

STEENLAND (UK) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 1999



SMETHERS & CO
Chartered Accountants
Registered Auditors

Company Number : 1439787

STEENLAND (UK) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 1999

Directors : G.T.H. Steenland
C.E. Galama

Secretary : S. M. Galama

Auditors : Smethers & Co
41 Albion Road
Pitstone
Nr Leighton Buzzard
Beds LU7 9 AY

Bankers : 32 Clarendon Road
Watford
Herts WD1 1LD

Registered Office : 38 Bellmount Wood Avenue
Watford
Herts WD1 3BW

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1999.

The Directors present their report with the financial statements for the year ended 31st December 1999.

STATEMENT OF 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company is the import and distribution of confectionery products.

DIRECTORS

The directors who served during the year were :-

G.T.H. Steenland
C.E. Galama

None of the directors held any beneficial interest in the issued share capital of the company in the year.

AUDITORS


The auditors, Smethers & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board of directors.

S. M. Galama
Secretary


4 August 2000

AUDITORS REPORT TO THE SHAREHOLDERS OF STEENLAND (UK) LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the directors of the company are responsible for the preparation of the 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 Accounting Standards issued by the Auditing Practices Board. An audit includes the 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 irregularities 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 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

 4/1/2000

SMETHERS & CO

Chartered Accountants
41 Albion Road
Pitstone
Nr Leighton Buzzard
Beds LU7 9AY

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
TURNOVER		629,707	667,758
Cost of sales		(584,665)	(620,565)
GROSS PROFIT		<u>45,042</u>	<u>47,193</u>
Administrative expenses		(36,504)	(27,686)
OPERATING PROFIT	2	<u>8,538</u>	<u>19,507</u>
Interest received	3	119	690
Profit on ordinary activities before taxation		<u>8,657</u>	<u>20,197</u>
TAXATION	4	(1,728)	(4,268)
PROFIT on ordinary activities after taxation		<u>6,929</u>	<u>15,929</u>
Dividend		-	-
RETAINED PROFIT FOR YEAR		<u>6,929</u>	<u>15,929</u>
RETAINED PROFIT BROUGHT FORWARD		43,747	27,818
RETAINED PROFIT CARRIED FORWARD		<u><u>£50,676</u></u>	<u><u>£43,747</u></u>

There were no other recognised gains or losses for the financial years ended 31st December 1998 and 31st December 1999.

The notes on pages 8 to 17 form part of these financial statements.

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BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	£	1999 £	£	1998 £
CURRENT ASSETS					
Debtors	5	455,346		325,723	
Bank and cash balances		3,581		10,594	
		<u>458,927</u>		<u>336,317</u>	
CREDITORS : amounts falling due within 1 year	6	(408,151)		(292,470)	
NET CURRENT ASSETS			<u>50,776</u>		<u>43,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>£50,776</u></u>		<u><u>£43,847</u></u>
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account			50,676		43,747
SHAREHOLDERS FUNDS	8		<u><u>£50,776</u></u>		<u><u>£43,847</u></u>

Signed on behalf of the Board of directors.


C.E. Galama

4/8/2000

The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

Continued

1. ACCOUNTING POLICIES

The principal accounting policies of the company are set out below :-

Basis of preparation of financial statements

The financial statements are prepared under the historic cost convention.

Turnover

Turnover represents the invoiced amount of goods sold excluding value added tax.

Depreciation

Depreciation is calculated so as to write off the net cost of each fixed asset to its residual value over the period of its expected useful life.

2. OPERATING PROFIT

This is stated after charging :

	1999 £	1998 £
Auditors remuneration	750	750
Directors emoluments	16,513	6,000

1999
£

1998
£

3. INTEREST RECEIVABLE

Bank interest	119	690
Other interest	-	-
	<u>119</u>	<u>690</u>

4 TAXATION

	1999 £	1998 £
Based on the profit for the year	1,753	4,264
Adjustment in respect of prior years	(25)	-
	<u>1,728</u>	<u>4,264</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

Continued

5. DEBTORS

	1999 £	1998 £
Trade debtors	413,536	325,723
Group	33,456	0
Prepayments	8,354	0
	<u>455,346</u>	<u>325,723</u>

6. CREDITORS : Amounts falling due within one year

	1999 £	1998 £
Amounts due to group companies	315,548	190,089
Other creditors and accruals	90,850	98,115
Corporation tax	1,753	4,266
	<u>408,151</u>	<u>292,470</u>

7. SHARE CAPITAL

	Company	
	1999 £	1998 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. MOVEMENT IN SHAREHOLDERS FUNDS

	1999 £	1998 £
Profit in year	6,929	15,929
Opening shareholders funds	43,847	27,918
	<u>50,776</u>	<u>43,847</u>

9. ULTIMATE HOLDING COMPANY

The directors believe that the company's ultimate holding company is Steenland Chocoladefabriek b.v. a company registered in Holland.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1999

Continued

10. RELATED PARTY TRANSACTIONS

The company purchased all its goods for resale, £589,422 (1998 £620,758) from Steenland Chocoladefabriek b.v which holds 100% company's issued share capital at 31st December 1999 (1998 100%) as described in note 9.