

Company registration number 02575875 (England and Wales)

SEAMARK PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2021

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SEAMARK PLC

COMPANY INFORMATION

Directors	Mr B Ahmed Mr I Ahmed Mr K Ahmed
Secretary	Mr B Ahmed
Company number	02575875
Registered office	Ibco Building Hulme Hall Lane Lord North Street Miles Platting Manchester M40 8AD
Auditor	Royce Peeling Green Limited The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG

SEAMARK PLC

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SEAMARK PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 DECEMBER 2021

The directors present the strategic report for the year ended 30 December 2021.

Fair review of the business

In the first half of 2021 sales were impacted by the Brexit rule changes, Covid restrictions and supply issues. Against 2020 our export sales fell by 26% however, we managed to grow our UK sales by 45%. Year on year our sales declined by 16%.

The restaurant was also impacted however as restrictions were lifted and we saw a significant increase in turnover of 92% vs 2020. With government support and further cost efficiencies the business has made a profit.

Operating profit is £369,073 (2020: £76,556 loss)

The cash balance has improved to £2,799,071 (2020: 1,909,115). We remain cautious for 2022 performance as sales have increased by 9% however, we are experiencing significant increases in energy and shipping costs.

Principal risks and uncertainties

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 in the prior year and further renewal is expected at the appropriate review date.

Foreign 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.

Key performance indicators

	2021	2020
Turnover from continuing operations	30.5	35.3

As the prime measure of economic output, revenue is key to measuring shareholder return and future growth

Gross Profit from continuing operations (%)	14.5	10.9
Gross Profit from continuing operations (£m)	4.4	3.9

Gross profit measures the added value from importing and processing of products

SEAMARK PLC

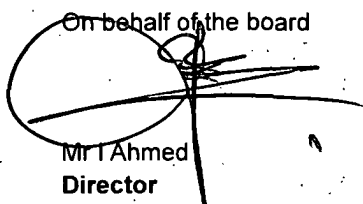
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

Future developments

The seafood sector continues to grow and through innovation we are able to supply existing and new products into multiple markets and meet the demands of both existing and new customer.

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'A' with a horizontal line through it, and a vertical line extending downwards.

Mr T Ahmed
Director

28 June 2022

SEAMARK PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 30 December 2021.

Principal activities

The principal activity of the company continues to be that of the storage, processing, wholesaling import and export of frozen seafood. The company also operates in the restaurant retail sector.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr B Ahmed
Mr I Ahmed
Mr K Ahmed

Auditor

Royce Peeling Green Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

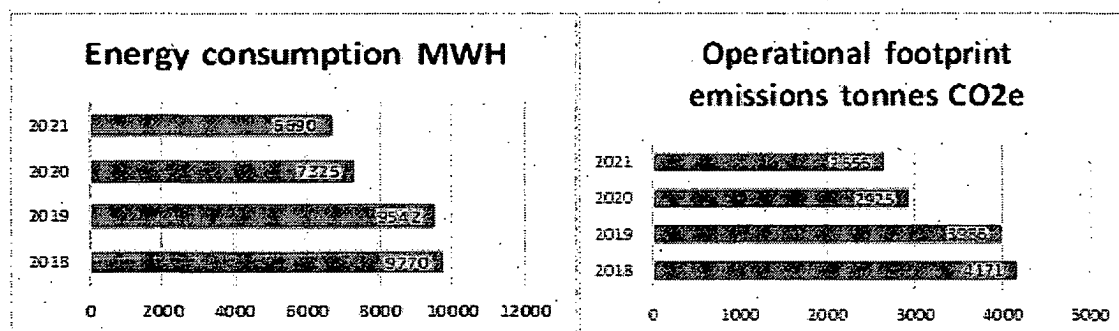
Energy and carbon report

As a global business based in the UK, we have taken steps to identify and reduce the impact of our operations on the environment. Climate change agreements have been in place for four years on all of our UK sites and we are committed to reducing our carbon footprint.

The Company has an investment plan for renewable energy which will be implemented over the next 5 years. Operational processes include, processing plants, warehouses and cold storage facilities. Energy consumption includes Power, Gas and liquid nitrogen.

The data below demonstrates the progress that has been made and we are confident that this trend will continue.

KPI's



SEAMARK PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

Statement of 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Existence of branches of the company outside of the United Kingdom

The company has no branches outside of the United Kingdom.

On behalf of the board



Mr I Ahmed
Director

28 June 2022

SEAMARK PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAMARK PLC

Opinion

We have audited the financial statements of Seamark plc (the 'company') for the year ended 30 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SEAMARK PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SEAMARK PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how management seek to comply with them. This helps us to make appropriate risk assessments.
- During the audit we focus on relevant risk areas and review compliance with laws and regulations through making relevant enquiries and corroboration by, for example, reviewing Board Minutes and other documentation.
- We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - I. Review of controls set in place by management
 - II. Enquiry of management as to whether they consider fraud or other irregularities may have occurred or where such opportunity might exist
 - III. Challenge of management assumptions with regard to accounting estimates
 - IV. Identification and testing of journal entries, particularly those which may appear to be unusual by size or nature.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

SEAMARK PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SEAMARK PLC

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Royce Peeling Green Limited

Martin Chatten (Senior Statutory Auditor)
For and on behalf of Royce Peeling Green Limited

Date: *29 June 2022*

Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester
M3 7BG

SEAMARK PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	30,509,081	35,270,699
Cost of sales		(26,083,790)	(31,410,808)
Gross profit		4,425,291	3,859,891
Distribution costs		(725,703)	(777,706)
Administrative expenses		(4,084,420)	(4,392,851)
Other operating income		753,905	1,234,010
Operating profit/(loss)	4	369,073	(76,656)
Interest receivable and similar income	8	180,000	200,000
Interest payable and similar expenses	7	(164,125)	(204,797)
Write down of investment loan	9	(300,000)	-
Profit/(loss) before taxation		84,948	(81,453)
Tax on profit/(loss)	10	(369,847)	(155,348)
Loss for the financial year		(284,899)	(236,801)

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

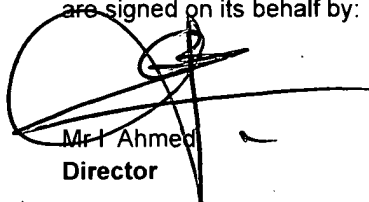
SEAMARK PLC

BALANCE SHEET

AS AT 30 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11	7,072,730		7,518,645	
Investment properties	12	904,477		904,477	
		<u>7,977,207</u>		<u>8,423,122</u>	
Current assets					
Stocks	13	7,955,451		8,543,226	
Debtors	14	14,465,792		14,369,757	
Cash at bank and in hand		2,799,071		1,909,115	
		<u>25,220,314</u>		<u>24,822,098</u>	
Creditors: amounts falling due within one year	15	(11,739,130)		(11,202,088)	
Net current assets		<u>13,481,184</u>		<u>13,620,010</u>	
Total assets less current liabilities		<u>21,458,391</u>		<u>22,043,132</u>	
Creditors: amounts falling due after more than one year	16	(3,221,148)		(3,773,948)	
Provisions for liabilities					
Deferred tax liability	17	1,179,212		926,254	
		<u>(1,179,212)</u>		<u>(926,254)</u>	
Net assets		<u>17,058,031</u>		<u>17,342,930</u>	
Capital and reserves					
Called up share capital	19	60,000		60,000	
Profit and loss reserves		16,998,031		17,282,930	
Total equity		<u>17,058,031</u>		<u>17,342,930</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 June 2022 and are signed on its behalf by:


Mr I Ahmed
Director

Company Registration No. 02575875

SEAMARK PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 DECEMBER 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020	60,000	17,519,731	17,579,731
Year ended 30 December 2020:			
Loss and total comprehensive income for the year	-	(236,801)	(236,801)
Balance at 30 December 2020	60,000	17,282,930	17,342,930
Year ended 30 December 2021:			
Loss and total comprehensive income for the year	-	(284,899)	(284,899)
Balance at 30 December 2021	60,000	16,998,031	17,058,031

SEAMARK PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(604,378)		579,478
Interest paid			(164,125)		(204,797)
Income taxes refunded/(paid)			84,910		(164,721)
Net cash (outflow)/inflow from operating activities			(683,593)		209,960
Investing activities					
Purchase of tangible fixed assets		(101,833)		(31,251)	
Proceeds on disposal of tangible fixed assets				17,317	
Loans recovered/ (made)		1,000,000		(1,078,029)	
Net cash generated from/(used in) investing activities			898,167		(1,091,963)
Financing activities					
(Decrease)/ increase in CID indebtedness		(250,766)		214,967	
Repayment of borrowings		(500,000)		-	
New bank loans		500,000		4,000,000	
Net cash (used in)/generated from financing activities			(250,766)		4,214,967
Net (decrease)/increase in cash and cash equivalents			(36,192)		3,332,964
Cash and cash equivalents at beginning of year			821,194		(2,511,770)
Cash and cash equivalents at end of year			785,002		821,194
Relating to:					
Cash at bank and in hand			2,799,071		1,909,115
Bank overdrafts included in creditors payable within one year			(2,014,069)		(1,087,921)

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

Company information

Seamark plc is a private company limited by shares incorporated in England and Wales. The registered office is IbcO Building, Hulme Hall Lane, Lord North Street, Miles Platting, Manchester, M40 8AD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have reviewed forecasts of anticipated income and expenditure for a period to 31 December 2023 which show that the company will have sufficient income to meet expenditure and repayments as they fall due. Current borrowing facilities are in place for a minimum 2 years. There are no financial covenants. The CLBIL facility requires £1 million repayment within 12 months and the remainder repayable within the period to March 2024. IBCO Limited repaid £1 million of the outstanding loan in January 2022.

After reviewing the company's forecasts and projections which include stress tests based on lower turnover levels, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Turnover

Revenue from the wholesale business is recognised when the Company has transferred the significant risks and rewards of ownership to the buyer to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the restaurant and banqueting hall is recognised when the sale is made to the customer.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in as intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	over 33 years straight line
Plant and equipment	over 3-5 years straight line
Fixtures and fittings	over 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold land is not depreciated. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.5 Investment properties

Investment property are carried at fair value determined by external valuers and assessed annually by the directors. The fair value would be adjusted for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in statement of comprehensive income.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 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 include directly attributable overheads.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 Foreign exchange

The company's functional currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as technological innovation, product life cycles and maintenance programmes (asset lives) and future market conditions, the remaining life of the asset and projected disposal values (residual values).

The directors also have to make assumptions regarding the fair value of the investment property recognised in the financial statements. This has to be established by estimating the square metre coverage used by a separate operation on the land and buildings owned by Seamark plc. The directors consider the fair value to not be materially different to the historical cost for the proportion of the site occupied and recognised as an investment property.

Stocks

Where appropriate slow moving stocks are written down to their net realisable value, the assessment of net realisable value takes account of factors such as the availability of outlet channels and the value realised.

Debtors

In assessing the provision for doubtful debts factors taken into account include debtors' age profile, their historical payment performance and available credit data.

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Wholesale Import and Export	28,888,480	34,424,791
Restaurant and Banqueting Hall Retail	1,620,601	845,908
	<u>30,509,081</u>	<u>35,270,699</u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	10,825,477	8,674,265
Rest of Europe	19,683,604	26,596,434
	<u>30,509,081</u>	<u>35,270,699</u>

	2021 £	2020 £
Other revenue		
Interest income	180,000	200,000
Grants received	513,905	544,483
Management charges	-	449,527
Rental income	240,000	240,000
	<u>933,905</u>	<u>1,434,010</u>

4 Operating profit/(loss)

	2021 £	2020 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	27,001	422,374
Government grants	(513,905)	(544,483)
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	30,000
Depreciation of owned tangible fixed assets	547,748	545,399
Operating lease charges	397,035	444,544
	<u>482,880</u>	<u>900,434</u>

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

5 Employees

The average monthly number of persons (including directors) employed during the year was:

	2021	2020
Administration	29	31
Management	3	3
Production	62	83
Restaurant	43	40
	<u>137</u>	<u>157</u>

Their aggregate remuneration comprised: (£)

Wages and salaries	2,703,693	3,004,085
Social security costs	230,524	244,072
Pension costs	45,586	49,975
	<u>2,979,803</u>	<u>3,298,132</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services: all directors	<u>304,635</u>	<u>304,635</u>
Remuneration for qualifying services: highest paid director	<u>128,365</u>	<u>128,365</u>

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	116,776	159,257
Interest on invoice finance arrangements	47,349	45,540
	<u>164,125</u>	<u>204,797</u>

8 Interest receivable and similar income

	2021 £	2020 £
Interest on financial assets not measured at fair value through profit or loss	<u>180,000</u>	<u>200,000</u>

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

9 Amounts written off investments

	2021 £	2020 £
Amounts written off financial assets held at cost	(300,000)	-

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	116,889	88,525
Deferred tax		
Origination and reversal of timing differences	(30,053)	(34,286)
Changes in tax rates	283,011	101,109
Total deferred tax	252,958	66,823
Total tax charge	369,847	155,348

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	84,948	(81,453)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	16,140	(15,476)
Tax effect of expenses that are not deductible in determining taxable profit	57,000	48,956
Effect of change in deferred tax rate	283,011	101,230
Depreciation on assets not qualifying for tax allowances	19,617	19,617
Other	(5,921)	1,021
Taxation charge for the year	369,847	155,348

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 31 December 2020	13,682,885	8,093,305	475,418	22,251,608
Additions	-	66,675	35,158	101,833
At 30 December 2021	13,682,885	8,159,980	510,576	22,353,441
Depreciation and impairment				
At 31 December 2020	6,557,889	7,835,055	340,019	14,732,963
Depreciation charged in the year	480,000	55,500	12,248	547,748
At 30 December 2021	7,037,889	7,890,555	352,267	15,280,711
Carrying amount				
At 30 December 2021	6,644,996	269,425	158,309	7,072,730
At 30 December 2020	7,124,996	258,250	135,399	7,518,645

12 Investment property

	2021 £
Fair value	
At 31 December 2020 and 30 December 2021	904,477

Seamark plc leases a part of the land and buildings to IBCO Limited, a related party.

The valuation of this part of the property has been established by reference to the square footage utilised by the separate operation. The directors have concluded that there is no material difference between the fair value and historic cost. In determining this, they have used recent valuation reports provided by professional surveyors.

All other tangible assets are stated at historical cost less depreciation and impairments.

13 Stocks

	2021 £	2020 £
Raw materials and finished goods	7,903,127	8,454,865
Work in progress	52,324	88,361
	<u>7,955,451</u>	<u>8,543,226</u>

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

14 Debtors

	Note	2021 £	2020 £
Amounts falling due within one year:			
Trade debtors		2,691,017	3,471,823
Other debtors	23	11,385,408	10,591,344
Prepayments and accrued income		389,367	306,590
		<u>14,465,792</u>	<u>14,369,757</u>

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Invoice discounting indebtedness		1,677,673	1,928,439
Bank loans and overdrafts		3,014,069	1,587,921
Trade creditors		1,680,927	1,439,416
Corporation tax		252,745	50,946
Other taxation and social security		281,408	445,175
Other creditors	23	2,246,569	2,342,071
Accruals and deferred income		2,585,739	3,408,120
		<u>11,739,130</u>	<u>11,202,088</u>

The loan, overdraft and invoice discounting indebtedness are secured by fixed and floating charges over all the assets of the company.

In March 2020 the company agreed a CID facility with Barclays of £7,000,000.

At 31 December 2021 the company has a CLBIL facility with Barclays of £4,000,000 which reduces to £3,000,000 by 31 March 2022 and to £1,500,000 by 31 March 2023. The remainder of the loan will be payable within the period to March 2024.

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts		3,000,000	3,500,000
Government grants	18	221,148	273,948
		<u>3,221,148</u>	<u>3,773,948</u>

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	1,179,212	926,254
	<u>1,179,212</u>	<u>926,254</u>
Movements in the year:		2021 £
Liability at 31 December 2020		926,254
Credit to profit or loss		(30,053)
Effect of change in tax rate - profit or loss		283,011
Liability at 30 December 2021		<u>1,179,212</u>

18 Deferred income

	2021 £	2020 £
Arising from government grants	221,148	273,948
	<u>221,148</u>	<u>273,948</u>

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
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>

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	390,000	439,000
	<u>390,000</u>	<u>439,000</u>

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2021

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	364,201	365,025

Transactions with related parties

	Sales		Purchases	
	2021 £	2020 £	2021 £	2020 £
IBCO Food Industries	-	-	267,965	536,416
IBCO Limited	3,845,936	4,479,819	725,211	393,357
Restaurant Wholesale Barking	729,323	333,889	-	-
Seamark (BD) Limited	-	-	5,051,548	9,753,312
IBCO Enterprises	-	160,272	-	13,917
Other related parties	645,719	609,081	3,134	-

	Rental income/ (charges)		Loan interest/ management charge income	
	2021 £	2020 £	2021 £	2020 £
IBCO Limited	240,000	240,000	180,000	200,000
Seamark (BD) Limited	-	-	-	417,855
IBCO Enterprises	(390,000)	(417,904)	-	15,836
Seamark USA Inc.	-	-	-	15,836

- IBCO Limited is a company under common ownership and control.
- Seamark (BD) Limited and IBCO Food Industries are Bangladeshi companies under common ownership. Trading is on equivalent terms with those applied by similar suppliers.
- Seamark USA Inc. is a US registered business owned by Mr I Ahmed and Mr K Ahmed.
- Restaurant Wholesale Barking is a partnership owned by the directors.
- IBCO Enterprises is a partnership under common ownership and control.

	2021 £	2020 £
Amounts due to related parties		
IBCO Food Industries	-	103,085
IBCO Limited	152,243	151,605
Seamark (BD) Limited	1,996,368	1,838,538
IBCO Enterprises	62,000	217,000
Other related parties	31,605	24,000

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

21 Related party transactions

(Continued)

	2021 £	2020 £
Amounts due from related parties		
IBCO Limited	7,093,079	6,248,449
Restaurant Wholesale Barking	392,496	228,621
Seamark (BD) Limited	1,969,158	1,969,158
IBCO Enterprises	484,403	484,403
Seamark USA Inc.	631,121	872,049
Other related parties	812,634	781,256

Other related parties include:

IBCO USA LLC is a US registered business owned by Mr I Ahmed and Mr K Ahmed and Flying Unicorn Limited is a business of which Mr I Ahmed is a director.

Amounts owed by these parties comprise short term loans of £812,634 (2020: £781,256).

Amounts owed by IBCO Limited include a loan of £5,133,654 (2020: £6,133,654).

The following amounts were recognised as an expense in the period in respect of bad and doubtful debts due from related parties:

	2021 £	2020 £
Flying Unicorn Limited	-	257,665

22 Cash (absorbed by)/generated from operations

	2021 £	2020 £
Loss for the year after tax	(284,899)	(236,801)
Adjustments for:		
Taxation charged	369,847	155,348
Finance costs	164,125	204,797
Investment income	(180,000)	(200,000)
Depreciation and impairment of tangible fixed assets	547,748	545,399
Other gains and losses	300,000	-
Movements in working capital:		
Decrease/(increase) in stocks	587,775	(200,107)
(Increase)/decrease in debtors	(1,216,035)	626,626
Decrease in creditors	(840,139)	(262,984)
Decrease in deferred income	(52,800)	(52,800)
Cash (absorbed by)/generated from operations	(604,378)	579,478

SEAMARK PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2021

23 Analysis of changes in net debt

	31 December 2020 £	Cash flows £	30 December 2021 £
Cash at bank and in hand	1,909,115	889,956	2,799,071
Bank overdrafts	(1,087,921)	(926,148)	(2,014,069)
	<u>821,194</u>	<u>(36,192)</u>	<u>785,002</u>
Borrowings excluding overdrafts	(5,928,439)	250,766	(5,677,673)
	<u>(5,107,245)</u>	<u>214,574</u>	<u>(4,892,671)</u>