

## Seamark plc

Report and Financial Statements

Year Ended

31 December 2013

Company Number 02575875



# Seamark plc

## Report and financial statements for the year ended 31 December 2013

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### 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

## Strategic report for the year ended 31 December 2013

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The directors present their strategic report and financial statements for the year ended 31 December 2013

### Principal activities

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

### Business and trading review

In their 2012 report the directors highlighted the adverse effect that recessionary trading conditions and price reductions within the global seafood market were having on the company's trading but expressed confidence that as a result of actions taken the company was well placed to exploit more favourable conditions as they developed. The directors are therefore pleased to report that during 2013 turnover increased by 13% to £67,551,331 (2012 £59,845,598) and combined with margin improvements generated a gross profit of £7,443,029 (2012 £2,712,910) an increase of 274%.

The action taken during 2012 to reduce stocks enabled the company to benefit from higher margin as the global price stabilised and recovered and margin was further helped by relative currency stability. Whilst this benefitted the margin it resulted in a small loss on translation compared with a substantial gain in 2012 which is reflected in administration costs. Assets under construction were also written off following project review.

Cash/overdraft position has improved by £1,534,597 (2012 -£415,104) and the overall level of debt reduced by £2,489,828 (2012 £631,327).

The company's Key Performance Indicators are revenue growth and gross profit which reflect the high proportion of the company's costs represented by material costs. Sales to Germany increased by 20%, to Belgium by 69% and France by 36%.

Investment has been made in the company's business system to incorporate additional direct costs into costings and stock valuations to further enhance the quality of gross margin reporting and to facilitate the development of comprehensive margin and cost of sales analysis.

The directors expect the bank facility to be renewed by the end of July 2014 and on that basis are able to prepare the accounts on a going concern basis.

### Results and dividends

The results are set out on page

No dividends were paid during the year (2012 – Nil)

# Seamark plc

## Strategic report for the year ended 31 December 2013 (*continued*)

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### Principal risks

The company is exposed to a variety of risks including price risk, credit risk, liquidity risk and exchange risk which reflect the conditions in the markets from which it procures and to which it supplies

#### 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 affected by both local supply conditions and global issues and the company manages the associated risks through exploiting local knowledge and developing its relationship with its related business in Bangladesh, developing and maintaining strong relationships with its suppliers involving regular visits and continually seeking to develop supply chains in new trading areas

#### Credit risk

Credit risk is managed through a combination of the application of credit insurance supported by strong credit management, application of individual credit limits and close and regular contact with customers

#### Liquidity risk

The company is funded by a combination commercial loans, a flexible bank facility with an overall limit and extended credit from related party suppliers. Current and forward positions and commitments are monitored and the bank facility is reviewed annually. The facility was renewed during the year and further renewal is expected at the appropriate review date

#### Exchange risk

The company trades in sterling US dollars and Euros using currency accounts which obviates the need for transactional currency dealing at spot rates and limits the exposure to fluctuation. The currency position is monitored daily and a balanced portfolio of currencies maintained with exchange transactions being transacted when rates are favourable. The company works with its bankers to manage risk and exposure in the most appropriate way

### Approval

This Strategic Report was approved by order of the Board on 30 June 2014



**K Ahmed**  
Director

# Seamark plc

## Report of the directors for the year ended 31 December 2013

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The directors present their report and financial statements for the year ended 31 December 2013

### Directors

The following directors have held office since 1 January 2013

B Ahmed  
K Ahmed  
I Ahmed

### Directors' responsibilities

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

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

# Seamark plc

## Report of the directors for the year ended 31 December 2013 (*continued*)

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### 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.

The principal activities of the entity, trading review and results for the year that is not shown in the Directors' report is included in the strategic report under s414C(11) of the Companies Act 2006.

### By order of the Board



**K Ahmed**  
Director

30 June 2014

# Seamark plc

## Independent auditor's report

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### TO THE MEMBERS OF SEAMARK PLC

We have audited the financial statements of Seamark plc for the year ended 31 December 2013 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 2013 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 strategic report and 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

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### 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



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

Date 30 JUNE 2014

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 2013

	Note	2013 £	2012 £
<b>Turnover</b>	4	<b>67,551,331</b>	59,845,598
Cost of sales		<b>(60,108,302)</b>	(57,132,688)
<b>Gross profit</b>		<b>7,443,029</b>	2,712,910
Distribution costs		<b>(1,010,974)</b>	(937,615)
Administrative expenses		<b>(5,034,902)</b>	(3,307,099)
Other operating income	7	<b>820,597</b>	1,402,631
<b>Operating Profit/(loss)</b>	7	<b>2,217,750</b>	(129,173)
Interest receivable and similar income			-
Interest payable and similar charges	8	<b>(498,897)</b>	(533,865)
<b>Profit/(Loss) on ordinary activities before taxation</b>		<b>1,718,853</b>	(663,038)
Taxation on profit from ordinary activities	9	<b>(333,010)</b>	133,933
<b>Profit/(Loss) on ordinary activities after taxation</b>		<b>1,385,843</b>	(529,105)

All amounts relate to continuing activities

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

The notes on pages 11 to 22 form part of these financial statements

## Seamark plc

### Reconciliation of movements in shareholders' funds for the year ended 31 December 2013

	2013 £	2012 £
Profit/(Loss) for the year	1,385,843	(529,105)
Opening shareholders' funds - At beginning of year	14,977,216	15,506,321
Closing shareholders' funds	16,363,059	14,977,216

The notes on pages 11 to 22 form part of these financial statements

# Seamark plc

## Balance sheet at 31 December 2013

<i>Company number 02575875</i>	<b>Note</b>	<b>2013 £</b>	<b>2013 £</b>	<b>2012 £</b>	<b>2012 £</b>
<b>Fixed assets</b>					
Tangible assets	10		9,255,115		10,053,083
<b>Current assets</b>					
Stocks	11	9,803,829		11,405,621	
Debtors	12	12,542,172		11,375,337	
Cash at bank and in hand		10,449		46,222	
		<u>22,356,450</u>		<u>22,827,180</u>	
<b>Creditors' amounts falling due within one year</b>	13	<u>(13,448,895)</u>		<u>(15,114,175)</u>	
<b>Net current assets</b>			8,907,555		7,713,005
<b>Total assets less current liabilities</b>			<u>18,162,670</u>		<u>17,766,088</u>
<b>Creditors' amounts falling due after more than one year</b>	14	(406,463)		(1,217,574)	
<b>Provisions for liabilities</b>	15	(749,600)		(874,950)	
<b>Accruals and deferred income</b>	16	<u>(643,548)</u>		<u>(696,348)</u>	
			<u>(1,799,611)</u>		<u>(2,788,872)</u>
			<u>16,363,059</u>		<u>14,977,216</u>
<b>Capital and reserves</b>					
Called up share capital	17		60,000		60,000
Profit and loss account	19		16,303,059		14,917,216
<b>Shareholders' funds</b>			<u>16,363,059</u>		<u>14,977,216</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2014



**K Ahmed**  
Director

The notes on pages 11 to 22 form part of these financial statements

# Seamark plc

## Cash flow statement for the year ended 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
<b>Net cash inflow from operating activities</b>	21		3,304,079		1,851,967
<b>Returns on investments and servicing of finance</b>					
Interest paid	8	(498,897)		(533,865)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(498,897)		(533,865)
<b>Taxation</b>					
UK corporation tax paid			(259,127)		(468,367)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(56,225)		(235,408)	
Sale of tangible fixed assets		-		17,000	
			(56,225)		(218,408)
<b>Cash inflow before use of liquid resources and financing</b>			2,489,830		631,327
<b>Financing</b>					
Bank loan repaid		(955,231)		(1,043,473)	
Capital element of finance lease rental payments		-		(2,958)	
			(955,231)		(1,046,431)
<b>Increase/(Decrease) in cash</b>			1,534,599		(415,104)

The notes on pages 11 to 22 form part of these financial statements

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable standards in the United Kingdom. The directors expect the bank facility to be renewed by the end of July 2014 and on that basis are able to prepare the accounts on a going concern basis.

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.

#### *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.

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (*continued*)

### 1 Accounting policies (*continued*)

#### *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.

#### *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.

# Seamark plc

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 4 Turnover

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

Geographical market

	2013 £	2012 £
Italy	4,295,906	4,605,956
Belgium	6,690,494	3,950,623
Germany	18,067,754	15,026,116
Greece	772,520	706,721
France	3,852,044	2,828,520
Holland	3,982,609	3,049,807
Denmark	3,214,635	2,295,826
Other exports	9,319,922	9,227,286
United Kingdom	17,355,447	18,154,743
	<u>67,551,331</u>	<u>59,845,598</u>

Turnover is wholly attributable to the principal activity of the company

## 5 Employees

	2013 £	2012 £
Staff costs consist of		
Wages and salaries	3,032,221	2,919,359
Social security costs	237,833	218,264
Other pension costs	240,000	150,000
	<u>3,510,054</u>	<u>3,287,623</u>

Number of employees

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

	2013 Number	2012 Number
Administration	44	39
Management	3	3
Production	79	79
Restaurant	42	53
	<u>168</u>	<u>174</u>

There were 3 (2012 - 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 2013 (continued)

### 6 Directors

	2013 £	2012 £
Directors' remuneration consist of		
Emoluments	260,000	223,000
Payments to personal pension scheme	240,000	150,000
	<u>500,000</u>	<u>373,000</u>

	2013 £	2012 £
Highest paid director		
Emoluments	98,000	98,000
	<u>80,000</u>	<u>50,000</u>
Amounts paid to the company's defined contribution pension scheme		

### 7 Operating loss

	2013 £	2012 £
This has been arrived at after charging/(crediting)		
Depreciation	557,383	565,121
Hire of other assets - operating leases	464,000	464,000
Auditors' remuneration	13,000	11,700
Auditors' remuneration - non-audit work	4,000	4,000
Foreign exchange differences	(508,160)	(858,040)
Other operating income includes		
Management recharges	(478,102)	(1,015,109)
Rental income	(240,000)	(240,000)
Other	(102,495)	(147,522)
	<u></u>	<u></u>

### 8 Interest payable and similar charges

	2013 £	2012 £
Bank loans and overdrafts	498,897	533,865
	<u></u>	<u></u>



# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

### 9 Taxation on profit from ordinary activities

	2013 £	2013 £	2012 £	2012 £
<i>Current tax</i>				
UK corporation tax on profits of the year	361,250		(97,110)	
Adjustment in respect of previous years	97,110		2,920	
Total current tax		458,360		(94,190)
<i>Deferred tax</i>				
Origination and reversal of timing differences	126,289		61,777	
Effect of reduced tax rate on opening liability	(93,497)		(70,711)	
Adjustment in respect of previous years	(158,142)		(30,809)	
Movement in deferred tax provision (note 15)		(125,350)		(39,743)
Taxation on profit on ordinary activities		333,010		(133,933)

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

	2013 £	2012 £
Profit on ordinary activities before tax	1,718,853	(663,038)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23.25% (2012 – 26.49%)	399,574	(175,639)
Effects of		
Losses carried forward	-	1,325
Expenses not deductible for tax purposes	4,281	13,154
Capital allowances for year (less than)/in excess of depreciation	(6,018)	23,269
Adjustment to tax charge in respect of previous years	97,110	2,920
Depreciation add back	128,010	27,536
Other tax adjustments	(23,827)	13,245
Utilisation of tax losses and other deductions	(140,770)	-
Current tax charge for year	458,360	(94,190)

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (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 2012	12,612,675	7,609,831	355,534	296,810	20,874,850
Additions	-	19,507	36,718		56,225
Disposals	-	-	-	(296,810)	(296,810)
	<u>12,612,675</u>	<u>7,629,338</u>	<u>392,252</u>	<u>-</u>	<u>20,634,265</u>
At 31 December 2013	12,612,675	7,629,338	392,252	-	20,634,265
<i>Depreciation</i>					
At 31 December 2012	3,087,902	7,480,926	252,939	-	10,821,767
Provided for the year	480,000	55,500	21,883	-	557,383
Disposals					
	<u>3,567,902</u>	<u>7,536,426</u>	<u>274,822</u>	<u>-</u>	<u>11,379,150</u>
At 31 December 2013	3,567,902	7,536,426	274,822	-	11,379,150
<i>Net book value</i>					
At 31 December 2013	<u>9,044,773</u>	<u>92,912</u>	<u>117,430</u>	<u>-</u>	<u>9,255,115</u>
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>

Freehold land and buildings includes land costing £705,629 which is not depreciated (2012 - £705,629)

### 11 Stocks

	2013 £	2012 £
Raw materials and work in progress	5,528,888	7,062,851
Finished goods and goods for resale	4,274,941	4,342,770
	<u>9,803,829</u>	<u>11,405,621</u>

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

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

### 12 Debtors

	2013 £	2012 £
Trade debtors	7,679,194	5,659,588
Amounts due from related parties	4,459,885	4,506,680
Prepayments and accrued income	38,490	1,103,508
Other debtors	1,530	8,691
Directors loan account	363,073	96,870
	<u>12,542,172</u>	<u>11,375,337</u>

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

	2013 £	2012 £
Bank loan and overdrafts (secured - see note 14)	459,889	6,547,081
Invoice Discounting	4,372,700	-
Trade creditors	2,171,302	1,681,153
Amounts due to related parties	4,367,731	6,076,024
Corporation tax	262,741	63,508
Other taxation and social security	68,583	59,030
Accruals	1,194,767	637,685
Other creditors	-	49,694
Directors loan account	551,182	-
	<u>13,448,895</u>	<u>15,114,175</u>

The loan and overdraft of £4,832,589 (2012 - £6,502,959) are secured by fixed and floating charges over all the assets of the company

Bank loans include an amount due to HSBC plc of £- (2012 - £44,122) 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

# Seamark plc

Notes forming part of the financial statements  
for the year ended 31 December 2013 (continued)

## 14 Creditors' amounts falling due after more than one year

	2013 £	2012 £
Bank loan (secured)	406,463	1,217,574
Obligations under finance leases and hire purchase contracts	-	-
	<u>406,463</u>	<u>1,217,574</u>

### Maturity of debt

	Bank Loan 2013 £	Finance Leases 2013 £	Bank Loan 2012 £	Finance Leases 2012 £
In less than one year	4,832,589	-	6,547,081	-
In more than one year but not more than two years	406,463	-	811,111	-
In more than two years but not more than five years	-	-	406,463	-
	<u>5,239,052</u>	<u>-</u>	<u>7,764,655</u>	<u>-</u>

Bank loans include an amount of £406,463 (2012 - £1,217,574) 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.

## 15 Provisions for liabilities

Provisions for liabilities		Deferred Taxation £
At 31 December 2012		874,950
Charged to profit and loss account		(125,350)
		<hr/>
Balance at 31 December 2013		<b>749,600</b>
		<hr/>
<b>Deferred taxation</b>	<b>2013 £</b>	<b>2012 £</b>
Accelerated capital allowances	<b>749,600</b>	879,950

# Seamark plc

Notes forming part of the financial statements  
for the year ended 31 December 2013 (*continued*)

## 16 Accruals and deferred income

	Government grants £
At 31 December 2012	696,348
Amortisation in the year	(52,800)
	<hr/>
At 31 December 2013	<b>643,548</b>
	<hr/>

## 17 Share capital

	Allotted, called up and fully paid			
	2013 Number	2012 Number	2013 £	2012 £
Ordinary shares of £1 each	<b>60,000</b>	60,000	<b>60,000</b>	60,000
	<hr/>	<hr/>	<hr/>	<hr/>

## 18 Contingent liabilities

There is an unlimited composite company guarantee with Ibco Limited for their HSBC facility of £11,062,803 at 31 December 2013 (2012 - £8,052,714) Ibco 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 2012	14,917,216
Profit for the year	1,385,843
	<hr/>
At 31 December 2013	<b>16,303,059</b>
	<hr/>

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

### 20 Commitments under operating leases

As at 31 December 2013, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire		
In two to five years	464,000	464,000

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

	2013 £	2012 £
Operating profit/(loss)	2,217,750	(129,173)
Depreciation	557,383	565,121
Release of deferred government grant	(52,800)	(52,800)
Loss on disposal of assets	296,810	237
Decrease in stock	1,601,792	7,956,087
(Increase)/Decrease in debtors	(1,166,835)	1,498,972
(Decrease) in creditors	(150,021)	(7,986,477)
Net cash inflow from operating activities	3,304,079	1,851,967

### 22 Reconciliation of net cash inflow to movement in net debt

	2013 £	2013 £	2012 £	2012 £
Decrease in cash in the year	1,534,599		(415,104)	
Cash inflow from changes in liquid resources	955,231		1,046,431	
Change in net debt resulting from cash flows		2,489,830		631,327
Movement in net debt		2,489,830		631,327
Opening net debt		(7,718,433)		(8,349,760)
Closing net debt		(5,228,603)		(7,718,433)

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 (continued)

### 23 Analysis of net debt

	At 1 January 2013 £	Cash flow £	At 31 December 2013 £
Cash in hand and at bank	46,222	(35,773)	10,449
Less Short term deposits	-		
Overdrafts	(5,591,850)	1,570,372	(4,021,478)
	(5,545,628)	1,534,599	(4,011,029)
Debt due after one year	(1,217,574)	811,111	(406,463)
Debt due within one year	(955,231)	144,120	(811,111)
Obligations under finance leases	-	-	-
Total	(7,718,433)	2,489,830	(5,228,603)

### 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 £ 7,530,626 (2012 - £6,508,262)

Purchases from £1,095,799 (2012 - £850,893)

Rent received from £240,000 (2012 - £240,000)

Owed by £ 1,817,936 (2012 - £1,374,378)

Owed to £ 194,232 (2012 - £160,805)

#### Ibco Enterprises

Rent paid £464,000 (2012 - £464,000)

Included in the year end debtors balance is £150,000 (2012 - £Nil)

The company purchased goods to the value of £10,041,742 (2012 - £10,618,791) 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 £3,219,568 (2012 - £5,476,262). Included in trade debtors is an amount of £871,626 (2012 - £1,848,372) 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 £1,232,622 (2012 - £484,614) 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 £939,125 (2012 - £337,445).

Included in Other Debtors in an amount of £567,508 (2012- £491,461) due from Seamark USA Incorporated, a US registered business under common ownership.

Included in other debtors is an amount of £ 590,558 (2012 - £590,558) in respect of a loan to Ibco USA LLC a US registered business owned by Mr I Ahmed and Mr K Ahmed.

# Seamark plc

## Notes forming part of the financial statements for the year ended 31 December 2013 *(continued)*

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### **24 Related party transactions** *(continued)*

The company purchased goods to the value of £484,496 from Restaurant Wholesale Barking a business owned by Mr I Ahmed and Mr K Ahmed

At the year end the company was owed £111,362 (2012 - £101,515) Included in the year end debtors is an amount of £Nil (2012 - £201,911)

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