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Company Registration No. 2565953 (England and Wales)

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002



NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	M R C Stroyan J L Ropner A J M Crawford ACA
Secretary	A J M Crawford ACA
Company number	2565953
Registered office	Sovereign House 6 Windsor Court Clarence Drive Harrogate HG1 2PE
Auditors	Saffery Champness Sovereign House 6 Windsor Court Clarence Drive Harrogate HG1 2PE
Bankers	National Westminster Bank plc 1 Princes Street London EC2R 8P8 Lloyds TSB Bank plc Alexandra Terrace Guildford Surrey GU1 3DA
Solicitors	Eversheds Sun Alliance House 35 Mosley House Newcastle upon Tyne NE1 1XX

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

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NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2002

The directors present their report and financial statements for the year ended 30 June 2002.

Principal activities and review of the business

The principal activities of the company are the importing of live lobsters and other exotic fish from around the world, supplying the wholesale hotel, restaurant and supermarket trade throughout the UK.

The directors are satisfied with the results for the year and the planned result for the forthcoming year.

Results and dividends

The results for the year are set out on page 4.

Interim ordinary dividends were paid amounting to £300,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 July 2001:

M R C Stroyan
J L Ropner
A J M Crawford ACA

The articles of the company do not require the directors to retire by rotation.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2002	1 July 2001
M R C Stroyan	32,000	32,000
J L Ropner	7,500	7,500
A J M Crawford ACA	10,500	10,500

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2002**

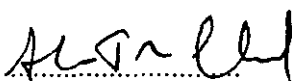
Directors' responsibilities

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 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;
- 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.

On behalf of the board



29.10.2.

A J M Crawford ACA

Director

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NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

We have audited the financial statements of New England Seafood International Limited on pages 4 to 15 for the year ended 30 June 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

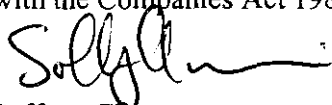
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

Chartered Accountants
Registered Auditors

13 November 2002
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Sovereign House
6 Windsor Court
Clarence Drive
Harrogate
HG1 2PE

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2002**

	Notes	2002 £	2001 £
Turnover	2	16,674,418	13,775,619
Cost of sales		(12,888,837)	(11,198,194)
Gross profit		3,785,581	2,577,425
Distribution costs		(2,072,853)	(1,895,231)
Administrative expenses		(908,506)	(507,378)
Other operating income		13,710	22,021
Operating profit	3	817,932	196,837
Other interest receivable and similar income		14,154	12,922
Profit on ordinary activities before taxation		832,086	209,759
Tax on profit on ordinary activities	4	(242,954)	(39,505)
Profit on ordinary activities after taxation		589,132	170,254
Dividends	5	(300,000)	(100,000)
Retained profit for the year	13	289,132	70,254

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

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

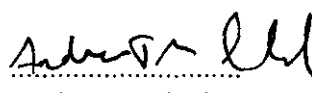
**BALANCE SHEET
AS AT 30 JUNE 2002**

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6	368,383		203,805	
Investments	7	1		1	
		<u>368,384</u>		<u>203,806</u>	
Current assets					
Stocks	8	68,796		28,006	
Debtors	9	1,893,687		1,574,042	
Cash at bank and in hand		898,322		721,596	
		<u>2,860,805</u>		<u>2,323,644</u>	
Creditors: amounts falling due within one year	10	(2,042,936)		(1,652,952)	
Net current assets		<u>817,869</u>		<u>670,692</u>	
Total assets less current liabilities		<u>1,186,253</u>		<u>874,498</u>	
Provisions for liabilities and charges		<u>(22,623)</u>		<u>-</u>	
		<u>1,163,630</u>		<u>874,498</u>	
Capital and reserves					
Called up share capital	12	50,000		50,000	
Profit and loss account	13	1,113,630		824,498	
Shareholders' funds - equity interests	14	<u>1,163,630</u>		<u>874,498</u>	

The notes on pages 8 to 15 form part of these financial statements.

The financial statements were approved by the Board on 29. Oct 02.


M R C Sroyan
Director


A J M Crawford ACA
Director

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2002**

		2002		2001
	£	£	£	£
Net cash inflow from operating activities		817,387		416,044
Returns on investments and servicing of finance				
Interest received	14,154		12,922	
Net cash inflow for returns on investments and servicing of finance		14,154		12,922
Taxation		(54,931)		(103,773)
Capital expenditure				
Payments to acquire tangible assets	(318,224)		(43,951)	
Receipts from sales of tangible assets	22,500		-	
Net cash outflow for capital expenditure		(295,724)		(43,951)
Equity dividends paid		(300,000)		(150,000)
Net cash inflow before management of liquid resources and financing		180,886		131,242
Financing				
Repayment of other long term loans	-		(4,160)	
Repayment of other short term loans	(4,160)		(5,200)	
Net cash outflow from financing		(4,160)		(9,360)
Increase in cash in the year		176,726		121,882

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	817,932	196,837
	Depreciation of tangible assets	153,646	134,195
	Profit on disposal of tangible assets	(22,500)	-
	Increase in stocks	(40,790)	(1,730)
	Increase in debtors	(319,645)	(516,505)
	Increase in creditors within one year	228,744	603,247
	Net cash inflow from operating activities	817,387	416,044

2	Analysis of net funds	1 July 2001	Cash flow	Other non- 30 June 2002
			cash changes	
		£	£	£
	Net cash:			
	Cash at bank and in hand	721,596	176,726	-
	Bank deposits	-	-	-
	Finance leases	-	-	-
	Debts falling due within one year	(4,160)	4,160	-
	Debts falling due after one year	-	-	-
	Net funds	717,436	180,886	898,322

3	Reconciliation of net cash flow to movement in net funds	2002	2001
		£	£
	Increase in cash in the year	176,726	121,882
	Cash outflow from decrease in debt	4,160	9,360
	Movement in net funds in the year	180,886	131,242
	Opening net funds	717,436	586,194
	Closing net funds	898,322	717,436

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

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

Plant and machinery	20% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	33 1/3% straight line

1.4 Leasing

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

1.5 Investments

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution pension scheme for its staff and contributes to a separate scheme for its directors. The assets of the pension schemes are held separately from the company's assets in independently managed funds. The pension cost charged represents contributions payable by the company to the funds in accordance with FRS17 (Retirement Benefits).

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

(continued)

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation of tangible assets	153,646	134,195
Loss on foreign exchange transactions	12,705	15,222
Operating lease rentals	124,336	114,168
Auditors' remuneration	7,750	4,600
and after crediting:		
Profit on disposal of tangible assets	(22,500)	-
Profit on foreign exchange transactions	(114,795)	(56,339)
Government grants	9,222	9,222

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	219,500	54,100
	Adjustment for prior years	831	773
		<u>220,331</u>	<u>54,873</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	22,623	(15,368)
		<u>242,954</u>	<u>39,505</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>832,086</u>	<u>209,759</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001 : 20.00%)	<u>249,626</u>	<u>41,952</u>
	Effects of:		
	Non deductible expenses	(4,259)	859
	Depreciation	46,094	26,839
	Capital allowances	(54,165)	(14,719)
	Adjustments to previous periods	831	773
	Other tax adjustments	(17,796)	(831)
		<u>(29,295)</u>	<u>12,921</u>
	Current tax charge	<u>220,331</u>	<u>54,873</u>
5	Dividends	2002 £	2001 £
	Ordinary interim paid 25 June 2002	200,000	100,000
	Ordinary interim paid 29 January 2002	100,000	-
		<u>300,000</u>	<u>100,000</u>

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2002

6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 2001	511,219	58,413	132,000	701,632
Additions	292,257	6,472	19,495	318,224
Disposals	-	-	(98,105)	(98,105)
At 30 June 2002	803,476	64,885	53,390	921,751
Depreciation				
At 1 July 2001	345,767	36,490	115,570	497,827
On disposals	-	-	(98,105)	(98,105)
Charge for the year	126,144	13,288	14,214	153,646
At 30 June 2002	471,911	49,778	31,679	553,368
Net book value				
At 30 June 2002	331,565	15,107	21,711	368,383
At 30 June 2001	165,452	21,923	16,430	203,805

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

7 Fixed asset investments

	Shares in group undertakings
	£
Cost	
At 1 July 2001 & at 30 June 2002	<u>1</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
New England Lobsters International Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £1	Profit for the year
New England Lobsters International Limited	<u>£1</u>	<u>-</u>

8 Stocks	2002 £	2001 £
Finished goods and goods for resale	<u>68,796</u>	<u>28,006</u>

9 Debtors	2002 £	2001 £
Trade debtors	1,755,212	1,542,976
Other debtors	20,658	26,001
Prepayments and accrued income	117,817	5,065
	<u>1,893,687</u>	<u>1,574,042</u>

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **FOR THE YEAR ENDED 30 JUNE 2002**

10 Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	1,179,586	1,332,876
Corporation tax	219,500	54,100
Other taxes and social security costs	53,297	39,206
Other creditors	9,298	23,868
Accruals and deferred income	581,255	202,902
	<u>2,042,936</u>	<u>1,652,952</u>

11 Pension costs

Defined contribution

	2002	2001
	£	£
Contributions payable by the company for the year	<u>32,426</u>	<u>30,091</u>

12 Share capital

	2002	2001
	£	£
Authorised		
50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2001	824,498
Retained profit for the year	<u>289,132</u>
Balance at 30 June 2002	<u>1,113,630</u>

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

14 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the financial year	589,132	170,254
Dividends	(300,000)	(100,000)
Net addition to shareholders' funds	289,132	70,254
Opening shareholders' funds	874,498	804,244
Closing shareholders' funds	<u>1,163,630</u>	<u>874,498</u>

15 Financial commitments

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	16,117	3,864
Between two and five years	-	-	13,425	21,085
In over five years	63,875	63,875	-	8,457
	<u>63,875</u>	<u>63,875</u>	<u>29,542</u>	<u>33,406</u>

There was a liability under foreign exchange contracts of £1,404,946 (2001 - £777,198) at the year end relating to the purchase of foreign currency at a forward contracted rate.

16 Capital commitments	2002	2001
	£	£
At 30 June 2002 the company had capital commitments as follows:		
Authorised but not contracted for	-	9,548
	<u>-</u>	<u>9,548</u>

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2002

17 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	285,911	180,644
Company pension contributions to money purchase schemes	12,000	13,500
	<u>297,911</u>	<u>194,144</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	171,598	76,663
Company pension contributions to money purchase schemes	<u>6,000</u>	<u>5,157</u>

18 Employees

Number of employees

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

	2002 Number	2001 Number
Sales and distribution	53	52
Administration	<u>7</u>	<u>6</u>
	<u>60</u>	<u>58</u>

Employment costs

	£	£
Wages and salaries	1,412,526	1,166,684
Social security costs	154,610	120,868
Other pension costs	<u>32,426</u>	<u>30,091</u>
	<u>1,599,562</u>	<u>1,317,643</u>

19 Related party transactions

On 1 April 2002, the company sold three of its motor vehicles, one to M R C Stroyan for £7,500 and one to A J M Crawford for £4,500. A third was sold for £6,000 to Camp Hill Limited, a company in which J L Ropner is also a director. All sales were made on an arms length basis.