

Company No: 02111264

SEALECT (UK) PLC

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

Butler & Co  
Chartered Accountants  
Walmar House  
288-292 Regent Street  
London W1R 5HF



**SEALECT (UK) PLC**

**DIRECTORS REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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**SEALECT (UK) PLC**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

**ACCOUNTS**

The director presents his report and accounts for the year ended 31 December 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the company has been the wholesale of frozen sea food in the United Kingdom

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation was £ 34,602 (1997 £153,912).

The director does not recommend payment of a dividend for the current year.

**FIXED ASSETS**

The movement in the fixed assets of the company during the year are summarised in note 6 to the accounts.

**DIRECTORS**

The director who served during the year was as follows:-

Mr W. Last

The director has no beneficial interest in the ordinary share capital of the company.

**SEALECT (UK) PLC**

**REPORT OF THE DIRECTOR**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

**SUPPLIER PAYMENT POLICY**

The Company's policy concerning the payment of its trade creditors is as follows:

Suppliers are generally paid within 30 days of supply (based on the timely receipt of an accurate invoice).

Trade creditor days of the company for the year ended 31<sup>st</sup> December 1998 were 23 days based on the ratio of company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors (including holding company).

For all trade creditors, it is the Company's policy to:

- Agree the terms of payment at the start of business with that supplier,
- Ensure that suppliers are aware of the terms of payment,
- Pay in accordance with its contractual and other legal obligations.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

**AUDITORS**

A resolution to reappoint Butler & Co as auditors will be submitted at the forthcoming Annual General Meeting.

By order of the Board.



**J. MOSMANS**

Secretary

Date: 12/5.99

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**

**SEALECT (UK) PLC**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 director 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 of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Butler & Co*

**BUTLER & CO.**  
**Chartered Accountants and**  
**Registered Auditors**

Date: *12 May 1999*

Walmar House  
288-292 Regent Street  
London W1R 5HF

**SEALECT (UK) PLC**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
TURNOVER - Continuing operations	2	2,051,800	3,652,962
COST OF SALES		<u>1,815,822</u>	<u>3,180,004</u>
GROSS PROFIT		235,978	472,958
Administrative Expenses		<u>193,846</u>	<u>278,262</u>
OPERATING PROFIT	3	42,132	194,696
Interest receivable		<u>1,852</u>	<u>2,044</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	/	43,984	196,740
Tax on ordinary activities	5	<u>9,382</u>	<u>42,828</u>
PROFIT FOR THE YEAR		34,602	153,912
Retained Profit brought forward		<u>201,119</u>	<u>47,207</u>
RETAINED PROFIT CARRIED FORWARD		£ <u>235,721</u>	£ <u>201,119</u>

The Company had no recognised gains or losses other than the profit for the period as shown above.

The notes on pages 6 to 8 form part of these accounts.

SEALECT (UK) PLC

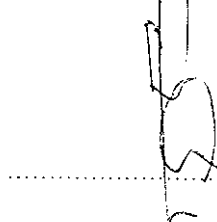
BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998	1997
FIXED ASSETS		£	£
Tangible Assets	6	-	381
CURRENT ASSETS			
Debtors	7	460,356	628,904
Cash at Bank		<u>10,916</u>	<u>53,294</u>
		471,272	682,198
CREDITORS: Amounts falling due within one year	8	<u>135,551</u>	<u>381,460</u>
NET CURRENT ASSETS		<u>335,721</u>	<u>300,738</u>
NET ASSETS		<u>£ 335,721</u>	<u>£ 301,119</u>

Represented by:

CAPITAL AND RESERVES		£	£
Called-up share capital	9	100,000	100,000
Profit and Loss account		<u>235,721</u>	<u>201,119</u>
Equity shareholders funds	10	<u>£ 335,721</u>	<u>£ 301,119</u>

The accounts were approved by the Board on 12 May 1999



W. LAST (Director)

The notes on pages 6 to 8 form part of these accounts

**SEALECT (UK) PLC**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

(b) Tangible assets and depreciation

Depreciation is charged on fixed assets at rates calculated to write off cost over the expected useful life of each asset. Rates used are as follows:-

Equipment, fixtures and fittings - 15% per annum on reducing balance.

(c) Foreign Currencies

Transactions in foreign currencies are translated at the rate ruling on the day they arise. Differences on exchange are taken to the profit and loss account.

(d) Cash flow statement

The company has taken advantage of the exemption in the Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

**2. TURNOVER**

Turnover represents the invoiced amount of goods sold and is stated net of value added tax.

The turnover and pretax profit is attributable to the Company's principal activity.

**3. OPERATING PROFIT**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
After charging:		
Directors emoluments	-	-
Depreciation - of owned assets	-	180
Auditors' remuneration	<u>3,500</u>	<u>3,000</u>

**SEALECT (UK) PLC**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998 (Cont'd)**

4. <b><u>STAFF COSTS</u></b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Wages and salaries	62,250	42,810
Social security costs	3,300	1,375
Other staff costs	<u>4,392</u>	<u>1,823</u>
	<u>69,942</u>	<u>46,008</u>

The average number of persons employed by the company during the year was:

	<u>No</u>	<u>No</u>
Management	<u>2</u>	<u>2</u>

5. <b><u>TAX ON ORDINARY ACTIVITIES</u></b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Based on profit for the year:		
Corporation tax at 21% (1997 21.75%)	9,300	42,715
Underprovision in previous year	<u>82</u>	<u>113</u>
	<u>9,382</u>	<u>42,828</u>

No provision is required for deferred taxation.

6. <b><u>TANGIBLE FIXED ASSETS</u></b>	Equipment, Fixtures & <u>Fittings</u> <u>£</u>
Cost	
At 1 January 1998	1,990
Disposal	<u>(1,990)</u>
At 31 December 1998	<u>-</u>
Depreciation:	
At 1 January 1998	1,609
Disposal	<u>(1,609)</u>
At 31 December 1998	<u>-</u>
Net book value at 31 December 1998	<u>£ -</u>
Net book value at 31 December 1997	<u>£ 381</u>

**SEALECT (UK) PLC**

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1998 (Cont'd)**

7. <b><u>DEBTORS</u></b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Trade debtors	396,884	565,924
Social security and other taxes	15,757	7,067
Prepayments and accrued income	40,115	42,313
Other debtor - staff loan (see below)	<u>7,600</u>	<u>13,600</u>
	<u>460,356</u>	<u>628,904</u>

Other debtors include £2,800 (1997 £6,000) due after more than one year.

8. <b><u>CREDITORS</u></b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Trade creditors	29,855	28,711
Amounts owed to holding company	84,031	300,023
Corporation tax	9,300	42,715
Social security and other taxes	-	2,288
Accruals and deferred income	<u>12,365</u>	<u>7,723</u>
	<u>135,551</u>	<u>381,460</u>

The Company has a fixed and floating charge over its assets in favour of the bank.

9. <b><u>SHARE CAPITAL</u></b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Authorised:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

10. **RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1998</u>	<u>1997</u>
Shareholders' Interest at 1 <sup>st</sup> January	301,119	147,207
Profit for the year	<u>34,602</u>	<u>153,912</u>
Shareholders' Interest at 31 December	<u>335,721</u>	<u>301,119</u>

11. **ULTIMATE HOLDING COMPANY**

The company is wholly owned subsidiary of Sealect C.V., a company incorporated in Holland.