

Company Registration No. 2575875 (England and Wales)

**SEAMARK PLC**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

**COMPANIES  
HOUSE**



# SEAMARK PLC

## COMPANY INFORMATION

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<b>Directors</b>	I Ahmed OBE K Ahmed B Ahmed
<b>Secretary</b>	B Ahmed
<b>Company number</b>	2575875
<b>Registered office</b>	Seamark House Edge Lane Droylesden Manchester M43 6BB
<b>Auditors</b>	Royce Peeling Green Limited The Copper Room Deva Centre Trinity Way Manchester M3 7BG
<b>Bankers</b>	Barclays Bank plc Barclays Business Centre Manchester City Office 51 Mosley Street Manchester M60 2AU  HSBC Bank Plc PO Box 360 100 King Street Manchester M60 2HD

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# SEAMARK PLC

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# SEAMARK PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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The directors present their report and financial statements for the year ended 31 December 2006

### Principal activities and review of the business

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

In my final comments in last year's directors' report, I made the statement that your company had returned to profit in 2006 and I am pleased to report that the company made a pre-tax profit of £2,290,804 on a Turnover of £52,093,152, down 3% on 2005. Tax will take £485,597, leaving £1,805,027 retained in the company, lifting shareholders' funds to £11,741,699 (2005 £9,936,493) an increase of some 18%

Our core trading in frozen foods remained a solid market, mainly based in exports to Europe, although turnover was down slightly, by 3%, over the full year. Gross profit came out at 9.8%, considered good in all circumstances.

During the year, the company sold its freehold property at Edge Lane, Droylsden property at a profit of some £1.3 million over the balance sheet figure. This money has been retained in the business and has been used to lower bank borrowings. This has had a beneficial effect as interest rates have increased over the period.

Seamark continues to develop its Miles Platting site, with a new Cash & Carry facility, leased to its associate business, Ibco Limited, which opened in May 2007. Work on the fitting out of the new restaurant, Vermilion, continues and this is expected to open in August 2007.

Trading in 2007 will continue to be challenging but Seamark has a number of exciting projects underway, which will bring further benefit during 2007 and beyond.

### Results and dividends

The results for the year are set out on page 5.

### Directors

The following directors have held office since 1 January 2006

I Ahmed OBE  
K Ahmed  
B Ahmed

### Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £ 1 each	
	31 December 2006	1 January 2006
I Ahmed OBE	20,000	20,000
K Ahmed	20,000	20,000
B Ahmed	20,000	20,000

### Creditor payment policy

It is the Company's policy that the terms of payments to suppliers are agreed in advance and that payments are made in accordance with those terms provided the suppliers have complied with their contractual obligations. At 31st December 2006 the Company had 49 days (73 - 2005) purchases outstanding.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Royce Peeling Green Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

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# SEAMARK PLC

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them 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 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 proper accounting records which 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 1985. 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

### Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



I Ahmed OBE  
Director

21 June 2007

# SEAMARK PLC

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SEAMARK PLC

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We have audited the financial statements of Seamark PLC for the year ended 31 December 2006 set out on pages 5 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# SEAMARK PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF SEAMARK PLC

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### Opinion

In our opinion the financial statements

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended ,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**Royce Peeling Green Limited**

4 July 2007

Chartered Accountants  
**Registered Auditor**

The Copper Room  
Deva Centre  
Trinity Way  
Manchester  
M3 7BG

# SEAMARK PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	52,093,152	53,718,110
Cost of sales		(47,001,596)	(50,503,963)
Gross profit		5,091,556	3,214,147
Administrative expenses		(3,470,496)	(3,578,810)
Other operating income		289,860	10,473
Operating profit/(loss)	3	1,910,920	(354,190)
Profit on disposal of property		1,307,500	-
Profit/(loss) on ordinary activities before interest		3,218,420	(354,190)
Other interest receivable and similar income	4	52,332	59,029
Interest payable and similar charges	5	(979,948)	(709,501)
Profit/(loss) on ordinary activities before taxation		2,290,804	(1,004,662)
Tax on profit/(loss) on ordinary activities	6	(485,597)	261,705
Profit/(loss) for the year	16	1,805,207	(742,957)

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

There are no recognised gains and losses other than those passing through the profit and loss account



# SEAMARK PLC

## BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	7	8,762,314		10,060,558	
<b>Current assets</b>					
Stocks	8	13,895,889		15,315,971	
Debtors	9	12,064,542		13,975,641	
Cash at bank and in hand		248,483		582,089	
		<u>26,208,914</u>		<u>29,873,701</u>	
<b>Creditors amounts falling due within one year</b>	10	<u>(15,906,385)</u>		<u>(21,572,574)</u>	
<b>Net current assets</b>		<u>10,302,529</u>		<u>8,301,127</u>	
<b>Total assets less current liabilities</b>		<u>19,064,843</u>		<u>18,361,685</u>	
<b>Creditors: amounts falling due after more than one year</b>	11	(5,928,029)		(7,090,011)	
<b>Provisions for liabilities</b>	12	(198,710)		(88,915)	
<b>Accruals and deferred income</b>	13	(1,196,405)		(1,246,266)	
		<u>11,741,699</u>		<u>9,936,493</u>	
<b>Capital and reserves</b>					
Called up share capital	15	60,000		60,000	
Profit and loss account	16	<u>11,681,699</u>		<u>9,876,493</u>	
<b>Shareholders' funds</b>	17	<u>11,741,699</u>		<u>9,936,493</u>	

Approved by the Board and authorised for issue on 21 June 2007

  
K Ahmed  
Director

  
I Ahmed OBE  
Director

# SEAMARK PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 £	2005 £
<b>Net cash inflow from operating activities</b>	2,004,584	938,463
<b>Returns on investments and servicing of finance</b>		
Interest received	52,332	59,029
Interest paid	(979,948)	(709,501)
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	(927,616)	(650,472)
<b>Taxation</b>	(231,901)	-
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible assets	(866,784)	(3,158,114)
Receipts from sales of tangible assets	2,706,683	-
Receipts from sales of investments	-	100
<b>Net cash inflow/(outflow) for capital expenditure</b>	1,839,899	(3,158,014)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>	2,684,966	(2,870,023)
<b>Financing</b>		
New long term bank loan		3,971,716
Repayment of other long term loans	(205,568)	(388,000)
Capital element of finance lease contracts	(620,159)	(402,307)
<b>Net cash (outflow)/inflow from financing</b>	(825,727)	3,181,409
<b>Increase in cash in the year</b>	1,859,239	311,386

# SEAMARK PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2006		2005	
		£		£	
	Operating profit/(loss)	1,910,920		(354,190)	
	Depreciation of tangible assets	765,843		809,956	
	Decrease in stocks	1,420,082		1,786,236	
	Decrease/(increase) in debtors	1,911,099		(1,742,781)	
	Decrease in creditors within one year	(3,953,500)		(807,024)	
	Movement on grant provision	(49,860)		1,246,266	
	<b>Net cash inflow from operating activities</b>	<b>2,004,584</b>		<b>938,463</b>	
2	Analysis of net debt	1 January 2006		Cash flow	
		£		Other non-cash changes	
		£		£	
		£		£	
	Net cash				
	Cash at bank and in hand	582,089	(333,606)	-	248,483
	Bank overdrafts	(9,363,263)	2,192,845	-	(7,170,418)
		<u>(8,781,174)</u>	<u>1,859,239</u>	<u>-</u>	<u>(6,921,935)</u>
	Debt				
	Finance leases	(2,321,581)	620,159	-	(1,701,422)
	Debts falling due within one year	(465,005)	(428,240)	-	(893,245)
	Debts falling due after one year	(5,399,624)	633,808	-	(4,765,816)
		<u>(8,186,210)</u>	<u>825,727</u>	<u>-</u>	<u>(7,360,483)</u>
	<b>Net debt</b>	<b>(16,967,384)</b>	<b>2,684,966</b>	<b>-</b>	<b>(14,282,418)</b>
3	Reconciliation of net cash flow to movement in net debt	2006		2005	
		£		£	
	Increase/(decrease) in cash in the year	1,859,239		311,386	
	Cash inflow from increase in debt and lease financing	825,727		(5,214,705)	
	<b>Movement in net debt in the year</b>	<b>2,684,966</b>		<b>(4,903,319)</b>	
	Opening net debt	(16,967,384)		(12,064,065)	
	<b>Closing net debt</b>	<b>(14,282,418)</b>		<b>(16,967,384)</b>	

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation does not commence until assets are fully commissioned. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	4% straight line
Plant and machinery	20-33% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	25% straight line

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value. The value of processed stock includes attributable overheads.

#### 1.7 Pensions

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### 1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.9 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 profit and loss account.

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 1 Accounting policies (continued)

#### 1 10 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.

### 2 Turnover

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

#### Geographical market

	Turnover	
	2006	2005
	£	£
Italy	6,797,385	7,555,839
Belgium	4,608,879	3,804,129
Germany	13,306,859	11,616,968
Greece	1,143,959	1,775,840
Other exports	11,301,025	11,645,688
United Kingdom	14,935,045	17,319,646
	<u>52,093,152</u>	<u>53,718,110</u>

3 Operating profit/(loss)	2006	2005
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	765,843	809,956
Operating lease rentals	346,667	140,000
Auditors' remuneration	25,000	22,500
Remuneration of auditors for non-audit work	9,455	17,166
and after crediting		
Government grants	49,860	10,473
Profit on foreign exchange transactions	(318,079)	(541,671)
	<u></u>	<u></u>

4 Investment income	2006	2005
	£	£
Bank interest	-	12,558
Other interest	52,332	46,471
	<u>52,332</u>	<u>59,029</u>

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

<b>5</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	880,094	632,709
	Hire purchase interest	95,900	39,652
	Other interest	3,954	37,140
		<u>979,948</u>	<u>709,501</u>
<b>6</b>	<b>Taxation</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	375,802	(231,901)
	<b>Current tax charge</b>	<u>375,802</u>	<u>(231,901)</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	109,795	(29,804)
		<u>485,597</u>	<u>(261,705)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>2,290,804</u>	<u>(1,004,662)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	<u>687,241</u>	<u>(301,399)</u>
	Effects of		
	Non deductible expenses	9,324	30,000
	Depreciation add back	229,753	168,952
	Capital allowances	(11,475)	(254,405)
	Tax losses carried forward	-	128,093
	Tax losses utilised	(131,833)	-
	Rollover relief and indexation allowance	(392,250)	-
	Other tax adjustments	(14,958)	(3,142)
		<u>(311,439)</u>	<u>69,498</u>
	<b>Current tax charge</b>	<u>375,802</u>	<u>(231,901)</u>

The company has estimated losses of £ nil (2005 - £ 426,975) available for carry forward against future trading profits

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 7 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2006	9,378,983	7,043,763	213,879	227,628	16,864,253
Additions	829,793	5,309	16,894	14,788	866,784
Disposals	(1,903,431)	-	-	-	(1,903,431)
At 31 December 2006	8,305,345	7,049,072	230,773	242,416	15,827,606
<b>Depreciation</b>					
At 1 January 2006	580,482	6,062,011	93,018	68,184	6,803,695
On disposals	(504,246)	-	-	-	(504,246)
Charge for the year	303,989	388,397	22,110	51,347	765,843
At 31 December 2006	380,225	6,450,408	115,128	119,531	7,065,292
<b>Net book value</b>					
At 31 December 2006	7,925,120	598,664	115,645	122,885	8,762,314
At 31 December 2005	8,798,501	981,752	120,861	159,444	10,060,558

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
<b>Net book values</b>			
At 31 December 2006	598,666	92,354	691,020
At 31 December 2005	705,008	128,104	833,112
<b>Depreciation charge for the year</b>			
At 31 December 2006	338,397	35,750	374,147
At 31 December 2005	487,875	14,896	502,771

Freehold land and buildings includes land costing £705,629 which is not depreciated (2005 - £905,629)

Freehold land and buildings included assets held under hire purchase contracts with a net book value at 31 December 2006 of £1,017,388 (2005 - £1,060,150) and depreciation charge of £42,762 (2005 - £8,909) for the year to 31 December 2006

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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8	Stocks	2006 £	2005 £
	Raw materials and consumables	10,685,949	11,780,393
	Finished goods and goods for resale	3,209,940	3,535,578
		<u>13,895,889</u>	<u>15,315,971</u>

9	Debtors	2006 £	2005 £
	Trade debtors	5,633,463	7,828,434
	Corporation tax	231,901	231,901
	Other debtors	5,902,725	5,671,244
	Prepayments and accrued income	296,453	244,062
		<u>12,064,542</u>	<u>13,975,641</u>



# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

10 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	8,063,663	9,828,268
Net obligations under hire purchase contracts	539,209	631,194
Trade creditors	6,239,680	10,070,781
Corporation tax	375,802	231,901
Other taxes and social security costs	45,172	45,464
Accruals and deferred income	642,859	764,966
	<u>15,906,385</u>	<u>21,572,574</u>
Debt due in one year or less	<u>893,245</u>	<u>465,005</u>

Barclays Bank PLC facilities of £6,988,516 are secured by a fixed and floating charge over the company's assets

HSBC Bank PLC facilities of £182,157 are secured by a first legal charge over the company's freehold property at Alan Turing Way

Bank loans include an amount due to Barclays Bank PLC of £178,500 which is secured by a fixed and floating charge over the company's assets. It is repayable by instalments over the period to 27th September 2007

Bank loans include an amount due to HSBC Bank PLC of £185,210 which is secured on equipment at Alan Turing Way. This facility is repayable on demand

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Creditors amounts falling due after more than one year	2006 £	2005 £
Bank loans	4,765,816	5,399,624
Net obligations under hire purchase contracts	1,162,213	1,690,387
	<u>5,928,029</u>	<u>7,090,011</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	2,118,141	3,041,872
Wholly repayable within five years	3,540,920	2,822,757
	<u>5,659,061</u>	<u>5,864,629</u>
Included in current liabilities	(893,245)	(465,005)
	<u>4,765,816</u>	<u>5,399,624</u>
Instalments not due within five years	2,118,141	3,041,872
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	1,059,070	723,313
In more than two years but not more than five years	1,588,605	1,634,439
In more than five years	2,118,141	3,041,872
	<u>4,765,816</u>	<u>5,399,624</u>

Bank loans include an amount of £5,295,351 due to HSBC Bank PLC which is secured by a first legal charge over the company's freehold property at Alan Turing Way. Repayments commence upon completion of the construction of the property it relates to. It is repayable by installments over a ten year period. Interest is charged at 1.5% over LIBOR.

### Net obligations under hire purchase contracts

Repayable within one year	539,209	631,194
Repayable between one and five years	1,162,213	1,656,012
Repayable after five years	-	34,375
	<u>1,701,422</u>	<u>2,321,581</u>
Included in liabilities falling due within one year	(539,209)	(631,194)
	<u>1,162,213</u>	<u>1,690,387</u>

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

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 January 2006	88,915
Profit and loss account	109,795
	<u>198,710</u>
Balance at 31 December 2006	<u>198,710</u>

The deferred tax liability is made up as follows

	2006 £	2005 £
Accelerated capital allowances	198,710	217,008
Tax losses available	-	(128,093)
	<u>198,710</u>	<u>88,915</u>

### 13 Accruals and deferred income

	Government grants £
Balance at 1 January 2006	1,246,266
Amortisation in the year	(49,861)
	<u>1,196,405</u>
Balance at 31 December 2006	<u>1,196,405</u>

### 14 Pension costs

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2006 £	2005 £
Contributions payable by the company for the year	<u>50,000</u>	<u>76,300</u>

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

15 Share capital	2006 £	2005 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

### 16 Statement of movements on profit and loss account

**Profit and  
loss  
account  
£**

Balance at 1 January 2006	9,876,492
Profit for the year	<u>1,805,207</u>
Balance at 31 December 2006	<u>11,681,699</u>

### 17 Reconciliation of movements in shareholders' funds

**2006  
£**      **2005  
£**

Profit/(Loss) for the financial year	1,805,207	(742,957)
Opening shareholders' funds	<u>9,936,493</u>	<u>10,679,450</u>
Closing shareholders' funds	<u>11,741,699</u>	<u>9,936,493</u>

### 18 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	<b>Land and buildings</b>			<b>Other</b>
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire				
Between two and five years	<u>450,000</u>	<u>140,000</u>	<u>22,516</u>	<u>22,516</u>

### 19 Capital commitments

**2006  
£**      **2005  
£**

At 31 December 2006 the company had capital commitments as follows

Contracted for but not provided in the financial statements	<u>278,027</u>	<u>80,843</u>
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# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

20 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	228,602	205,515
Company pension contributions to money purchase schemes	50,000	76,300
	<u>278,602</u>	<u>281,815</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2005 - 3)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	<u>98,154</u>	<u>89,995</u>
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## 21 Transactions with directors

The following directors had interest free loans during the year The movement on these loans are as follows

	Amount outstanding 2006 £	2005 £	Maximum in year £
I Ahmed	<u>5,311</u>	<u>2,545</u>	<u>5,311</u>

The company's Barclays Bank PLC facilities are supported by guarantees provided by the directors totalling £1 5 million

The company's HSBC Bank PLC facilities are supported by a guarantee provided by Mr I Ahmed in the sum of £1,000,000

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 22 Employees

#### Number of employees

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

	2006 Number	2005 Number
Administration	25	29
Management	3	3
Production	101	107
	<u>129</u>	<u>139</u>

#### Employment costs

	2006 £	2005 £
Wages and salaries	2,043,621	2,096,737
Social security costs	189,452	185,412
Other pension costs	50,000	76,300
	<u>2,283,073</u>	<u>2,358,449</u>

# SEAMARK PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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### 23 Related party transactions

During the year, contracts were entered into with businesses 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 £4,258,879 (2005 - £7,390,809)

Purchases from £402,875 (2005 - £694,999)

Rent received from £240,000 (2005 - £nil) Owed by £4,694,426 (2005 - £4,569,555)

Ibco Enterprises

Rent paid £140,000 (2005 - £140,000)

During the year sales of £Nil (2005 - £nil) were made to Seamark Inc, a US registered business under common ownership

The company purchased goods to a value of £10,663,010 (2005 - £9,066,612) from Seamark (BD) Limited, a Bangladesh company under common ownership, on equivalent terms to those applied by other similar suppliers

At the year end the net balance due to this company was £2,330,373 (2005 - £2,854,834)

Included in Other Debtors is an amount of £706,480 (2005 - £629,714) in respect of a loan to Ibco USA LLC a US registered business owned by Mr I Ahmed and Mr K Ahmed. Interest of £52,322 (2005 £46,471) (3% over bank base rate) has been charged in respect of this loan

On 3 May 2006, the company sold its freehold property at Edge Lane with a net book value of £1,399,185 for a net sales price of £2,706,685 to the directors I Ahmed, B Ahmed, and K Ahmed. The sales price was based on an independently assessed value. The company has paid rent of £206,667 (2005 - £nil) in respect of the property subsequently

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