

**F. SMALES & SON (FISH MERCHANTS) LIMITED
AND ITS SUBSIDIARIES**

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31ST AUGUST 2009

Company Number: 01129885



F. SMALES & SON (FISH MERCHANTS) LIMITED

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F. SMALES & SON (FISH MERCHANTS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 2009

The directors present their report and the audited financial statements for the year ended 31st August 2009

Principal activities

The principal activities of the company and its subsidiary undertakings are those of fish processing, sales and distribution of chilled and frozen fish, shell fish and an extensive range of frozen food products

Business review

The financial year ended 31st August 2009 was profitable for the two fish Divisions of the fish business of Smales, the Company. The Trading Division of Smales, which sells mainly frozen at sea and individually quick frozen white fish fillets to fish and chip shops and smaller fish wholesalers, saw a decrease in turnover of 11.6% in a period in which commodity prices fell by around 25%. The Trading Division was able to improve profitability due to an improvement in its gross margin percentage generated. The fish and chip shop sector was buoyant in 2008/2009 due to lower frozen at sea prices, the VAT reduction of 2.5% and fish and chips being perceived as a relatively cheap family meal in a recessionary period. The Trading Division of Smales now enjoys a market share of around 25% of frozen at sea supplies to the English and Welsh fish and chip shops.

The Chilled Seafood Division of Smales, which supplies chilled fish and seafood products to the major supermarket groups, reported an increase in turnover of 24.1% in the financial year 2008/2009. Prices of chilled product remained stable in the financial year and turnover rose due to an increase in products supplied to existing customers, new product development and an increase in the customer base. There was continued investment by the Chilled Seafood Division in product branding and improving production methods.

On 10th November 2009, F. Smales & Son (Fish Merchants) Limited sold its trading subsidiary 3G Food Service Limited to a management buyout team led by the directors of 3G. The MBO will allow both Smales and 3G to focus and progress in the core activities of each company. Smales now has the opportunity to concentrate on sales to the fish and chip shop sector and fish and seafood processing to the retailers, with the aim of achieving continued growth and success.

F. Smales & Son (Fish Merchants) Limited are operating within the financial facilities available to it from its bankers, Lloyds TSB, and will continue to concentrate on reducing its bank borrowings in future financial years.

The parent company's trading to date in respect of 2009/2010 is significantly ahead of the corresponding results for 2008/2009, the directors expect to report very favourable profitability for the year to 31st August 2010.

The Board believes that the company's strategy together with its experienced management will be a solid foundation for continued successful business performance.

Key financial highlights of the Group are as shown below -

| | 2009 | 2008 | 2007 | 2006 |
|-------------------------|-------------|-------------|-------------|-------------|
| Turnover change | (6.3%) | 7.6% | 7.8% | 0.1% |
| Gross profit | £13,421,208 | £13,018,507 | £12,438,537 | £11,449,140 |
| Gross profit percentage | 15.8% | 14.4% | 14.8% | 14.7% |
| Shareholders' funds | £2,935,026 | £3,538,072 | £3,788,454 | £3,329,776 |

F. SMALES & SON (FISH MERCHANTS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 2009

Principal risks and uncertainties

The group faces competition risk from other companies in the fish industry resulting in pressure to keep prices low which can be difficult due to fluctuating fish prices. The group needs to ensure that there is sufficient supply of raw material available to meet the demand of its customers. These risks are faced by all companies operating in this industry.

Financial instruments

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company and operating lease agreements. The main purpose of these instruments is to raise funds for the group's operations and to finance working capital.

Due to the nature of the financial instruments used by the group there is little exposure to price risk other than as a result of some transactions in foreign currency. This risk is minimal. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

The loan to the group is from the bank. The interest rate on the bank loan is variable. The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

The group utilises operating lease agreements and ensures there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Dividends

No dividends were paid during the year (2008 - £Nil)

Employees

The group's policy is to consult and discuss with employees, through memos, staff councils and at meetings, matters likely to affect employees' interests.

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Directors

The directors who served during the year are as stated below.

C F. Smales

L. Smales

S. Smales

R A. Orr B Com CA CTA

B H. Smales (resigned 10th November 2009)

E W. Gilbert FCA

J G. Crowther

F. SMALES & SON (FISH MERCHANTS) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 2009

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

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

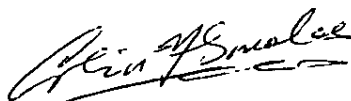
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention of fraud and other irregularities.

In addition to the general duties of directors specified in section 170 to 177 of the Act, you are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



**C.F. Smales
CHAIRMAN**

**HULL
24th MAY 2010**

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

F. SMALES & SON (FISH MERCHANTS) LIMITED

We have audited the financial statements of F Smales & Son (Fish Merchants) Limited for the year ended 31st August 2009 on pages 6 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion: disclaimer on view given by the group financial statements

The audit evidence available to us was limited because, following the sale of 3G Food Service Limited on 10th November 2009, we were unable to access the accounting records of this company in order to carry out an audit. Consolidated accounts have therefore been prepared using available management accounts for 3G Food Service Limited instead of audited financial statements. As a result of this we have been unable to obtain sufficient appropriate audit evidence.

Because of the effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the group financial statements

- give a true and fair view of the state of the group's affairs as at 31st August 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion: true and fair view given by parent company financial statements

Our disclaimer above is on the group financial statements, in our opinion the parent company's financial statements

- give a true and fair view of the state of the parent company's affairs as at 31st August 2009 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
F. SMALES & SON (FISH MERCHANTS) LIMITED (CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the view given by the group financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

In respect of the limitation of our work in respect of 3G Food Service Limited referred to above

- we were unable to determine whether adequate accounting records have been kept by 3G Food Service Limited, and
- we have not received all the information and explanations we require for our audit

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

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

Dutton Moore

**Jonathan Waters BA FCA
Senior Statutory Auditor
For and on behalf of
DUTTON MOORE
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR**

**HULL
24th MAY 2010**

F. SMALES & SON (FISH MERCHANTS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2009

| | Notes | 2009 | | 2008 | |
|--|-----------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | £ | £ | £ | £ |
| Turnover | 2 | | | | |
| Continuing operations | | 60,908,635 | | 59,737,202 | |
| Discontinued operations | 30 | 23,942,524 | 84,851,159 | 30,852,656 | 90,589,858 |
| Cost of Sales | 3 | <u> </u> | (71,429,951) | <u> </u> | (77,571,351) |
| Gross profit | | | 13,421,208 | | 13,018,507 |
| Distribution costs | 3 | | (6,090,785) | | (5,741,917) |
| Administrative expenses | 3 | | (7,857,836) | | (7,339,912) |
| Operating profit/(loss) | 4 | | <u> </u> | | <u> </u> |
| Continuing operations | | 610,739 | | 199,369 | |
| Discontinued operations | 30 | (1,138,152) | (527,413) | (262,691) | (63,322) |
| Interest receivable and similar income | 5 | <u> </u> | - | <u> </u> | 2,470 |
| Interest payable and similar charges | 6 | | (111,404) | | (235,367) |
| Loss on ordinary activities before taxation | | | <u> </u> | | <u> </u> |
| | | | (638,817) | | (296,219) |
| Tax on loss on ordinary activities | 8 | | 35,771 | | 45,837 |
| Retained loss for the financial year | | | <u> </u> | | <u> </u> |
| Retained profit brought forward | | | (603,046) | | (250,382) |
| | | | 3,138,072 | | 3,388,454 |
| Retained profit carried forward | | | <u> </u> | | <u> </u> |
| | | | 2,535,026 | | 3,138,072 |
| Dealt within | | | <u> </u> | | <u> </u> |
| Holding company | | | 3,682,030 | | 3,133,919 |
| Subsidiary companies | | | (1,147,004) | | 4,153 |
| | | | <u> </u> | | <u> </u> |
| | | | 2,535,026 | | 3,138,072 |
| | | | <u> </u> | | <u> </u> |

The group has no recognised gains or losses for 2009 and 2008 other than those included in the profit and loss account, therefore no separate statement of total recognised gains and losses is required.

The notes on pages 10 to 28 form part of these accounts

F. SMALES & SON (FISH MERCHANTS) LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST AUGUST 2009

| | Notes | 2009 | | 2008 | |
|--|------------|--------------|-------------|--------------|-------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Intangible assets | 10a | | 11,700 | | 14,625 |
| Tangible assets | 11a | | 3,105,710 | | 3,263,054 |
| Investments | 12a | | 65,000 | | 65,000 |
| | | | <hr/> | | <hr/> |
| | | | 3,182,410 | | 3,342,679 |
| Current Assets | | | | | |
| Stocks | 13a | 4,433,899 | | 6,508,336 | |
| Debtors | 14a | 10,242,191 | | 10,066,068 | |
| Cash at bank and in hand | | 4,491 | | 5,625 | |
| | | <hr/> | | <hr/> | |
| | | | 14,680,581 | | 16,580,029 |
| Creditors: amounts falling due within one year | 15a | (13,759,873) | | (15,123,229) | |
| | | <hr/> | | <hr/> | |
| Net Current Assets | | | 920,708 | | 1,456,800 |
| | | | <hr/> | | <hr/> |
| Total Assets less Current Liabilities | | | 4,103,118 | | 4,799,479 |
| Creditors: amounts falling due after more than one year | 16a | | (1,168,092) | | (1,261,407) |
| Provisions for Liabilities | 21 | | - | | - |
| | | | <hr/> | | <hr/> |
| | | | 2,935,026 | | 3,538,072 |
| | | | <hr/> | | <hr/> |
| Capital and Reserves | | | | | |
| Called up share capital | 22 | | 400,000 | | 400,000 |
| Profit and loss account | 23 | | 2,535,026 | | 3,138,072 |
| | | | <hr/> | | <hr/> |
| Shareholders' Funds | 24a | | 2,935,026 | | 3,538,072 |
| | | | <hr/> | | <hr/> |

Approved on behalf of the Board



C.F. Smales
Director

DATED. 24th MAY 2010

The notes on pages 10 to 28 form part of these accounts

F. SMALES & SON (FISH MERCHANTS) LIMITED
(COMPANY NUMBER 01129885)

HOLDING COMPANY BALANCE SHEET
AS AT 31ST AUGUST 2009

| | | 2009 | | 2008 | |
|--|-------|--------------|------------|--------------|------------|
| | Notes | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Intangible assets | 10b | | 11,700 | | 14,625 |
| Tangible assets | 11b | | 2,890,162 | | 3,000,809 |
| Investments | 12b | | 283,546 | | 283,546 |
| | | | <hr/> | | <hr/> |
| | | | 3,185,408 | | 3,298,980 |
| Current Assets | | | | | |
| Stocks | 13b | 3,764,702 | | 4,880,631 | |
| Debtors | 14b | 7,937,851 | | 8,543,622 | |
| Cash at bank and in hand | | 1,203,611 | | 628,829 | |
| | | <hr/> | | <hr/> | |
| | | | 12,906,164 | | 14,053,082 |
| Creditors: amounts falling due within one year | 15b | (10,841,450) | | (12,584,700) | |
| | | <hr/> | | <hr/> | |
| Net Current Assets | | | 2,064,714 | | 1,468,382 |
| | | | <hr/> | | <hr/> |
| Total Assets less Current Liabilities | | | 5,250,122 | | 4,767,362 |
| | | | <hr/> | | <hr/> |
| Creditors: amounts falling due after more than one year | 16b | (1,168,092) | | (1,233,443) | |
| Provisions for Liabilities | 21 | - | | - | |
| | | <hr/> | | <hr/> | |
| | | | 4,082,030 | | 3,533,919 |
| | | | <hr/> | | <hr/> |
| Capital and Reserves | | | | | |
| Called up share capital | 22 | 400,000 | | 400,000 | |
| Profit and loss account | 23 | 3,682,030 | | 3,133,919 | |
| | | <hr/> | | <hr/> | |
| Shareholders' Funds | 24b | 4,082,030 | | 3,533,919 | |
| | | <hr/> | | <hr/> | |

Approved on behalf of the Board



C.F. Smales
Director

DATED 24th MAY 2010

The notes on pages 10 to 28 form part of these accounts

F. SMALES & SON (FISH MERCHANTS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2009

| | Notes | 2009 £ | 2008 £ |
|--|-----------------|-------------------|-------------------|
| Net cash (outflow)/inflow from operating activities | 29a | (475,429) | 719,163 |
| Return on investments and servicing of finance | 29b(i) | (111,404) | (232,897) |
| Taxation | 29b(ii) | - | 48,609 |
| Capital expenditure and financial investments | 29b(iii) | (177,378) | (278,897) |
| Financing | 29b(iv) | (51,917) | (40,612) |
| | | <hr/> | <hr/> |
| (Decrease)/increase in cash in year | | (816,128) | 215,366 |
| | | <hr/> | <hr/> |
| Reconciliation of net cash flow to movement in net debt | | | |
| (Decrease)/increase in cash in year | | (816,128) | 215,366 |
| Cash outflow from movement in loans | | 44,057 | 32,628 |
| Cash outflow from decrease in asset finance | | 7,860 | 7,984 |
| | | <hr/> | <hr/> |
| Movement in net debt in year | | (764,211) | 255,978 |
| Net debt brought forward | 29c | (915,594) | (1,171,572) |
| | | <hr/> | <hr/> |
| Net debt carried forward | 29c | (1,679,805) | (915,594) |
| | | <hr/> | <hr/> |

The notes on pages 10 to 28 form part of these accounts

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

1 Principal accounting policies

1.1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.2 Accounts

Accounts have been prepared under the historical cost convention

1.3 Turnover

Turnover represents the amounts receivable, excluding value added tax, in respect of the sale of goods to customers

1.4 Basis of preparation of group financial statements

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31st August 2009. The difference between the cost of acquiring shares in subsidiary undertakings and the fair value of the separable net assets acquired is written off over the directors' estimate of its useful economical life

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

1.6 Tangible fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows

| | |
|---------------------------------------|-------------------------------------|
| Freehold properties | Between 1% p a and 2% p a. on cost |
| Cold store and leasehold improvements | Between 4% p a and 12½% p a on cost |
| Plant and equipment | Between 10% p a and 25% p a on cost |
| Motor vehicles | 25% p a on cost |

1.7 Government grants

Grants towards capital expenditure are credited to deferred income and released to the profit and loss account over the expected useful economic life of the asset

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

1.8 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in - first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

1 Principal accounting policies (continued)

1.10 Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date. Differences arising on the translation of such items are dealt with in the profit and loss account.

1.11 Deferred taxation

Deferred tax is provided in full on all material timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

1.12 Research and development

Research and development expenditure on new product lines is written off in the year in which it is incurred.

1.13 Asset finance

Assets obtained under asset finance are capitalised as tangible assets and depreciated over 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 repayments is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Leasing

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

1.14 Pensions

The company makes payments to money purchase pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

1.15 Related party transactions

Advantage has been taken under FRS8, of the exemption available to groups of companies not to disclose transactions and balances involving group entities when consolidated accounts are made publicly available.

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

2 Turnover

The turnover and the loss before taxation are attributable to the group's activities, as defined in the directors' report

An analysis of turnover is given below.

| | 2009 £ | 2008 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 84,009,843 | 89,622,404 |
| European Union | 841,316 | 967,454 |
| | <u>84,851,159</u> | <u>90,589,858</u> |

3 Analysis of operations

| | Continuing £ | 2009 Discontinued £ | Total £ | Continuing £ | 2008 Discontinued £ | Total £ |
|-------------------------|-----------------|---------------------------|------------|-----------------|---------------------------|------------|
| Cost of sales | 53,977,313 | 17,452,638 | 71,429,951 | 54,054,631 | 23,516,720 | 77,571,351 |
| Distribution costs | 2,435,157 | 3,655,628 | 6,090,785 | 2,231,214 | 3,510,703 | 5,741,917 |
| Administrative expenses | 3,885,426 | 3,972,410 | 7,857,836 | 3,251,988 | 4,087,924 | 7,339,912 |

Details of discontinued operations are disclosed in note 30 on page 28

4 Operating profit/(loss)

| | 2009 £ | 2008 £ |
|--|-----------|-----------|
| This is stated after charging/(crediting) | | |
| Directors' remuneration (see below) | 624,490 | 592,420 |
| Auditors' remuneration - Group | 29,000 | 23,000 |
| - Company | 18,000 | 18,000 |
| Auditors' remuneration from non-audit work - Group | 21,000 | 15,400 |
| - Company | 20,000 | 15,000 |
| Depreciation | 324,479 | 333,065 |
| Loss on disposal of fixed assets | 10,243 | 13,340 |
| Amortisation of grants | (23,400) | (26,078) |
| Amortisation of goodwill | 2,925 | 2,925 |
| Operating lease rentals | 965,176 | 892,525 |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

| 4.1 Directors' remuneration | 2009 | 2008 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| Other emoluments | 495,439 | 473,437 |
| Benefits in kind | 23,210 | 16,788 |
| Employer's national insurance | 59,153 | 56,577 |
| Pension contributions | 46,688 | 45,618 |
| | <hr/> | <hr/> |
| Total emoluments | 624,490 | 592,420 |
| | <hr/> | <hr/> |

The highest paid director received emoluments of £110,648 (2008. £101,495) and contributions to a money purchase pension scheme of £15,044 (2008 £15,240)

| | 2009 | 2008 |
|---|---------------|---------------|
| | Number | Number |
| Number of directors for whom benefits are accruing under money purchase pension schemes | 5 | 5 |
| | = | = |

4.2 Employees

Number of employees

The average monthly numbers of employees (including the directors) during the year were.

| | 2009 | 2008 |
|--------------------------------------|---------------|---------------|
| | Number | Number |
| Sales, administration and management | 122 | 127 |
| Production | 65 | 63 |
| Cold store and transport | 110 | 118 |
| | <hr/> | <hr/> |
| | 297 | 308 |
| | <hr/> | <hr/> |

| Employment costs (excluding directors) | 2009 | 2008 |
|---|-------------|-------------|
| | £ | £ |
| Wages and salaries | 6,146,372 | 6,157,351 |
| Employer's national insurance | 594,014 | 609,843 |
| Pension contributions | 172,974 | 130,356 |
| | <hr/> | <hr/> |
| | 6,913,360 | 6,897,550 |
| | <hr/> | <hr/> |

| 5 Interest receivable and similar income | 2009 | 2008 |
|---|-------------|-------------|
| | £ | £ |
| Corporation tax interest | - | 2,470 |
| | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

6 Interest payable and similar charges

| | 2009 | 2008 |
|------------------------|-------------|-------------|
| | £ | £ |
| Bank interest | 110,517 | 234,605 |
| Asset finance interest | 887 | 762 |
| | <hr/> | <hr/> |
| | 111,404 | 235,367 |
| | <hr/> | <hr/> |

7 Pension costs

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £219,662 (2008 £175,974).

8 Tax on loss on ordinary activities

| | Note | 2009 | 2008 |
|--|-------------|-------------|-------------|
| | | £ | £ |
| UK current year taxation | | | |
| UK corporation tax | | - | - |
| Deferred taxation | | | |
| Deferred tax | 21 | (35,771) | (45,837) |
| | | <hr/> | <hr/> |
| | | (35,771) | (45,837) |
| | | <hr/> | <hr/> |
| Factors affecting tax charge for year | | | |
| Loss on ordinary activities, before tax | | (638,817) | (296,219) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities at the applicable rate of UK corporation tax | | (134,152) | (59,244) |
| Effects of | | | |
| Depreciation for the year in excess of capital allowances | | 45,086 | 35,985 |
| Expenses not deductible for tax purposes | | 14,400 | 14,629 |
| Losses, brought forward | | (59,117) | (74,160) |
| Losses, carried forward | | 136,739 | 59,117 |
| Adjustment for change in rates | | (2,956) | (2,525) |
| Losses, carried back | | - | 26,198 |
| | | <hr/> | <hr/> |
| UK corporation tax | | - | - |
| | | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

9 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £548,111 (2008 £21,743)

10 Intangible fixed assets

a) Group

| | Goodwill £ |
|--|-----------------------|
| Cost | |
| At 1st September 2008 and at 31st August 2009 | 260,087 |
| | <u> </u> |
| Provision for diminution in value | |
| At 1st September 2008 | 245,462 |
| Charge for year | 2,925 |
| | <u> </u> |
| At 31st August 2009 | 248,387 |
| | <u> </u> |
| Net Book Values | |
| At 31st August 2009 | 11,700 |
| | <u> </u> |
| At 31st August 2008 | 14,625 |
| | <u> </u> |

Goodwill arising on acquisitions is being amortised over 10 years. In the opinion of the directors, this represents a prudent estimate of the period over which the group will derive economic benefit from the goodwill existing at the date of the acquisitions

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

10 Intangible fixed assets

b) Company

| | Goodwill £ |
|--|-----------------------|
| Cost | |
| At 1st September 2008 and at 31st August 2009 | 29,250 |
| | <u> </u> |
| Provision for diminution in value | |
| At 1st September 2008 | 14,625 |
| Charge for year | 2,925 |
| | <u> </u> |
| At 31st August 2009 | 17,550 |
| | <u> </u> |
| Net Book Values | |
| At 31st August 2009 | 11,700 |
| | <u> </u> |
| At 31st August 2008 | 14,625 |
| | <u> </u> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

11 Tangible fixed assets

a) Group

| | Freehold land & buildings £ | Cold store & leasehold land & buildings £ | Plant & equipment £ | Motor vehicles £ | Total £ |
|------------------------|--|--|--|---------------------------------|--------------------|
| Cost | | | | | |
| At 1st September 2008 | 3,122,153 | 495,975 | 2,104,853 | 103,282 | 5,826,263 |
| Additions | - | - | 175,977 | 30,500 | 206,477 |
| Disposals | - | - | (333,768) | (27,035) | (360,803) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2009 | 3,122,153 | 495,975 | 1,947,062 | 106,747 | 5,671,937 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At 1st September 2008 | 1,002,272 | 403,199 | 1,097,512 | 60,226 | 2,563,209 |
| Charge for the year | 60,758 | 24,551 | 231,013 | 8,157 | 324,479 |
| Disposals | - | - | (309,072) | (12,389) | (321,461) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2009 | 1,063,030 | 427,750 | 1,019,453 | 55,994 | 2,566,227 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book values | | | | | |
| At 31st August 2009 | 2,059,123 | 68,225 | 927,609 | 50,753 | 3,105,710 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2008 | 2,119,881 | 92,776 | 1,007,341 | 43,056 | 3,263,054 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Included above are assets held under asset finance as follows:

| | Net book value | | Depreciation charged in year | |
|----------------|-----------------------|-------------------|---|-------------------|
| | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| Motor vehicles | 12,553 | 19,103 | 6,550 | 6,550 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

11 Tangible fixed assets

b) Company

| | Freehold land & buildings £ | Plant & equipment £ | Motor vehicles £ | Total £ |
|------------------------|--|--|---------------------------------|--------------------|
| Cost | | | | |
| At 1st September 2008 | 3,122,153 | 1,785,413 | 26,200 | 4,933,766 |
| Additions | - | 175,542 | - | 175,542 |
| Disposals | - | (333,768) | - | (333,768) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2009 | 3,122,153 | 1,627,187 | 26,200 | 4,775,540 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | |
| At 1st September 2008 | 1,002,272 | 923,588 | 7,097 | 1,932,957 |
| Charge for the year | 60,758 | 194,185 | 6,550 | 261,493 |
| Disposals | - | (309,072) | - | (309,072) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August, 2009 | 1,063,030 | 808,701 | 13,647 | 1,885,378 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book values | | | | |
| At 31st August 2009 | 2,059,123 | 818,486 | 12,553 | 2,890,162 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st August 2008 | 2,119,881 | 861,825 | 19,103 | 3,000,809 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Included above are assets held under asset finance as follows

| | Net book value | | Depreciation charged in year | |
|----------------|-----------------------|-------------------|---|-------------------|
| | 2009 £ | 2008 £ | 2009 £ | 2008 £ |
| Motor vehicles | 12,553 | 19,103 | 6,550 | 6,550 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

12 Investments

a) Group

| Cost | Unlisted investments £ |
|--|-----------------------------------|
| At 1st September 2008 and at 31st August 2009 | 65,000 |
| | <u> </u> |

b) Company

| | Shares in group undertakings £ | Unlisted investments £ | Total £ |
|--|---|---------------------------------------|--------------------|
| Cost | | | |
| At 1st September 2008 and at 31st August 2009 | 218,546 | 65,000 | 283,546 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net book values | | | |
| At 31st August 2009 | 218,546 | 65,000 | 283,546 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31st August 2008 | 218,546 | 65,000 | 283,546 |
| | <u> </u> | <u> </u> | <u> </u> |

The subsidiary companies are as follows

| | % Ordinary shares held | Nature of business |
|---|-----------------------------------|-------------------------------|
| 3G Food Service Limited | 100% | see below |
| Tyne Valley (Fish Merchants) Limited | 100% | dormant |
| 3G Food Service (Andover) Limited | 100% | dormant |
| Billy Boy Frozen Foods (Tonbridge) Limited | 100% | dormant |
| Billy Boy Frozen Foods (Stevenage) Limited | 100% | dormant |
| Billy Boy Frozen Foods (South West) Limited | 100% | dormant |
| Billy Boy Frozen Foods (North West) Limited | 100% | dormant |
| Seafood Solutions Limited | 100% | dormant |

All the subsidiaries are incorporated and registered in England

The principal activities of 3G Food Service Limited consist of the sale and distribution of fresh and frozen fish, shell fish and frozen food products

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

13 Stocks

| | 2009 | 2008 |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| a) Group | | |
| Raw materials | 2,635,291 | 3,399,098 |
| Finished goods and goods for resale | 1,798,608 | 3,109,238 |
| | <hr/> | <hr/> |
| | 4,433,899 | 6,508,336 |
| | <hr/> | <hr/> |
| b) Company | | |
| Raw materials | 2,635,291 | 3,399,098 |
| Finished goods and goods for resale | 1,129,411 | 1,481,533 |
| | <hr/> | <hr/> |
| | 3,764,702 | 4,880,631 |
| | <hr/> | <hr/> |

14 Debtors

| | Notes | 2009 | 2008 |
|------------------------------------|--------------|-------------|-------------|
| | | £ | £ |
| a) Group | | | |
| Trade debtors | | 9,152,987 | 9,172,907 |
| Other debtors | | 214,819 | 184,362 |
| Prepayments and accrued income | | 706,548 | 576,733 |
| Deferred tax | 21 | 167,837 | 132,066 |
| | | <hr/> | <hr/> |
| | | 10,242,191 | 10,066,068 |
| | | <hr/> | <hr/> |
| b) Company | | | |
| Trade debtors | | 6,952,960 | 6,932,314 |
| Amounts owed by group undertakings | | 369,576 | 1,077,832 |
| Other debtors | | 214,819 | 184,362 |
| Prepayments and accrued income | | 294,458 | 278,847 |
| Deferred tax | 21 | 106,038 | 70,267 |
| | | <hr/> | <hr/> |
| | | 7,937,851 | 8,543,622 |
| | | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

15 Creditors: amounts falling due within one year

| | Notes | 2009 £ | 2008 £ |
|------------------------------------|--------------|-------------------|-------------------|
| a) Group | | | |
| Bank overdraft | 17 | 964,514 | 149,520 |
| Bank loan | 17,18 | 50,697 | 54,538 |
| Trade creditors | | 12,105,995 | 14,406,409 |
| Other taxes | | 201,014 | 207,856 |
| Obligations under asset finance | 19 | 7,205 | 7,860 |
| Accruals and deferred income | 20 | 430,448 | 297,046 |
| | | <hr/> | <hr/> |
| | | 13,759,873 | 15,123,229 |
| | | <hr/> | <hr/> |
| b) Company | | | |
| Bank loan | 17,18 | 50,697 | 54,538 |
| Trade creditors | | 10,272,167 | 12,080,560 |
| Amounts owed to group undertakings | | 168,546 | 168,546 |
| Other taxes | | 111,468 | 102,565 |
| Obligations under asset finance | 19 | 7,205 | 7,860 |
| Accruals and deferred income | 20 | 231,367 | 170,631 |
| | | <hr/> | <hr/> |
| | | 10,841,450 | 12,584,700 |
| | | <hr/> | <hr/> |

16 Creditors: amounts falling due after more than one year

| | Notes | 2009 £ | 2008 £ |
|---------------------------------|--------------|-------------------|-------------------|
| a) Group | | | |
| Bank loan | 17,18 | 661,880 | 702,096 |
| Obligations under asset finance | 19 | - | 7,205 |
| Accruals and deferred income | 20 | 506,212 | 552,106 |
| | | <hr/> | <hr/> |
| | | 1,168,092 | 1,261,407 |
| | | <hr/> | <hr/> |
| b) Company | | | |
| Bank loan | 17,18 | 661,880 | 702,096 |
| Obligations under asset finance | 19 | - | 7,205 |
| Accruals and deferred income | 20 | 506,212 | 524,142 |
| | | <hr/> | <hr/> |
| | | 1,168,092 | 1,233,443 |
| | | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

17 Security

The bank borrowings are secured by a debenture, company unlimited cross guarantees, a fixed charge on the group's freehold properties and a fixed and floating charge on group assets.

18 Bank loan

Group and company

| | Notes | 2009 £ | 2008 £ |
|--|--------------|-------------------|-------------------|
| Repayable in one year or less | | 50,697 | 54,538 |
| Repayable between one and two years | | 51,591 | 60,540 |
| Repayable between two and five years | | 160,298 | 193,867 |
| Repayable in five years or more | | 449,991 | 447,689 |
| | | <hr/> | <hr/> |
| | | 712,577 | 756,634 |
| | | <hr/> | <hr/> |
| Shown as | | | |
| Amounts falling due within one year | 15 | 50,697 | 54,538 |
| Amounts falling due after more than one year | 16 | 661,880 | 702,096 |
| | | <hr/> | <hr/> |
| | | 712,577 | 756,634 |
| | | <hr/> | <hr/> |

The secured bank loan is repayable by monthly instalments with interest payable at 1.25% above the bank base rate

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

19 Obligations under asset finance

| | Notes | 2009 £ | 2008 £ |
|---|--------------|-------------------|-------------------|
| Group and Company | | | |
| Repayable within one year | | 8,018 | 8,746 |
| Repayable between one and five years | | - | 8,018 |
| | | <hr/> | <hr/> |
| | | 8,018 | 16,764 |
| Finance charges and interest allocated to future accounting periods | | (813) | (1,699) |
| | | <hr/> | <hr/> |
| | | 7,205 | 15,065 |
| | | <hr/> | <hr/> |
| Shown as | | | |
| Amounts falling due within one year | 15 | 7,205 | 7,860 |
| Amounts falling due after one year | 16 | - | 7,205 |
| | | <hr/> | <hr/> |
| | | 7,205 | 15,065 |
| | | <hr/> | <hr/> |

20 Government grants

Accruals and deferred income include.

| | Notes | Group £ | Company £ |
|-------------------------------------|--------------|--------------------|----------------------|
| At 1st September 2008 | | 578,184 | 547,420 |
| Released in year | | (23,400) | (20,604) |
| | | <hr/> | <hr/> |
| At 31st August 2009 | | 554,784 | 526,816 |
| | | <hr/> | <hr/> |
| Shown as | | | |
| Amounts falling due within one year | 15 | 48,572 | 20,604 |
| Amounts falling due after one year | 16 | 506,212 | 506,212 |
| | | <hr/> | <hr/> |
| | | 554,784 | 526,816 |
| | | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

21 Provisions for liabilities

Deferred taxation

The movements on the provisions for deferred taxation are.

| | Notes | Group £ | Company £ |
|--------------------------|--------------|--------------------|----------------------|
| At 1st September 2008 | | (132,066) | (70,267) |
| Movement during the year | 8 | (35,771) | (35,771) |
| | | <hr/> | <hr/> |
| At 31st August 2009 | 14 | (167,837) | (106,038) |
| | | <hr/> | <hr/> |

The group and holding company's provisions have arisen as a result of depreciation in excess of capital allowances of £108,720 and £106,038 respectively and tax losses of £59,117 and £nil respectively. The directors are of the opinion that future trading will result in profits against which the deferred tax assets can be recovered.

22 Called up share capital

| | 2009 £ | 2008 £ |
|--|-------------------|-------------------|
| Authorised equity | | |
| 500,000 Ordinary £1 shares | 500,000 | 500,000 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid equity | | |
| 400,000 Ordinary £1 shares | 400,000 | 400,000 |
| | <hr/> | <hr/> |

23 Reserves

| Profit and loss account | Group £ | Company £ |
|--------------------------------------|--------------------|----------------------|
| At 1st September 2008 | 3,138,072 | 3,133,919 |
| (Loss)/profit after tax for the year | (603,046) | 548,111 |
| | <hr/> | <hr/> |
| At 31st August 2009 | 2,535,026 | 3,682,030 |
| | <hr/> | <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

24 Reconciliation of movements in shareholders' funds

| | 2009 | 2008 |
|-----------------------------|-------------|-------------|
| | £ | £ |
| a) Group | | |
| Opening shareholders' funds | 3,538,072 | 3,788,454 |
| Loss for the year | (603,046) | (250,382) |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 2,935,026 | 3,538,072 |
| | <hr/> | <hr/> |
| b) Company | | |
| Opening shareholders' funds | 3,533,919 | 3,512,176 |
| Profit for the year | 548,111 | 21,743 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 4,082,030 | 3,533,919 |
| | <hr/> | <hr/> |

25 Transactions with directors

During the year £12,000 was payable to Mr. E W Gilbert for the provision of consultancy services, he received no other remuneration from the group. During the year interest free loans of £70,000 and £11,602 were made to Mr B H Smales and Mr C.F. Smales respectively, the loans were repaid during the year.

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

26 Financial commitments

At 31st August 2009 the group and company had annual commitments under non-cancellable operating leases as follows

| | Group | | Company | |
|----------------------------|--------------|-------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| | £ | £ | £ | £ |
| Land and buildings | | | | |
| Expiry date: | | | | |
| Within one year | 52,964 | 476,850 | - | 388,520 |
| Between two and five years | 82,256 | 89,405 | 39,500 | 17,655 |
| In over five years | 340,000 | 60,000 | 340,000 | 60,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 475,220 | 626,255 | 379,500 | 466,175 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other | | | | |
| Expiry date: | | | | |
| Within one year | 177,080 | 174,288 | 19,910 | 64,495 |
| Between two and five years | 511,368 | 725,143 | 182,182 | 286,961 |
| In over five years | 89,124 | 178,600 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 777,572 | 1,078,031 | 202,092 | 351,456 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

27 Contingent liabilities

The company has cross guarantees, in respect of bank borrowings, with the following companies

Tyne Valley (Fish Merchants) Limited
 3G Food Service Limited
 3G Food Service (Andover) Limited
 Billy Boy Frozen Foods (Stevenage) Limited
 Billy Boy Frozen Foods (Tonbridge) Limited
 Billy Boy Frozen Foods (South West) Limited
 Billy Boy Frozen Foods (North West) Limited
 Seafood Solutions Limited

In the opinion of the directors the likelihood of the guarantees being called upon is remote

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

28 Controlling interest

The company is controlled by the director, Mr C F Smales and his immediate family

29 Notes to the cash flow statements

| | 2009 | 2008 |
|---|-------------|-------------|
| | £ | £ |
| a) Reconciliation of operating loss to net cash flow from operating activities | | |
| Operating loss | (527,413) | (63,322) |
| Depreciation | 324,479 | 333,065 |
| Loss on disposal of fixed assets | 10,243 | 13,340 |
| Amortisation of grants | (23,400) | (26,078) |
| Amortisation of goodwill | 2,925 | 2,925 |
| Decrease/(increase) in stocks | 2,074,437 | (1,356,859) |
| (Increase) in debtors | (140,352) | (629,663) |
| (Decrease)/increase in creditors | (2,196,348) | 2,445,755 |
| | <hr/> | <hr/> |
| Net cash (outflow)/inflow from operating activities | (475,429) | 719,163 |
| | <hr/> <hr/> | <hr/> <hr/> |
| b) Analysis of cash flow in the cash flow statement | | |
| i) Return on investments and servicing of finance | | |
| Interest received | - | 2,470 |
| Interest paid | (111,404) | (235,367) |
| | <hr/> | <hr/> |
| | (111,404) | (232,897) |
| | <hr/> <hr/> | <hr/> <hr/> |
| ii) Taxation | | |
| Corporation tax received | - | 48,609 |
| | <hr/> <hr/> | <hr/> <hr/> |
| iii) Capital expenditure and financial investments | | |
| Purchase of tangible fixed assets | (206,477) | (305,947) |
| Sale of tangible fixed assets | 29,099 | 27,050 |
| | <hr/> | <hr/> |
| | (177,378) | (278,897) |
| | <hr/> <hr/> | <hr/> <hr/> |
| iv) Financing | | |
| Capital element of bank loan repaid | (44,057) | (32,628) |
| Capital element of asset finance repaid | (7,860) | (7,984) |
| | <hr/> | <hr/> |
| | (51,917) | (40,612) |
| | <hr/> <hr/> | <hr/> <hr/> |

F. SMALES & SON (FISH MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2009

29 Notes to the cash flow statements (continued)

c) Analysis of changes in net debt

| | At 01/09/08 £ | Cash flows £ | Other changes £ | At 31/08/09 £ |
|--------------------------|------------------------------|-----------------------------|--------------------------------|------------------------------|
| Cash at bank and in hand | 5,625 | (1,134) | - | 4,491 |
| Bank overdraft | (149,520) | (814,994) | - | (964,514) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (143,895) | (816,128) | - | (960,023) |
| Bank loan | (756,634) | 44,057 | - | (712,577) |
| Asset finance | (15,065) | 7,860 | - | (7,205) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (915,594) | (764,211) | - | (1,679,805) |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Major non-cash transactions

There were no major non-cash transactions during the year

30 Events after the balance sheet date

As mentioned in the Report of the Directors on page 1, the company sold its subsidiary undertaking, 3G Food Service Limited, on 10th November 2009. The activities of the parent company, F Smales & Son (Fish Merchants) Limited and 3G Food Service Limited are shown as 'Continuing operations' and 'Discontinued operations' respectively in the Consolidated Profit and Loss Account on page 6 and in Note 3 'Analysis of Operations' on page 12.