

**Company Registration No. 180110**

**North Atlantic Fishing Company  
Limited**

**Annual Report and Financial Statements**

**31 December 2008**



# **North Atlantic Fishing Company Limited**

## **Annual report and financial statements 2008**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>

# **North Atlantic Fishing Company Limited**

## **Annual report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

A Vrolijk  
C Vrolijk  
S N Harper

#### **Secretary**

S N Harper

#### **Registered office**

Maybrook House  
Godstone Road  
Caterham  
Surrey CR3 6RE

#### **Bankers**

The Royal Bank of Scotland plc  
Hull Branch  
10 Silver Street  
Hull  
HU1 1JE

ABN AMRO Bank  
Postbus 20710  
1001 NS Amsterdam  
The Netherlands

#### **Solicitors**

Ince & Co  
International House  
1 St Katharine's Way  
London  
E1W 1AY

Andrew M Jackson LLP  
Essex House  
Manor Street  
Hull  
HU1 1XH

#### **Independent auditors**

Deloitte LLP  
Chartered Accountants  
Crawley, United Kingdom

# **North Atlantic Fishing Company Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

The financial statements are presented in Euros ("€").

In preparing the directors' report the company has taken advantage of exemptions applicable to medium sized companies available under S246(A) of the Companies Act 1985.

### **Principal activity**

The principal activity of the company is pelagic trawling.

### **Business review**

The company recorded a profit for the year after tax of €345,180 (2007 – loss of €750,788). The company's operating vessel 'Cornelis Vrolijk Fzn' recorded low sea-days for the year due to a prolonged period undergoing repairs due to heavy storm damage. These repairs are covered by insurers. Trading results were therefore disappointing and the profit for the year was only achieved due to the sale of the Westella. The company's previously laid-up vessel 'Westella' was sold at the end of 2008 for a profit of €3,545,094, but had incurred some high pre-sale costs. Management remain confident that trading profits will return in 2009.

### **Results and dividends**

The results for the year are set out on page 6 and the position at the balance sheet date is set out on page 7.

The directors do not recommend the payment of a dividend (2007 - nil)

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the business are its susceptibility to changes in UK and global economic and political factors. In addition, EU quota changes can have an impact on results. The company is also susceptible to volatility in its results if its ships are unable to fish.

The pelagic trawler 'Cornelis Vrolijk Fzn' operated by the group is a modern well equipped vessel with adequate quota allocations for continued commercial success. The vessel is also of a size whereby it can take advantage of EU fishing agreements with West African states. The market for the frozen pelagic fish caught by the vessel remains strong.

### **Risk Management Policies**

#### ***Credit Risk***

The company does not have a significant credit risk as all sales are to a fellow group company in the Netherlands. There is no provision for doubtful debts recorded at the year end. The company does not believe this is a credit risk because this customer is well known to the company and financially strong. The financial position of that customer is kept under review.

The directors are aware of the risk to cash funds deposited with banks and monitor the credit ratings of the banks they deposit with on a regular basis. Should the credit ratings deteriorate then the directors will seek alternative institutions.

#### ***Liquidity Risk***

The company is included in the UK group centralised treasury function, therefore liquidity risk is managed on an entire group basis. The directors have considered the liquidity position of the company as at 31 December 2008 and its anticipated level of future trading activity. As the company only has one customer, which is a fellow group company in the Netherlands, this review has incorporated the current resources and future trading activity of that company.

# North Atlantic Fishing Company Limited

## Directors' report (continued)

### Risk Management Policies (continued)

#### *Cash flow Risk*

The company operates mainly in Euro ("€") for both sales and costs and therefore does not have significant foreign currency exposure.

#### *Price Risk*

The company is exposed to commodity price risk. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

### Directors

The directors of the company throughout the year were:

A Vrolijk  
C Vrolijk  
S N Harper

### Liability insurance

The company has not taken out Directors' liability insurance.

### Independent auditors and statement of provision of information to the independent auditors

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP have expressed their willingness to continue in office as auditors of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by the Board of Directors  
and signed on behalf of the Board



S N Harper  
Secretary

22/06 / 2009

## **North Atlantic Fishing Company Limited**

### **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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business (note 1).

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 that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of North Atlantic Fishing Company Limited**

We have audited the financial statements of North Atlantic Fishing Company Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Crawley, United Kingdom

24 June 2009

## North Atlantic Fishing Company Limited

### Profit and loss account Year ended 31 December 2008

	Note	2008 €	2007 €
<b>Turnover</b>	2	10,154,045	12,912,466
Cost of sales		(12,161,799)	(12,727,838)
<b>Gross (loss)/profit</b>		(2,007,754)	184,628
Other administrative expenses		(469,688)	(386,532)
Exceptional administrative expenses	3	(643,126)	(568,071)
Total administrative expenses		(1,112,814)	(954,603)
Other operating income		74,914	24,367
<b>Operating loss</b>	5	(3,045,654)	(745,608)
Profit on sale of fixed asset		3,545,094	-
Interest receivable	6	7,724	4,996
Interest payable and similar charges	6	(112,451)	(73,590)
<b>Profit/(loss) on ordinary activities before taxation</b>		394,713	(814,202)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(49,533)	63,414
<b>Profit/(loss) on ordinary activities after taxation for the financial year</b>		345,180	(750,788)
<b>Retained profit/(loss) for the financial year</b>	13	345,180	(750,788)

All results derive from continuing operations.

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current and preceding financial year and, accordingly, no statement of total recognised gains and losses is shown.



# North Atlantic Fishing Company Limited

## Balance sheet 31 December 2008

	Note	2008 €	2007 €
<b>Fixed assets</b>			
Intangible assets	8	2,132,479	2,638,444
Tangible assets	9	130,729	205,431
		<u>2,263,208</u>	<u>2,843,875</u>
<b>Current assets</b>			
Debtors	10	8,019,655	1,885,866
Cash at bank and in hand		365,153	44,574
		<u>8,384,808</u>	<u>1,930,440</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(9,772,305)</u>	<u>(4,243,784)</u>
<b>Net current liabilities</b>		<u>(1,387,497)</u>	<u>(2,313,344)</u>
<b>Total assets less current liabilities</b>		<u>875,711</u>	<u>530,531</u>
<b>Capital and reserves</b>			
Called up share capital	12, 13	11,313	11,313
Profit and loss account	13	864,398	519,218
<b>Total shareholders' funds</b>	13	<u>875,711</u>	<u>530,531</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

22/06 / 2009.



A Vrolijk  
Director

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been consistently applied throughout the current and prior financial years.

The financial statements are presented in Euros ("€") because this forms the main currency in which the company's business is transacted.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Basis of preparation

The company's principal risks are quota changes and fluctuations in the price of oil and fish. The company is also susceptible to volatility in its results of its ships are unable to fish.

The Directors' report sets out the directors' review on these and other risks and uncertainties and how they are managed.

The directors' report also sets out a review of the performance in the year. The company has significant liquid funds. The Directors have also received a confirmation from a fellow group company that they will continue to purchase the entire catch of the company on an ongoing basis. Based on their analysis the directors consider it appropriate to continue to prepare the accounts on a going concern basis.

#### Intangible fixed assets – quotas and licences

The quotas and licences included in the balance sheet relate only to those acquired for which a cost is readily identifiable. The assets are amortised over their useful economic life, which is deemed to be 10 years. The assets are amortised based on a full year's charge in the period of acquisition.

#### Tangible fixed assets

Depreciation of tangible fixed assets is calculated by reference to cost less estimated residual value. The basis of depreciation is by equal annual instalments at rates estimated to write off the relevant assets over their expected useful economic lives as follows:

Fishing vessels	- 10 years
Office equipment	- 3 years
Motor vehicles	- 3 years
Plant and machinery	- 5 years

#### Foreign currencies

Transactions expressed in foreign currencies are translated into Euros at the rates ruling at the date of the transactions. Monetary assets and short term liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account. Non-monetary assets are translated at the exchange rate ruling at the date of acquisition.

#### Taxation

Current taxation is provided at amounts expected to be paid using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 1. Accounting policies (continued)

#### Pensions

Pension costs represent amounts payable to employees' personal pension plans.

#### Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

### 2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, pelagic trawling.

### 3. Exceptional administrative expenses

Exceptional administrative expenses represent costs incurred for the dry docking and maintenance of the fishing vessel 'Westella'.

### 4. Information regarding directors and employees

	2008 €	2007 €
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	362,327	440,723
Social security costs	43,916	54,850
Pension costs	299,070	33,738
	<u>705,313</u>	<u>529,311</u>
Recharge to fellow subsidiary undertakings	(356,978)	(269,714)
	<u>348,335</u>	<u>259,597</u>
	No.	No.
<b>Average number of persons employed (including executive directors)</b>		
Administrative staff	<u>6</u>	<u>6</u>
	€	€
<b>Directors' emoluments</b>		
Aggregate emoluments excluding pension contributions	<u>199,003</u>	<u>256,321</u>
Contributions to directors' personal pension scheme	<u>287,627</u>	<u>21,033</u>

Only one director receives remuneration (2007 – one) and therefore the remuneration of the highest paid director is as stated above. One director (2007 – one) is accruing benefits under the directors' personal pension scheme.

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 5. Operating loss

	2008 €	2007 €
<b>Operating loss is after charging:</b>		
Depreciation of tangible fixed assets:	78,697	79,130
Amortisation of licences	505,965	505,965
Rentals under operating lease:		
- other	1,689,905	1,829,433
Exchange differences	3,081	1,077
Auditors' remuneration:		
- fees payable to the company's auditors for the audit of the company's annual accounts	13,872	13,736
	<u>13,872</u>	<u>13,736</u>

### 6. Interest

	2008 €	2007 €
<b>Interest receivable</b>		
Bank interest	7,199	4,583
Other interest	525	413
	<u>7,724</u>	<u>4,996</u>
<b>Interest payable and similar charges</b>		
Bank overdraft	112,451	73,524
Other interest	-	66
	<u>112,451</u>	<u>73,590</u>

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 7. Tax charge/(credit) on profit/(loss) on ordinary activities

#### (a) Tax charge/(credit) on profit/(loss) on ordinary activities

	2008 €	2007 €
<b>Current tax</b>		
United Kingdom corporation tax at 28.5% (2007 – 30%) based on the profit for the year	50,156	(77,537)
Adjustments in respect of prior year	-	(261)
Group relief adjustment	(623)	-
<b>Total current tax</b>	<u>49,533</u>	<u>(77,798)</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	-	14,384
Adjustment in respect of prior year	-	-
	<u>49,533</u>	<u>(63,414)</u>

#### (b) Factors affecting current tax charge/(credit) for the year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK – 28.5% (2007 – 30%). The differences are explained below:

	2008 €	2007 €
Tax on profit/(loss) on ordinary activities at standard rate	112,489	(244,261)
Effects of:		
Expenses not deductible for tax purposes	85,459	3,577
Capital allowances in excess of depreciation	(14,854)	23,533
Movement in tax losses	(132,938)	141,179
Movement in short term timing differences	-	(1,565)
Adjustments to tax charge in respect of previous year	-	(261)
Prior period adjustments	(623)	-
<b>Total actual amount of current tax</b>	<u>49,533</u>	<u>(77,798)</u>

A deferred tax asset of €20,988 (2007 - €167,000) has not been recognised in the year since there is no certainty of future taxable profits.

# North Atlantic Fishing Company Limited

## Notes to the accounts Year ended 31 December 2008

### 8. Intangible fixed assets

	Fishing quotas and licences €
<b>Cost</b>	
At 1 January 2008 and 31 December 2008	<u>5,950,818</u>
<b>Amortisation</b>	
At 1 January 2008	3,312,374
Charge for year	<u>505,965</u>
At 31 December 2008	<u>3,818,339</u>
<b>Net book value</b>	
At 31 December 2008	<u>2,132,479</u>
At 31 December 2007	<u>2,638,444</u>

### 9. Tangible fixed assets

	Fishing vessels €	Plant and machinery €	Office equipment €	Motor vehicles €	Total €
<b>Cost</b>					
At 1 January 2008	7,753,413	264,620	239,023	57,640	8,314,696
Additions	-	-	3,995	-	3,995
At 31 December 2008	<u>7,753,413</u>	<u>264,620</u>	<u>243,018</u>	<u>57,640</u>	<u>8,318,691</u>
<b>Accumulated depreciation</b>					
At 1 January 2008	7,753,413	105,848	225,992	24,012	8,109,265
Charge for the year	-	52,924	6,562	19,211	78,697
At 31 December 2008	<u>7,753,413</u>	<u>158,772</u>	<u>232,554</u>	<u>43,223</u>	<u>8,187,962</u>
<b>Net book value</b>					
At 31 December 2008	<u>-</u>	<u>105,848</u>	<u>10,464</u>	<u>14,417</u>	<u>130,729</u>
At 31 December 2007	<u>-</u>	<u>158,772</u>	<u>13,031</u>	<u>33,628</u>	<u>205,431</u>

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 10. Debtors

	2008 €	2007 €
Trade debtors	15,489	32,997
Amounts owed by Group undertakings	2,019,939	1,118,953
Corporation tax recoverable	-	6,723
VAT	16,705	6,297
Other debtors	5,069,876	355,932
Prepayments and accrued income	897,646	364,964
	<u>8,019,655</u>	<u>1,885,866</u>

Included within Other debtors is a €5m deposit paid to a company within the Dutch parent group under an agreement to purchase a fishing vessel. Subsequent to the year end it was decided not to proceed with this purchase and this deposit was repaid.

### 11. Creditors: amounts falling due within one year

	2008 €	2007 €
Bank overdrafts – unsecured	5,434,005	871,604
Trade creditors	996,453	937,913
Amounts owed to Group undertakings	3,059,816	2,324,339
Corporation tax payable	48,544	-
Other taxation and social security	10,639	12,227
Other creditors	5,917	-
Accruals and deferred income	216,931	97,701
	<u>9,772,305</u>	<u>4,243,784</u>

### 12. Called up share capital

	2008 €	2007 €
Authorised, allotted, called up, and fully paid 24,930 ordinary shares of €0.453780 each	<u>11,313</u>	<u>11,313</u>

The ordinary shares are denominated in (Netherlands) Guilders NLG and converted at the fixed rate of €1:NLG 2.20371.

### 13. Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Issued share capital €	Profit and loss account €	Total 2008 €	Total 2007 €
At 1 January 2008	11,313	519,218	530,531	1,281,319
Profit for the financial year	-	345,180	345,180	(750,788)
At 31 December 2008	<u>11,313</u>	<u>864,398</u>	<u>875,711</u>	<u>530,531</u>

# North Atlantic Fishing Company Limited

## Notes to the accounts

Year ended 31 December 2008

### 14. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2008		2007	
	Land and buildings €	Other €	Land and buildings €	Other €
Expiring:				
Within one year	29,560	-	-	170,169
Between two and five years	-	1,500,936	38,398	1,070,856
After five years	-	-	-	-

### 15. Contingent liabilities

The company is jointly and severally liable, together with other companies in the Cornelis Vrolijk Holding BV group, for bank loans and overdrafts to the UK group. The amount outstanding at 31 December 2008 was €5,434,017 (2007 – €874,740).

The company entered into a revised credit agreement during 2007, together with other companies in the Cornelis Vrolijk Holding BV group, whereby the assets of the company are held as security over group borrowings. The directors do not consider it probable that any liability will arise from this agreement. Total borrowings for which security is given as part of this credit agreement amount to €70,075,000 (2007 - €82,025,000).

### 16. Ultimate parent company and control

The company's immediate parent undertaking is North Atlantic (Holdings) Limited, a company registered in England and Wales, which is the smallest group in which the accounts of the company are consolidated.

The company's ultimate parent undertaking is Cornelis Vrolijk Holding BV, a company incorporated in the Netherlands and which is considered to hold the ultimate controlling interest, and is also the largest group in which the accounts of the company are consolidated.

Copies of the accounts of the parent undertakings may be obtained from Maybrook House, Godstone Road, Caterham, Surrey.

### 17. Related party transactions

The company has taken advantage under Financial Reporting Standard 8, "Related Party Transactions" of the exemption applying to a group undertaking not to disclose related party transactions with other members of the group.