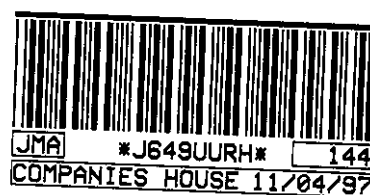
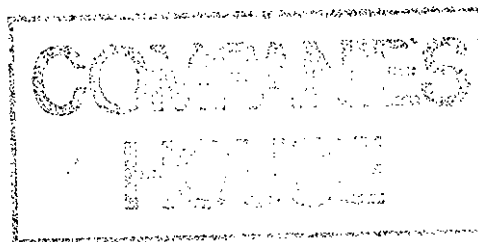


**SEAFOOD MARKETING INTERNATIONAL LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1996**



**ROYCE PEELING GREEN  
CHARTERED ACCOUNTANTS  
HILTON CHAMBERS  
15 HILTON STREET  
MANCHESTER  
M1 1JL**

# **SEAFOOD MARKETING INTERNATIONAL LIMITED**

## **COMPANY INFORMATION AND CONTENTS**

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<b>Directors</b>	I. Ahmed K. Ahmed B. Ahmed
<b>Secretary</b>	B. Ahmed
<b>Company Number</b>	2575875
<b>Registered Office</b>	1, Whitworth Street Openshaw Manchester M11 2DW
<b>Auditors</b>	Royce Peeling Green Hilton Chambers 15 Hilton Street Manchester M1 1JL

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## **CONTENTS**

1 and 2	Directors' Report
3 to 4	Auditors' Report
5	Profit and Loss Account
6	Balance Sheet
7	Cash Flow Statement
8 to 14	Notes to the Abbreviated Accounts

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## DIRECTORS' REPORT

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The directors submit their report together with the abbreviated accounts for the year ended 31st December 1996.

### DIRECTORS' RESPONSIBILITIES

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 for that year. 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 to enable them to ensure 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.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £1,040,064 and it has been transferred to reserves.

The directors do not recommend the payment of a final dividend.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

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

The directors are satisfied with the company's expansion and profitability during the year under review. The company's exports continue to increase and in the year amounted to almost 85% of turnover. Current year trading indicates that, subject to unforeseen circumstances, profitability will be maintained.

### FIXED ASSETS

Full details of changes in fixed assets are shown in the notes to the abbreviated financial statements.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests, together with the interests of their families, in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1996 No.	1995 No.
I. Ahmed	1,000	1,000
K. Ahmed	1,000	1,000
B. Ahmed	1,000	1,000

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## DIRECTORS' REPORT

---

### AUDITORS

The Auditors, Messrs. Royce Peeling Green, Chartered Accountants, have expressed their willingness to continue in office, and a resolution regarding their appointment and remuneration will be submitted to the Annual General Meeting.

By Order of the Board:



B. AHMED  
SECRETARY

2ND APRIL 1997

**AUDITOR'S REPORT TO THE DIRECTORS OF SEAFOOD MARKETING INTERNATIONAL LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

---

We have examined the abbreviated accounts set out on pages 5 to 14 together with the financial statements of Seafood Marketing International Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1996.

**Respective responsibilities of the directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that schedule.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1996, and the abbreviated accounts on pages 5 to 14 have been properly prepared in accordance with that Schedule.

**Other information**

On 2nd April 1997 we reported, as auditors of Seafood Marketing International Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1996, and our audit report was as follows:

We have audited the financial statements on pages 4 to 14, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**AUDITOR'S REPORT TO THE DIRECTORS OF SEAFOOD MARKETING INTERNATIONAL  
LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

---

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 consider 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 the information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**ROYCE PEELING GREEN  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR**

**HILTON CHAMBERS  
15 HILTON STREET  
MANCHESTER  
M1 1JL**

2nd April 1997

**SEAFOOD MARKETING INTERNATIONAL LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1996**

	Notes	1996 £	1995 £
Gross profit		2,807,356	1,397,848
Administration expenses		<u>(1,113,445)</u>	<u>(637,227)</u>
Operating profit	2	1,693,911	760,621
Interest receivable		1,303	13,846
Interest payable	3	<u>(137,700)</u>	<u>(86,461)</u>
Profit on ordinary activities before Taxation		1,557,514	688,006
Tax on profit on ordinary activities	5	<u>(517,450)</u>	<u>(207,246)</u>
Profit on ordinary activities after Taxation		<u>1,040,064</u>	<u>480,760</u>
Retained profit transferred to reserves	16	<u><u>1,040,064</u></u>	<u><u>480,760</u></u>

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

*The notes on pages 8 to 14 form part of these abbreviated accounts.*

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## BALANCE SHEET AS AT 31ST DECEMBER 1996

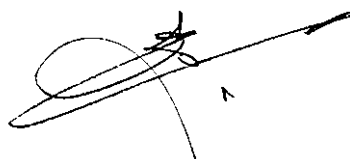
	Notes	1996		1995	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	6		528,536		848,806
<b>Current Assets</b>					
Stock	7	3,550,346		2,782,394	
Debtors	8	2,959,720		1,520,588	
Cash at bank and in hand		55,618		213	
		6,565,684		4,303,195	
<b>Creditors:</b>					
Amounts falling due within one year	9	(5,304,251)		(4,250,572)	
<b>Net Current Assets</b>			1,261,433		52,623
<b>Total Assets Less Current Liabilities</b>			1,789,969		901,429
<b>Creditors:</b>					
Amounts falling due after one year	10		(154,693)		(222,531)
<b>Provision for Liabilities and Charges</b>					
Deferred taxation	13		(32,026)		(85,050)
<b>Deferred Income</b>					
Government grants	14		(30,671)		(61,333)
			1,572,579		532,515
<b>Capital and Reserves</b>					
<i>Equity Interests</i>					
Share capital	15		3,000		3,000
Profit and loss account	16		1,569,579		529,515
<b>TOTAL SHAREHOLDERS' FUNDS</b>	17		1,572,579		532,515

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a medium sized company and is entitled to make use of the exemptions.

These accounts were approved by the board on 2nd April 1997.

I. Ahmed

**DIRECTOR**



The notes on pages 8 to 14 form part of these abbreviated accounts.



**SEAFOOD MARKETING INTERNATIONAL LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1996**

	Notes	1996		1995	
		£	£	£	£
<b>Cash Inflow/(Outflow) from Operating Activities</b>	18		391,222		(1,325,315)
<b>Returns on Investments and Servicing of Finance</b>	19		(136,397)		(71,815)
<b>Taxation</b>			(137,842)		-
<b>Capital expenditure and financial investment</b>	19		(3,068)		(35,664)
<b>Cash Inflow/(Outflow) before use of liquid resources and financing</b>			113,915		(1,432,794)
<b>Financing</b>	19		(93,514)		(80,569)
<b>Increase/(Decrease) in cash in the year</b>			20,401		(1,513,363)
<b>Reconciliation of net cash flow to movement in net debt</b>					
<b>Increase/(Decrease) in cash in the year</b>		20,401		(1,513,363)	
<b>Cash outflow from decrease in debt and lease financing</b>		93,514		80,569	
<b>Change in net debt resulting from cash flows</b>			113,915		(1,432,794)
<i>Other non-cash movements:</i>					
<b>Movement in net debt in the period</b>			113,915		(1,432,794)
<b>Net debt at 1st January 1996</b>			(1,846,663)		(413,869)
<b>Net debt at 31st December 1996</b>	20		(1,732,748)		(1,846,663)

**1 PRINCIPAL ACCOUNTING POLICIES**

*Accounting Convention*

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

*Turnover*

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

*Depreciation*

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Plant and machinery	20-33% straight line
Fixtures and fittings	10% straight line

*Government Grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Profit and Loss Account by annual instalments over the expected useful lives of the relevant assets.

Government grants or assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

*Stocks*

Stocks are stated at the lower of cost and net realisable value.

*Deferred Taxation*

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

*Foreign Currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at operating profit.

*Leased Assets*

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The corresponding obligations are included in the balance sheet as creditors. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

### 2 OPERATING PROFIT

*The operating profit is stated after charging or crediting:*

	1996	1995
	£	£
Other operating lease rentals	84,500	84,500
Amounts payable to the auditors in respect of audit services	8,500	7,000
Depreciation - owned assets	119,166	95,222
Depreciation - assets held under hire purchase or finance lease contracts	204,172	117,334
Government grants transferred from deferred income	(30,662)	(16,000)

### 3 INTEREST PAYABLE

	1996	1995
	£	£
Bank loans, overdrafts and other loans repayable within five years	106,104	46,131
Finance charges in respect of finance leases	30,702	40,330
Other interest payable	894	-
	<u>137,700</u>	<u>86,461</u>

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1996	1995
	£	£
Wages and salaries	403,024	216,681
Social security costs	37,432	17,709
	<u>440,456</u>	<u>234,390</u>

The average monthly number of employees, including directors, during the year was as follows:

	1996	1995
	Number	Number
Administration	8	5
Management	3	3
Production	24	17
	<u>35</u>	<u>25</u>

No remuneration was paid to the directors in the year (1995: Nil).

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
	£	£
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 33% (1995 at marginal rates)	570,474	137,842
Deferred tax charge	(53,024)	69,404
	<u>517,450</u>	<u>207,246</u>

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

### 6 TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Total
Cost	£	£	£
At 1st January 1996	1,155,736	48,439	1,204,175
Additions	2,000	1,068	3,068
At 31st December 1996	1,157,736	49,507	1,207,243
Depreciation			
At 1st January 1996	342,876	12,493	355,369
Charged for the year	318,386	4,952	323,338
At 31st December 1996	661,262	17,445	678,707
Net Book Value			
Owned assets	303,599	32,062	335,661
Leased assets	192,875	-	192,875
At 31st December 1996	496,474	32,062	528,536
Owned assets	415,813	35,946	451,759
Leased assets	397,047	-	397,047
At 31st December 1995	812,860	35,946	848,806

Included within plant and machinery is processing plant which cost £473,670 in 1994 and had a net book value of £363,417 at 31st December 1995. Due to a change in operations involving additional shifts being worked the estimated useful life of this plant has been reduced and it's cost is therefore being written off over a reduced period ending 31st December 1997. The effect of this change has been an increase in the depreciation charge of £86,841 during the year.

### 7 STOCKS

	1996	1995
	£	£
Raw materials	3,000,171	2,133,592
Finished goods	550,175	648,802
	3,550,346	2,782,394

### 8 DEBTORS

	1996	1995
	£	£
Trade debtors	2,726,422	1,375,524
Amounts owed by related undertakings	154,087	104,119
Other debtors	65,718	19,214
Prepayments and accrued income	13,493	21,731
	2,959,720	1,520,588

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996	1995
		£	£
	Bank loans and overdrafts	1,559,749	1,524,745
	Obligations under hire purchase and finance lease contracts	73,924	99,600
	Trade creditors	1,882,703	547,608
	Amounts owed to related undertakings	504,949	1,337,718
	Corporation tax	570,474	137,842
	Other taxes and social security	14,408	8,299
	Other creditors	488,469	499,206
	Accruals and deferred income	209,575	95,554
		<u>5,304,251</u>	<u>4,250,572</u>

Bank loans and overdrafts are secured by a charge over the company's assets.

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

10	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	1996	1995
		£	£
	Obligations under hire purchase and finance lease contracts	<u>154,693</u>	<u>222,531</u>
		<u>154,693</u>	<u>222,531</u>

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

11	HIRE PURCHASE & FINANCE LEASE OBLIGATIONS	1996	1995
		£	£
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	73,924	99,600
	Between one and two years	79,837	99,600
	Between two and five years	74,856	122,931
		<u>228,617</u>	<u>322,131</u>

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

## 12 OPERATING LEASE COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	1996 Land and buildings £	1996 Other £	1995 Land and buildings £
Expiring:			
Within one year	-	-	-
Within one to five years	84,500	18,072	84,500
After five years	-	-	-
	<u>84,500</u>	<u>18,072</u>	<u>84,500</u>

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

### 13 DEFERRED TAXATION

Deferred taxation provided and unprovided for in the financial statements is set out below. Any amount unprovided represents a contingent liability at the Balance Sheet date and is calculated using a tax rate of 33%.

	Amount Provided		Amount Unprovided	
	1996 £	1995 £	1996 £	1995 £
Accelerated capital allowances	32,026	85,050	-	-
	<u>32,026</u>	<u>85,050</u>	<u>-</u>	<u>-</u>

The movement on deferred taxation is as follows:

	£
At 1st January 1996	85,050
(Provision released) in the year	(53,024)
At 31st December 1996	<u>32,026</u>

### 14 GOVERNMENT GRANTS

	1996 £	1995 £
At 1st January 1996	61,333	77,333
Transferred to profit & loss account during the year	(30,662)	(16,000)
At 31st December 1996	<u>30,671</u>	<u>61,333</u>

### 15 SHARE CAPITAL

Authorised	Number	£
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, issued and fully paid	Number	£
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

**SEAFOOD MARKETING INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996**

<b>16</b>	<b>RESERVES</b>		<b>Profit and Loss Account</b>
			<b>£</b>
	At 1st January 1996		529,515
	Profit for the year		1,040,064
	At 31st December 1996		<u>1,569,579</u>
<b>17</b>	<b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	1,040,064	480,760
	Increase in shareholders' funds	1,040,064	480,760
	Opening shareholders' funds	532,515	51,755
	Closing shareholders' funds	<u>1,572,579</u>	<u>532,515</u>
<b>18</b>	<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Operating profit	1,693,911	760,621
	Depreciation	323,338	212,556
	Government grants transferred from deferred income	(30,662)	(16,000)
	(Increase) in stocks	(767,952)	(2,033,690)
	(Increase) in debtors	(1,439,132)	(814,794)
	Increase in creditors	611,719	565,992
	Net Cash Inflow/(Outflow) from Operating Activities	<u>391,222</u>	<u>(1,325,315)</u>
<b>19</b>	<b>GROSS CASH FLOWS</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	<i>Returns on investments and servicing of finance</i>		
	Interest received	1,303	13,846
	Interest paid	(106,998)	(45,331)
	Hire purchase and finance lease interest	(30,702)	(40,330)
	<i>Net cash (outflow) for returns on investments and servicing of finance</i>	<u>(136,397)</u>	<u>(71,815)</u>
	<i>Capital expenditure and financial investment</i>		
	Purchase of tangible fixed assets	(3,068)	(35,664)
	<i>Net cash (outflow) for capital expenditure and financial investment</i>	<u>(3,068)</u>	<u>(35,664)</u>

# SEAFOOD MARKETING INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

### Financing

#### Other:

Capital element of finance lease rentals	(93,514)	(80,569)
<i>Net cash (outflow) for financing</i>	<u>(93,514)</u>	<u>(80,569)</u>

### 20 ANALYSIS OF NET DEBT

	At 1st January 1996	Cash Flow	At 31st December 1996
	£	£	£
Cash in hand and at bank	213	55,405	55,618
Overdrafts	(1,524,745)	(35,004)	(1,559,749)
	<u>(1,524,532)</u>	<u>20,401</u>	<u>(1,504,131)</u>
Finance leases	(322,131)	93,514	(228,617)
<b>Total</b>	<u>(1,846,663)</u>	<u>113,915</u>	<u>(1,732,748)</u>

### 21 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. The details of these transactions are as follows:-

#### Iqbal Brothers and Company

Sales to £2,312,008 (1995 £1,210,488)

Purchases from £2,850,016 (1995 £2,461,460)

#### Ibco Enterprises

Rent paid £84,500 (1995 £84,500)