

Seamark plc

Report and Financial Statements

Year Ended

31 December 2012

Company Number 02575875



Seamark plc

Report and financial statements for the year ended 31 December 2012

Contents

Page:

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Statement of total recognised gains and losses and reconciliation of movements in shareholders' funds
8	Balance sheet
9	Cash flow statement
10	Notes forming part of the financial statements

Directors

B Ahmed
K Ahmed
I Ahmed

Secretary and registered office

B Ahmed, Hulme Hall Lane, Lord North Street, Miles Platting, Manchester, M40 8AD

Company number

02575875

Auditors

BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

Seamark plc

Report of the directors for the year ended 31 December 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities, trading review and future developments

The principal activity of the company continued to be that of the storage, processing, wholesaling and export of frozen seafoods and poultry

Business review

Trading conditions during 2012 were particularly challenging. After a number of years of price stability the global seafood market experienced substantial price reductions reflecting the adverse effect on demand of recessionary trading conditions particularly in Europe and this impacted on margins. Furthermore the company focussed on reducing stock levels which had a favourable effect on operational cash flow enabling long term debt to be reduced but also affected margin adversely.

The continued uncertainty and volatility within the Eurozone which is the company's largest market was detrimental although the company was successful in increasing sales within its largest European market, Germany.

The company's Key Performance Indicators (KPI's) are revenue growth and gross profit.

For the year under review, the company reported a decrease in turnover of 14% (2011 12% increase).

The decrease in gross profit resulted from weak market demand leading to lower than expected profit margins on certain product lines.

The company successfully renewed its banking facilities on 27th June 2013.

The directors believe the company is well placed to benefit from improvement in the market and expects to return to profitability in 2013.

Results and dividends

The results are set out on page 6.

No dividends (2011 £nil) were paid during the year.

Directors

The following directors have held office since 1 January 2012:

B Ahmed

K Ahmed

I Ahmed

Seamark plc

Report of the directors for the year ended 31 December 2012 (*continued*)

Principal Risks

The company is exposed to a variety of risks through its operations which include price risk, credit risk, liquidity risk and exchange risk

Price risk

The company is exposed to changes in the market price of its raw materials reflecting availability of produce and local inflationary and foreign exchange pressures. Availability is driven by both local supply conditions and global issues and the company manages the associated risks through strong relationships with its suppliers.

Credit risk

Credit risk is managed through a combination of credit insurance supported by strong credit management and the application of individual credit limits and the maintenance of strong relationships with its customers.

Liquidity risk

The company is funded through bank loan and overdraft facilities together with some extended credit from related party suppliers. The company has agreed term loans in place and has renewed its overdraft facilities during the year and expects further renewal at the appropriate review date.

Exchange risk

The company trades in sterling, US dollars and Euros using appropriate currency accounts and whilst there is some natural hedge where sales and purchases are made in the same currency the company is exposed to fluctuation on a proportion of its currency transactions. The company works with its bankers to manage this exposure to minimise risk and the currency position is monitored daily and exchange transactions are transacted when the rates are beneficial.

Seamark plc

Report of the directors for the year ended 31 December 2012 (continued)

Directors' responsibilities

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

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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

By order of the Board



K Ahmed
Director

DATE 28th November 2013

Seamark plc

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAMARK PLC

We have audited the financial statements of Seamark plc for the year ended 31 December 2012 which comprise the profit and loss account, reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the company's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Seamark plc

Independent auditor's report

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, 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



29 November 2013.

*Julien Rye (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Seamark plc

Profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	4	59,845,598	69,316,997
Cost of sales		(57,132,688)	(62,702,084)
Gross profit		2,712,910	6,614,913
Distribution costs		(937,615)	(1,071,613)
Administrative expenses		(3,307,099)	(3,848,432)
		(1,531,804)	1,694,868
Other operating income	7	1,402,631	289,693
Operating (loss)/profit	7	(129,173)	1,984,561
Interest receivable and similar income		-	-
Interest payable and similar charges	8	(533,865)	(506,123)
(Loss)/Profit on ordinary activities before taxation		(663,038)	1,478,438
Taxation on profit from ordinary activities	9	133,933	(410,027)
(Loss)/Profit on ordinary activities after taxation		(529,105)	1,068,411

All amounts relate to continuing activities

There are no recognised gains or losses other than the loss for the year

The notes on pages 10 to 23 form part of these financial statements

Seamark plc

Reconciliation of movements in shareholders' funds for the year ended 31 December 2012

	Note	2012	2011
		£	£
Reconciliation of movements in shareholders' funds			
(Loss)/profit for the year		(529,105)	1,068,411
Opening shareholders' funds			
- At beginning of year		15,506,321	14,437,910
Closing shareholders' funds		<u>14,977,216</u>	<u>15,506,321</u>

The notes on pages 10 to 23 form part of these financial statements

Seamark plc

Balance sheet at 31 December 2012

<i>Company number 02575875</i>	Note	2012	2012	2011	2011
		£	£	£	£
Fixed assets					
Tangible assets	10		10,053,083		10,400,033
Current assets					
Stocks	11	11,405,621		19,361,708	
Debtors	12	11,375,337		12,874,309	
Cash at bank and in hand		46,222		200	
		22,827,180		32,236,217	
Creditors: amounts falling due within one year	13	(15,114,175)		(23,293,281)	
Net current assets			7,713,005		8,942,936
Total assets less current liabilities			17,766,088		19,342,969
Creditors: amounts falling due after more than one year	14	(1,217,574)		(2,172,807)	
Provisions for liabilities	15	(874,950)		(914,693)	
Accruals and deferred income	16	(696,348)		(749,148)	
			(2,788,872)		(3,836,648)
			14,977,216		15,506,321
Capital and reserves					
Called up share capital	17		60,000		60,000
Profit and loss account	19		14,917,216		15,446,321
Shareholders' funds			14,977,216		15,506,321

The financial statements were approved by the Board of Directors and authorised for issue on 28/11/13]


K Ahmed
Director

The notes on pages 10 to 23 form part of these financial statements

Seamark plc

Cash flow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	21		1,851,967		1,101,530
Returns on investments and servicing of finance					
Interest received		-		-	
Interest paid	8	(533,865)		(506,123)	
Interest element of finance lease rental payments		-		-	
Net cash outflow from returns on investments and servicing of finance			(533,865)		(506,123)
Taxation					
UK corporation tax paid			(468,367)		(35,615)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(235,408)		(156,945)	
Sale of tangible fixed assets		17,000		-	
			(218,408)		(156,945)
Cash inflow before use of liquid resources and financing			631,327		402,847
Financing					
Bank loan repaid		(1,043,473)		(1,043,471)	
Capital element of finance lease rental payments		(2,958)		(39,971)	
			(1,046,431)		(1,083,442)
Decrease in cash			(415,104)		(680,595)

The notes on pages 10 to 23 form part of these financial statements

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable standards in the United Kingdom

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery

Fixed assets

Tangible fixed assets are shown at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates

Freehold land and buildings	-	4% per annum
Plant, machinery and motor vehicles	-	20 - 33% per annum
Fixtures, fittings and equipment	-	10% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. The value of work in progress and processed finished goods includes directly attributable overheads

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1 Accounting policies (*continued*)

Taxation

The charge for taxation is based on the profit for the year and taken into account taxation deferred

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1 Accounting policies (*continued*)

Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

2 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

3 Government grants

Grants in respect of capital expenditure are credited to deferred income and released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

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Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

4 Turnover

The turnover and operating profit for the year was derived from the company's principal activity

Geographical market

	2012 £	2011 £
Italy	4,605,956	4,782,701
Belgium	3,950,623	5,842,599
Germany	15,026,116	14,727,158
Greece	706,721	171,467
France	2,828,520	4,294,019
Holland	3,049,807	3,937,955
Denmark	2,295,826	3,378,421
Other exports	9,227,286	11,751,112
United Kingdom	18,154,743	20,431,565
	59,845,598	69,316,997

Turnover is wholly attributable to the principal activity of the company

5 Employees

	2012 £	2011 £
Staff costs consist of		
Wages and salaries	2,919,359	2,261,513
Social security costs	218,264	119,515
Other pension costs	150,000	150,000
	3,287,623	2,531,028

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Administration	39	40
Management	3	3
Production	79	75
Restaurant	53	69
	174	187

There were 3 (2011 - 3) directors in the company's defined contribution pension scheme during the year

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

6 Directors

	2012 £	2011 £
Directors' remuneration consist of		
Emoluments	223,000	223,000
Payments to personal pension scheme	150,000	150,000
	<u>373,000</u>	<u>373,000</u>

During 2010 the directors announced a bonus of £732,000 that was not paid and that was reversed in the prior year

Highest paid director

Emoluments	98,000	98,000
	<u>98,000</u>	<u>98,000</u>
Amounts paid to the company's defined contribution pension scheme	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

7 Operating (loss)/profit

	2012 £	2011 £
This has been arrived at after charging/(crediting)		
Depreciation	565,121	565,211
Hire of other assets - operating leases	464,000	464,000
Auditors' remuneration	11,700	11,700
Remuneration of auditors for non-audit work	4,000	4,000
Foreign exchange differences	(858,040)	476,005
Other operating income includes		
Management recharges	(1,015,109)	-
Rental income	(240,000)	(240,000)
Other	(147,522)	(49,693)
	<u>(1,412,631)</u>	<u>(289,693)</u>

8 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	533,865	506,123
	<u>533,865</u>	<u>506,123</u>

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

9 Taxation on profit from ordinary activities

	2012 £	2012 £	2011 £	2011 £
<i>Current tax</i>				
UK corporation tax on profits of the year	(97,110)		221,741	
Adjustment in respect of previous years	2,920		202,796	
Total current tax		(94,190)		424,537
<i>Deferred tax</i>				
Origination and reversal of timing differences	61,777		257,463	
Effect of reduced tax rate on opening liability	(70,711)		(73,175)	
Adjustment in respect of previous years	(30,809)		(198,798)	
Movement in deferred tax provision (note 15)		(39,743)		(14,510)
Taxation on profit on ordinary activities		(133,933)		410,027

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2012 £	2011 £
Profit/loss on ordinary activities before tax	(663,038)	1,478,438
Profit/loss on ordinary activities at the standard rate of corporation tax in the UK of 26.49% (2011 – 26.49%)	(175,639)	391,638
Effects of		
Losses carried forward	1,325	-
Expenses not deductible for tax purposes	13,154	15,030
Capital allowances for year in excess of depreciation	23,269	(58,700)
Adjustment to tax charge in respect of previous years	2,920	202,796
Depreciation add back	27,536	67,656
Other tax adjustments	13,245	(193,883)
Current tax charge for year	(94,190)	424,537

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

10 Tangible assets

	Freehold land and buildings £	Plant, Machinery and motor vehicles £	Fixtures fittings, and equipment £	Assets Under con- struction £	Total £
<i>Cost</i>					
At 31 December 2011	12,612,675	7,512,619	310,688	242,860	20,678,842
Additions	-	136,612	44,846	53,950	235,408
Disposals	-	(39,400)	-	-	(39,400)
	<u>12,612,675</u>	<u>7,609,831</u>	<u>355,534</u>	<u>296,810</u>	<u>20,874,850</u>
At 31 December 2012	12,612,675	7,609,831	355,534	296,810	20,874,850
<i>Depreciation</i>					
At 31 December 2011	2,622,516	7,430,261	226,032	-	10,278,809
Provided for the year	465,386	72,828	26,907	-	565,121
Disposals	-	(22,163)	-	-	(22,163)
	<u>3,087,902</u>	<u>7,480,926</u>	<u>252,939</u>	<u>-</u>	<u>10,821,767</u>
At 31 December 2012	3,087,902	7,480,926	252,939	-	10,821,767
<i>Net book value</i>					
At 31 December 2012	<u>9,524,773</u>	<u>128,905</u>	<u>102,505</u>	<u>296,810</u>	<u>10,053,083</u>
At 31 December 2011	<u>9,990,159</u>	<u>82,358</u>	<u>84,656</u>	<u>242,860</u>	<u>10,400,033</u>

Freehold land and buildings includes land costing £705,629 which is not depreciated (2011 - £705,629)

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

11 Stocks

	2012 £	2011 £
Raw materials and work in progress	7,062,851	12,890,903
Finished goods and goods for resale	4,342,770	6,470,805
	<u>11,405,621</u>	<u>19,361,708</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

12 Debtors

	2012 £	2011 £
Trade debtors	5,659,588	7,190,177
Amounts due from related parties	4,506,680	4,916,262
Prepayments and accrued income	1,103,508	304,998
Other debtors	8,691	143,446
Directors loan account	96,870	319,426
	<u>11,375,337</u>	<u>12,874,309</u>

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

13 Creditors: amounts falling due within one year

	2012 £	2011 £
Bank loan and overdrafts (secured - see note 14)	6,547,081	6,174,195
Trade creditors	1,681,153	2,204,095
Amounts due to related parties	6,076,024	9,722,335
Corporation tax	63,508	626,065
Other taxation and social security	59,030	59,026
Obligations under finance leases and hire purchase contracts	-	2,958
Accruals	637,685	4,454,913
Other creditors	49,694	49,694
	15,114,175	23,293,281

The loan and overdraft of £6,502,959 (2011 - £6,041,835) are secured by fixed and floating charges over all the assets of the company

Bank loans include an amount due to HSBC plc of £44,122 (2011 - £132,360) which is secured on equipment of the company. This facility is repayable on demand.

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

14 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loan (secured)	1,217,574	2,172,807
Obligations under finance leases and hire purchase contracts	-	-
	1,217,574	2,712,807

Maturity of debt

	Bank loan 2012 £	Finance leases 2012 £	Bank Loan 2011 £	Finance Leases 2011 £
In less than one year	6,547,081	-	6,174,195	2,958
In more than one year but not more than two years	811,111	-	955,233	-
In more than two years but not more than five years	406,463	-	1,217,574	-
	7,764,655	-	8,347,002	2,958

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

14 Creditors: amounts falling due after more than one year (continued)

Bank loans include an amount of £1,217,574 (2011 - £2,128,685) due to HSBC Bank plc which is secured by fixed and floating charges over the assets of the company. Interest charged at 1.5% over LIBOR.

The company has renewed borrowing facilities with HSBC Bank PLC in June 2013.

15 Provisions for liabilities

		Deferred Taxation £
At 31 December 2011		914,693
Charged to profit and loss account		(39,743)
		<hr/>
Balance at 31 December 2012		874,950
		<hr/>
Deferred taxation		
	2012 £	2011 £
Accelerated capital allowances	879,950	914,693
	<hr/>	<hr/>
	879,950	914,693
	<hr/>	<hr/>

16 Accruals and deferred income

	Government grants £
Balance at 31 December 2011	749,148
Amortisation in the year	(52,800)
	<hr/>
Balance at 31 December 2012	696,348
	<hr/>

Seamark plc

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

17 Share capital

	2012 Number	Allotted, called up and fully paid 2011 Number	2012 £	2011 £
Ordinary shares of £1 each	60,000	60,000	60,000	60,000
	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

18 Contingent liabilities

There is an unlimited composite company guarantee with lbco Limited for their HSBC facility of £8,052,714 at 31 December 2012 (2011 - £8,141,842) lbco Limited is related by virtue of common ownership. The directors do not anticipate that any liability will crystallise under the terms of this guarantee.

19 Reserves

	Profit and loss account £
At 31 December 2011	15,446,321
Loss for the year	(529,105)
At 31 December 2012	<u>14,917,216</u>

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

20 Commitments under operating leases

As at 31 December 2012, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Land and buildings 2011 £
Operating leases which expire		
In two to five years	464,000	464,000
	<u>464,000</u>	<u>464,000</u>

21 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating (loss)/profit	(129,173)	1,984,561
Depreciation	565,121	565,211
Release of deferred government grant	(52,800)	(49,694)
Loss on disposal of assets	237	-
Decrease/(increase) in stock	7,956,087	(6,012,856)
Decrease/(increase) in debtors	1,498,972	(1,293,421)
(Decrease)/increase in creditors	(7,986,477)	5,907,729
	<u>1,851,967</u>	<u>1,101,530</u>
Net cash inflow from operating activities		

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Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

22 Reconciliation of net cash inflow to movement in net debt

	2012 £	2012 £	2011 £	2011 £
Decrease in cash in the year	(415,104)		(680,595)	
Cash inflow from changes in liquid resources	1,046,431		1,083,442	
Change in net debt resulting from cash flows		631,327		402,847
Movement in net debt		631,327		402,847
Opening net debt		(8,349,760)		(8,752,607)
Closing net debt		(7,718,433)		(8,349,760)

23 Analysis of net debt

	At 31 December 2011 £	Cash flow £	At 31 December 2012 £
Cash in hand and at bank	200	46,022	46,222
Less Short term deposits	-	-	-
Overdrafts	(5,130,724)	(461,126)	(5,591,850)
	(5,130,524)	(415,104)	(5,545,628)
Debt due after one year	(2,172,807)	955,233	(1,217,574)
Debt due within one year	(1,043,471)	88,240	(955,231)
Obligations under finance leases	(2,958)	2,958	-
Total	(8,349,760)	631,327	(7,718,433)

Seamark plc

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

24 Related party transactions

During the year, contracts were entered into with business in which each of the directors has a material interest as a partner or shareholder

The details of these transactions are as follows

Ibco Limited

Sales to £6,508,262 (2011 - £7,226,434)

Purchases from £850,893 (2011 - £21,661)

Rent received from £240,000 (2011 - £240,000)

Owed by £1,374,378 (2011 - £1,280,374)

Owed to £160,805 (2011 - £71,855)

Ibco Enterprises

Rent paid £464,000 (2011 - £464,000)

Included in the year end creditors balance is £nil (2011 - £792,740)

The company purchased goods to the value of £10,618,791 (2011 - £20,356,873) from Seamark (BD) Limited, a Bangladesh company under common ownership, on equivalent terms to those applied by similar suppliers. Included in the yearend creditors is an amount of £5,476,262 (2011 - £7,521,397). Included in trade debtors is an amount of £1,848,372 (2011 - £2,309,532) in respect of a loan to Seamark (BD) Limited. The loan was originally made to provide financial assistance with set up costs of Seamark (BD) Limited.

During the year £484,614 (2011 - £1,295,101) of goods were purchased from Ibco Food Industries a Bangladesh company under common ownership, on equivalent terms to those applied by other similar suppliers. Included in the yearend creditors is an amount of £337,445 (2011 - £1,336,342).

Included in Other Debtors in an amount of £491,461 (2011- £491,461) due from Seamark USA Incorporated, a US registered business under common ownership.

Included in other debtors is an amount of £590,558 (2011 - £590,558) in respect of a loan to Ibco USA LLC a US registered business owned by Mr I Ahmed and Mr K Ahmed.

At the year end the company was owed £101,512 (2011 - £nil) from Restaurant Wholesale Barking a business owned by Mr I Ahmed and Mr K Ahmed. Included in the year end debtors is an amount of £201,911 (2011 - £nil).

The company has also provided an unlimited multilateral guarantee on behalf of Ibco Limited, a company with common directors and shareholders.

25 Ultimate controlling party

It is the opinion of the Directors, each having an equal shareholding in the company, that they jointly control the company.