 9SG

**Auditor**

Ernst & Young LLP
1 More London Place
London SE1 2AF

E D & F MAN FISHOILS LIMITED
Company Number: 02697807

# Strategic Report

### Business review and future developments

The Company's business activities, future developments and performance measurements are set out below.

The directors consider the future prospects of the fishoil business are good. The Company monitors performance on an on-going basis. The key performance indicator is considered to be profit after taxation.

### Principal risks and uncertainties

The Company's business carries a number of risks and uncertainties including fluctuations in interest rates, foreign currency exchange rates, commodity prices, counterparty risks, country risks and operational risks which include freight, insurance and legal risks in different jurisdictions. The Company mitigates these risks by employing dedicated, in-house legal and insurance professionals, and through the operation of the Company's risk function.

### Market risk

**a) Commodity price risk**
The Company manages certain aspects of its exposures to commodity price risk by matching physical commodity sale and purchase. Price risk exposures are monitored daily, reported weekly and reviewed by the Company's risk function.

**b) Interest rate risk**
This risk is managed by the E D & F Man Holdings Limited group on the Company's behalf. The group's policy is to borrow funds at floating rates of interest that broadly match the period in which the group owns or economically finances its underlying commodity purchases.

**c) Foreign currency exchange risk**
The Company's policy is not to speculate on foreign currency and cover is taken on transactions when exposure arises. The Company has minimal exposure to transactional foreign currency risk.

The presentational currency of the Company's financial statements is United States dollars as this is the currency in which the majority of the Company's activities is conducted.

### Credit risk

Credit risk is the potential exposure of the Company to loss in the event of non-performance by a counterparty. The Company controls credit risk through credit approval processes for new counterparties, limits for all counterparties, annual re-assessment of significant counterparty limits and weekly monitoring of individual exposures against limits by the Company's risk function.

### Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generation by its operations, and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating up to Group board level and cash payback periods applied as part of the investment appraisal process. In this way the Company aims to maintain a good credit rating to facilitate fund raising.

By Order of the Board

**G A BASSEY**
**Secretary**
15 December 2020

# Directors' Report

The directors present their report and financial statements for year ended 30 September 2019.

### Results and dividends

The audited financial statements for the Company are shown on pages 7 to 17. The profit for the year to 30 September 2019 after taxation amounted to $3.184m (30 September 2018: $2.693m). The directors approved the payment of a dividend in 2019 of $14m (2018: nil).

### Financial risks and future developments

The Directors have chosen to include information on financial risks and future developments in their Strategic Report.

### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives continues at all levels, with the aim of ensuring their views are taken into account when decisions are made which are likely to affect their interests.

### Supplier payment policy and practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with.

### Donations

The Company made no political donations in either year.

### Directors

The directors who held office during the period were as follows:

K R Bayfield
I Falshaw
M D Innes
J B G Laing

# Directors' Report (continued)

**The Directors and their interests in shares of the company**

The directors who served the Company during the year and changes since 30 September 2018 are listed above. None of the directors had any beneficial interest in the shares of the company.

**Disclosure of information to auditors**

To the best of the directors' knowledge, there is no relevant audit information of which the Company's auditors are unaware. The directors have also taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are also aware of that information.

**Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework.

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies that have been used and applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that they have complied with these requirements.

**Going concern**

The directors carried out a review of the going concern status of the Company by considering the anticipated level of financial support available from the parent undertaking. The directors consider that financial position and performance of the parent and their available funding are sufficient given stable cash inflow from contracts with the customers, sufficient cash available on bank accounts and open credit limits with the banks. The parent has given a written undertaking that it will continue to support the Company to allow it to meet its liabilities as they fall due.

The Directors of the Company consider that it has adequate financial resources so that the Company is in the position to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements of the Company.

**Events after the reporting period**

In February 2020 the directors recommend the payment of an interim dividend of $7,925,000.

Management does not expect that the COVID-19 outbreak will have significant impact on the global FishOil business and we have not observed any reduction in demand, production, or logistics availability at this time. Our long-term outlook remains positive with short and medium term contracts in place and no current or expected defaults as supplier's and customer's businesses remain viable. To date, no supplier or customer has requested significant increases in terms (payment or sale) and existing contract terms have been met.

# Directors' Report (continued)

The FishOil trade is regarded as an essential business and part of the food-chain in destination countries such as Norway, Canada, and the UK. Our storage facility in Denmark is operational and has not had any interruption in day to day business. COVID has not caused any disruption to the discharge of scheduled cargos.

Management therefore have concluded that the COVID-19 pandemic will not impact revenues within the next 12 months.

**Indemnity**

During the period under review, the Company had in force an indemnity provision in favour of one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006.

**Auditors**

Ernst & Young LLP will be deemed re-appointed as the Company's auditor in accordance with section 487(2) Companies Act 2006.

By Order of the Board

G Bassey

**G A BASSEY**
**Secretary**
15 December 2020

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN FISHOILS LIMITED

## Opinion

We have audited the financial statements of ED&F Man Fishoils Limited for the year ended 30 September 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E D & F MAN FISHOILS LIMITED (continued)

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

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

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

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

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

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

### Use of our report

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

Ernst & Young LLP

Andrew Smyth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 December 2020

E D & F MAN FISHOILS LIMITED
Company Number: 02697807

# Profit and Loss Account

For year ended 30 September 2019

| | Note | 2019 | 2018 |
|---|---|---|---|
| | | **$'000** | **$'000** |
| Revenue | 2 | 113,866 | 125,877 |
| Cost of goods sold | | (108,626) | (121,540) |
| Gross profit | | 5,240 | 4,337 |
| Operating expenses | | (991) | (728) |
| **Operating profit** | 2 | 4,249 | 3,609 |
| Interest payable and similar charges | 5 | (518) | (371) |
| Interest receivable | 5 | 203 | 86 |
| **Profit on ordinary activities before taxation** | | 3,934 | 3,324 |
| Taxation | 6 | (750) | (631) |
| **Profit for the year** | | **3,184** | **2,693** |

The Company has no other comprehensive income other than the profit above.

All disclosures relate only to continuing operations.

E D & F MAN FISHOILS LIMITED
Company Number: 02697807

# Balance Sheet
At 30 September 2019

| | Note | 2019 $'000 | 2018 $'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Debtors | 7, 9 | 4 | 5 |
| **Current assets** | | | |
| Inventory | 8 | 29,979 | 19,725 |
| Debtors | 9 | 5,474 | 13,380 |
| Cash | 10 | 4,074 | - |
| | | 39,527 | 33,105 |
| **Creditors: amounts falling due within one year** | 11 | (22,732) | (5,493) |
| **Net current assets** | | 16,795 | 27,612 |
| **Net assets** | | **16,799** | **27,617** |
| **Capital and Reserves** | | | |
| Called up share capital | 12 | 12,750 | 12,750 |
| Profit and loss account | | 4,049 | 14,867 |
| **Equity shareholders' funds** | | **16,799** | **27,617** |

The financial statements on pages 8 to 19 were approved by the Board on 15 December 2020 and were signed on its behalf by:

**Keith Bayfield**
**Director**

E D & F MAN FISHOILS LIMITED
Company Number: 02697807

## Statement of Changes in Equity

For the year ended 30 September 2019

| | Called Up Share Capital $'000 | Profit and Loss Account $'000 | Total Equity $'000 |
|---|---|---|---|
| At 1 October 2017 | 12,750 | 12,173 | 24,923 |
| Profit for the year | - | 2,693 | 2,693 |
| Share based payments | - | 1 | 1 |
| **At 30 September 2018** | **12,750** | **14,867** | **27,617** |
| At 1 October 2018 | 12,750 | 14,867 | 27,617 |
| Profit for the year | - | 3,184 | 3,184 |
| Share based payments | | (2) | (2) |
| Dividend | - | (14,000) | (14,000) |
| **At 30 September 2019** | **12,750** | **4,049** | **16,799** |

# Notes to the Financial Statements

## 1. Accounting policies

### Basis of accounting

E D & F Man Fishoils Limited is a private company limited by shares incorporated, registered and domiciled in England and Wales, 3 London Bridge Street, London SE1 9SG Company number 02697807.

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS101). Under this standard the accounts have been prepared by applying a financial reporting framework based on the recognition and measurement requirements of EU-adopted IFRS, as amended where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, but with reduced disclosure requirements, on the basis that equivalent disclosures have been made in the consolidated financial statements of the company's ultimate parent.

The financial statements have been prepared under the historical cost basis in accordance with the Companies Act 2006 and EU-adopted IFRS. The financial statements have been rounded to the nearest $1,000 unless stated otherwise.

The financial statements are prepared in United States Dollars which is the functional currency of the Company as this is the currency in which the majority of the Company's trading transactions are denominated.

The average exchange rate between British Pounds and US Dollars for the year was USD 1.28 (2018: USD 1.345) and the year-end exchange rate between British Pounds and US Dollars was USD 1.23 (2018: USD 1.300).

FRS101 grants exemptions from the disclosure requirements of certain EU-adopted IFRSs. The company has taken advantage of the following disclosure exemptions:

- No Statement of Cash Flows has been presented
- The Financial Instrument disclosures required by IFRS7
- Related Party disclosures in respect of transactions with wholly-owned members of the ultimate parent and key management personnel compensation have not been presented.
- Certain disclosures in respect of Share Based Payments have not been presented.
- Disclosures in respect of the estimated effect of new IFRS issued but not yet effective have not been presented.

The company is able to apply these exemptions as its financial statements are consolidated in the financial statements of its ultimate parent company, E D & F Man Holdings Limited (see note 17) prepared under EU-adopted IFRS.

### Going concern

The directors carried out a review of the going concern status of the Company by considering the anticipated level of financial support available from the parent undertaking. The directors consider that financial position and performance of the parent and their available funding are sufficient given stable cash inflow from contracts with the customers, sufficient cash available on bank accounts and open credit limits with the banks. The parent has given a written undertaking that it will continue to support the Company to allow it to meet its liabilities as they fall due.

Accordingly, the directors have prepared their budgets and cash flow forecast as well as completing a reverse stress test to assess the liquidity requirements of the Company. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future with support from the parent. On this basis the directors are satisfied that the financial statements were prepared on a going concern basis.

# Notes to the Financial Statements (continued)

## 1. Accounting policies (continued)

### Revenue Recognition

The company adopted IFRS 15 from 1 October 2018. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company has applied the modified retrospective method of adoption effective 1 October 2018. The Company has opted not to restate prior year disclosure for comparative purposes.

The Company's core business is the sale of fish oil related products to end consumers. The new standard has not had an impact on the Company's profits from contracts with customers under which the sale of fish oil is generally the only contractual obligation. Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance when control of the asset is transferred to the customer, which is customarily when the goods are loaded on vessel. Revenue is measured at the fair value of the consideration received, excluding any variable considerations, rights of return, discounts, rebates, VAT and other sales tax or duty.

The Directors have concluded that the adoption of IFRS 15 did not have a material impact on the opening balances as at 1 October 2018.

### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or an average rate for the year. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

### Financial Instruments

**Financial assets and financial liabilities**
**Financial Assets**
Financial assets are classified in accordance with how they are measured on the basis of the corresponding business model and the characteristics of the contractual cash flows. The company has only one category of financial assets:

a) Financial assets at amortised cost
These are non-derivative financial assets that are held in order to collect their contractual cash flows and those contractual cash flows represent solely payments of principal and interest. They are included in current assets, except for amounts maturing more than 12 months from the end of the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Interest income from these financial assets is recognised in finance income; any gain or loss arising on their derecognition and any impairment losses are recognised directly in profit and loss as they arise.

Financial assets are derecognised when the contractual rights to the related cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership of the assets. If substantially all the risks and rewards have been retained, the financial asset is not derecognised; instead the Company recognises a financial liability in the amount of any consideration received in exchange for the transfer.

# Notes to the Financial Statements (continued)

## 1. Accounting policies (continued)

Agreements for the transfer of account receivables are considered non-recourse factoring agreements if the risks and rewards of ownership of the receivables have been transferred substantially. The financial asset impairment model is based on expected credit losses. The Company accounts for expected credit losses, and any changes therein, at every reporting date, to reflect changes in credit risk since the date of initial recognition without waiting for an impairment event to occur.

The Company applies a simplified expected loss approach for trade and other account receivable that do not contain a significant financing component. Under the simplified approach, the Company recognises a loss allowance from the outset based on lifetime expected credit losses using available information about past events (such as historical customer default rates), current conditions and forward-looking estimates that could affect the creditworthiness of its debtors.

**Financial liabilities**

a) Financial liabilities at amortised cost
Trade and other current accounts payable are financial liabilities and are initially recognised at fair value; they do not explicitly accrue interest and are recognised at their face value.

**Inventory**

Inventories are valued at the lower of cost or net realisable value. Cost includes those costs in bringing the stocks to their present location and condition. The calculation of net realisable value takes into account any relevant forward commitments and is based on estimated selling price less any further costs expected to be incurred in relation to disposal.

**Pensions**

Certain of the Company's employees are members of a defined contribution occupational pension scheme, administered by the Company's ultimate parent undertaking, E D & F Man Holdings Limited. Company contributions are charged to the profit and loss account when they become payable.

**Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and when appropriate, the risks specific to the liability.

**Taxation**

Tax on the profit and loss for the year comprises current and deferred taxation. Tax is recognised in the Profit and Loss Account. Current taxation is the expected tax payable on the taxable profit for the year and any adjustments to tax payable in respect of previous years.

A deferred tax asset or liability is recognised in respect of all deductible or taxable temporary differences between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

# Notes to the Financial Statements (continued)

## 1. Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the year end date.

**Employee share option schemes**

The Company's ultimate parent, E D & F Man Holdings Limited, issues equity-settled share-based payments to certain of the Company's employees (including directors) whereby employees render services in exchange for shares or rights over shares.

The cost of the share-based payment transactions with employees is measured by reference to the fair value of the shares awarded as at the date the award is granted.

The cost of share-based payments is recognised in the Profit and Loss account, together with a corresponding entry in the Profit and Loss reserve, over the performance period and the period after which the relevant employees become fully entitled to the award (the "vesting period"). At each Balance Sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. The movement in cumulative expense since the prior Balance Sheet date is recognised in the Profit and Loss account, with the corresponding entry in equity.

**Significant accounting judgements and estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual outcomes could differ from these estimates.

## 2. Operating profit and revenue

Operating profit is stated after charging:

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| Expenses arising from share option plans | 18 | 16 |
| Auditors' remuneration - audit services – UK | - | - |

The audit fee was borne by another group entity. The total audit and non-audit fees paid to the auditor in respect of services provided to the ED&F Man Holdings Limited Group are included in the Group Financial Statements.

All Revenue arises from the sale of goods to customers.

## 3. Staff Costs

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| Emoluments | 118 | 119 |
| Amounts awarded in respect of long-term incentive schemes | 20 | 15 |
| Amounts charged in respect of pension schemes | 17 | 17 |
| | 155 | 151 |

| | 2019 Number | 2018 Number |
|---|---|---|
| The average monthly number of employees during the year, including directors, was: | 1 | 1 |

# Notes to the Financial Statements (continued)

## 4. Directors' Emoluments

| | 2019<br>$000 | 2018<br>$000 |
|---|---|---|
| Emoluments | 118 | 119 |
| Amounts awarded in respect to long-term incentive schemes | 20 | 15 |
| Amounts charged in respect of pension schemes | 17 | 17 |
| | 155 | 151 |

| | 2019<br>Number | 2018<br>Number |
|---|---|---|
| Members of money purchase schemes | 1 | 1 |
| Directors who exercised share options | 1 | 1 |

Three directors of the Company receive emoluments for their services as employees of other group companies. These directors do not believe that it is practicable to apportion the amount paid between their services as directors or employees of other group companies and their services as directors of the Company.

## 5. Interest and similar charges

| | 2019<br>$'000 | 2018<br>$'000 |
|---|---|---|
| Interest payable on: | | |
| - loans from group undertakings | (91) | (76) |
| -Other | (427) | (295) |
| Interest receivable on: | | |
| - loans to group undertakings | 203 | 86 |
| | | |

# Notes to the Financial Statements (continued)

## 6. Tax on profit on ordinary activities

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| UK corporation tax at 19.0% (2018: 19.0%) | 749 | 632 |
| Current tax | 749 | 632 |
| Deferred tax: | | |
| Origination and reversal of timing differences | 1 | (1) |
| Tax on profit on ordinary activities | 750 | 631 |

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| Reconciliation of the taxation charge | | |
| Profit before tax | 3,934 | 3,324 |
| Charge at UK tax rate of 19.0% (2018: 19.0%) | 748 | 632 |
| Expenses not deductible for tax purposes | 1 | - |
| Others | 1 | - |
| Prior year adjustment | - | (1) |
| Total taxation | 750 | 631 |

## 7. Deferred tax asset

| | $'000 |
|---|---|
| At 1 October 2018 | 5 |
| Credited during the year | (1) |
| **At 30 September 2019 (Note 9)** | 4 |

| **Analysis of deferred tax asset** | 2019 $'000 | 2018 $'000 |
|---|---|---|
| In respect of share based payments | 4 | 5 |

## 8. Inventory

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| Goods held for sale | 29,979 | 19,725 |
| | 29,979 | 19,725 |

During the year inventories of $108,626,121 (2018 - $119,959,697) were recognised as an expense in Cost of Goods Sold. Inventories written down to net realisable value in the year was $0 (2018 - $0).

# Notes to the Financial Statements (continued)

## 9. Debtors

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade debtors | 4,038 | 6,310 |
| Other debtors | - | 15 |
| Amounts owed by group undertakings | 1,436 | 7,055 |
| | 5,474 | 13,380 |
| **Amounts falling due after one year** | | |
| Deferred Tax | 4 | 5 |
| **Total Debtors** | 5,478 | 13,385 |

## 10. Cash

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| Cash in bank | 4,074 | - |
| | 4,074 | - |

## 11. Creditors – trade and other payables

| | 2019 $'000 | 2018 $'000 |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade creditors | 4,818 | 4,273 |
| Amounts owed to group undertakings | 10,808 | 788 |
| Other creditors | 49 | 322 |
| Accruals | 7,057 | 110 |
| | 22,732 | 5,493 |

## 12. Share capital

| | Authorised Number | Authorised $'000 | Issued and Fully paid Number | Issued and Fully paid $'000 |
|---|---|---|---|---|
| Ordinary shares of $1 each attributable to equity interests | | | | |
| **At 1 October 2018 and 30 September 2019** | 12,750,000 | 12,750 | 12,750,000 | 12,750 |

# Notes to the Financial Statements (continued)

## 13. Share based payments

### Share options

The Company makes conditional share awards to some employees under annual schemes based on the performance of the individual and of the Company during the previous financial year. The schemes permit the employee to purchase a defined number of shares over a vesting period ranging from 1 to 4 years after the date of grant of award. The individual's total annual conditional share awards are exercisable at an aggregate price of $1 and lapse within a maximum of four years after the grant/ vesting date of award.

A charge in respect of employee share based payments is recognised in the profit and loss account, with a corresponding entry in the profit and loss reserve, and reflects the fair value of the services received. The fair value of the service is determined using a valuation technique based on the fair value of the equity instruments granted and is spread over the performance and vesting period. The charge to the profit and loss account is on the basis that no awards will lapse prior to vesting.

The charge for year ended 30 September 2019 was $18,291 (year ended 30 September 2018: $16,449).

The weighted average remaining contractual life of share options outstanding at end of year was 0.99 years (361 days).

## 14. Related party transactions

No related party transactions were entered into during the year ended 30 September 2019 other than transactions with the wholly owned subsidiary undertakings of the parent. During the previous year the Company did not have any related party transactions.

## 15. Commitments and contingencies

There are no other commitments and contingencies for the Company.

## 16. Events after the reporting period

In February 2020 the directors recommend the payment of an interim dividend of $7,925,000.

Management does not expect that the COVID-19 outbreak will have significant impact on the global FishOil business and we have not observed any reduction in demand, production, or logistics availability at this time. Our long-term outlook remains positive with short and medium term contracts in place and no current or expected defaults as supplier's and customer's businesses remain viable. To date, no supplier or customer has requested significant increases in terms (payment or sale) and existing contract terms have been met.

The FishOil trade is regarded as an essential business and part of the food-chain in destination countries such as Norway, Canada, and the UK. Our storage facility in Denmark is operational and has not had any interruption in day to day business. COVID has not caused any disruption to the discharge of scheduled cargos.

Management therefore have concluded that the COVID-19 pandemic will not impact revenues within the next 12 months.

# Notes to the Financial Statements (continued)

**17. Ultimate parent undertaking**

The immediate parent undertaking at the balance sheet date was Agman Holdings Limited. Subsequent to this, on 15 April 2020 the immediate parent changed to E D & F Man Commodities Limited. The ultimate parent undertaking, E D & F Man Holdings Limited, a company registered in England and Wales remained the same throughout. The financial statements of E D & F Man Holdings Limited are available from:

E D & F Man Holdings Limited
3 London Bridge Street
London
SE1 9SG

The smallest group of undertakings of which the Company is a member that draws up group financial statements is that of E D & F Man Holdings Limited.