

REGISTRAR

351663

Seven Seas Limited

Report and Accounts

30 September 1993

ERNST & YOUNG



Seven Seas Limited

Registered No. 351663

DIRECTORS

C J Thomas - Chairman
P J Harper
C O Dixon
A G Clements
M Douglas
R Grant
T Morrison
M K O'Shea (non executive)

SECRETARY

R Grant

AUDITORS

Ernst & Young
PO Box 3
Lowgate House
Lowgate
Hull HU1 1JJ

BANKERS

National Westminster Bank plc
64 Knightsbridge
London SW1X 7LG

REGISTERED OFFICE

Hedon Road
Marfleet
Hull HU9 5NJ

Seven Seas Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 1993.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The directors are satisfied with the results for the year.

It is anticipated that the company will continue to concentrate its activity, for the foreseeable future, on the manufacture and marketing of vitamin supplements and health care products.

RESULTS AND DIVIDENDS

The turnover and profits of the company are set out on page 5. No dividend for the year has been paid or proposed (1992 - £Nil). The retained profit for the year of £8,858,000 (1992 - £8,220,000) has been added to reserves.

DIRECTORS

The directors of the company are those stated on page 1.

All directors served throughout the year except Mr T Morrison and Mrs M Douglas who were appointed directors on 4 October 1993. Mr D S Sutton and Mr K T Winkle were directors of the company throughout the year. They resigned on 2 October 1993. Mr L E T Ashford was a director of the company throughout the year and he resigned on 23 December 1993.

No director had any interests in the shares or debentures of the company or any other subsidiary undertaking of Hanson PLC as at 1 October 1992 and 30 September 1993.

The disclosable interests of the directors in the share capital of the ultimate parent undertaking, Hanson PLC, according to the register kept by the Company for the purposes of the Companies Act 1985 are shown below:

	30 September 1993	Ordinary shares 1 October 1992	Share Options Granted (Exercised) during the year
C O Dixon	20,000	20,000	40,000 (44,000)
A G Clements	-	-	22,000 -
R Grant	-	2,850	21,737 (9,000)
D S Sutton	680	680	9,000 -
K T Winkle	3,459	3,417	17,000 -

Note: The share options are options granted to subscribe for ordinary shares of 25p each of Hanson PLC under the Hanson PLC Share Option Scheme and options granted under the Hanson PLC Employee Sharesave Scheme.

Mr P J Harper is a director, and Mr L E T Ashford was an associate director, of Hanson PLC and their shareholdings, if any, are disclosed in the accounts of that company.

Mr C J Thomas is a director of Hanson Foods Limited, the immediate holding company, and his shareholdings in Hanson PLC, if any, are disclosed in the accounts of that company.

Seven Seas Limited

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

EMPLOYMENT POLICIES

Non discrimination

It is the policy of the company that employees at all levels shall not discriminate against others, or be discriminated against, on the grounds of colour, race, religion, sex or ethnic origin. This policy applies to all conditions of employment, recruitment and other aspects of work.

Disabled people

The company seeks to abide by the Department of Employment's voluntary code of practice on the employment of disabled people. This requires companies to give full and fair consideration to disabled people when applying for jobs, and in offering disabled employees training, career development and promotion opportunities. We believe that if a positive attitude to the employment of disabled people is adopted, then many of the problems commonly considered to be associated with the employment of disabled people can be overcome.

The company continues to operate well established employee consultation arrangements. We remain firmly convinced that progress is most readily achieved by basing employees' involvement on their participation at the workplace - in the office, depot or factory. Management input to existing arrangements continues to be given high priority.

AUDITORS

The auditors of the company, Ernst & Young, have signified their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

By order of the board


R Grant
Secretary

14 February 1994

REPORT OF THE AUDITORS
to the members of Seven Seas Limited

We have audited the accounts on pages 5 to 13 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

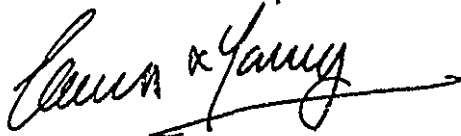
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Hull

14 February 1994

Seven Seas Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1993

	Notes	1993 £000	1992 £000
TURNOVER	2	46,630	46,635
Operating costs	3	(37,857)	(38,534)
OPERATING PROFIT		8,773	8,101
Interest receivable		6	5
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,779	8,106
Taxation	5	79	114
PROFIT FOR THE FINANCIAL YEAR		8,858	8,220
Retained profit at 1 October 1992		29,373	21,153
RETAINED PROFIT AT 30 SEPTEMBER 1993		38,231	29,373

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to ordinary shareholders of £8,858,000 in the year ended 30 September 1993 (1992 - £8,220,000).

Seven Seas Limited

BALANCE SHEET

at 30 September 1993

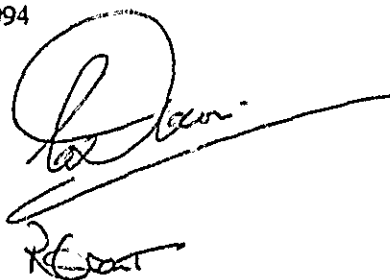
	Notes	1993 £000	1992 £000
FIXED ASSETS			
Tangible assets	6	5,483	5,541
Investments	7	1,653	1,653
		<u>7,136</u>	<u>7,194</u>
CURRENT ASSETS			
Stocks	8	8,006	7,627
Debtors	9	46,106	31,492
Cash at bank and in hand		1,460	8,354
		<u>55,572</u>	<u>47,473</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	24,276	24,991
		<u>31,296</u>	<u>22,482</u>
NET CURRENT ASSETS		<u>38,432</u>	<u>29,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES AND CHARGES	11	151	253
		<u>38,281</u>	<u>29,423</u>
CAPITAL AND RESERVES			
Called up share capital	12	50	50
Profit and loss account		38,231	29,373
	13	<u>38,281</u>	<u>29,423</u>

Approved by the Board of Directors on 14 February 1994

C O Dixon

Directors

R Grant



Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidated accounts

As the company is a wholly owned undertaking of a company which is itself incorporated in the United Kingdom, consolidated financial statements have not been prepared.

Turnover

Turnover comprises the value of goods and services invoiced, excluding Value Added Tax.

It is the opinion of the directors that the company operates in one class of business.

Valuation of stock

Stocks have been valued at cost or at estimated net realisable value if lower. Cost includes an appropriate proportion of overheads based on normal levels of activity.

Depreciation

No depreciation is provided on freehold land; all other tangible assets are depreciated on a straight line basis.

The rates used are calculated to write off the cost of each asset over its estimated total life as follows:

Freehold and leasehold buildings	2% - 4%
Plant and equipment	5% - 25%
Computers	20%
Goods vehicles	16.66% - 25%
Motor cars	25%

Deferred taxation

Provision is made on the liability method for taxation which is deferred as a result of timing differences between profits as computed for tax purposes and profits as stated in the accounts only when it is considered that there is a reasonable certainty that the timing differences will reverse in the foreseeable future.

Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at exchange rates ruling at the year end unless forward rates of exchange have been contracted in which case the contracted rate is used.

All transactions of a trading nature are translated into sterling at the rates of exchange ruling at the date of the transaction.

Exchange gains or losses are included in profit on ordinary activities before taxation.

Pensions

The company's obligations to provide pensions for its employees are covered by the Imperial Retirement Benefits Scheme and the IT Pension Fund which are defined benefit schemes whose assets are independent of Hanson PLC and are managed by trustees. The schemes are funded at rates of contribution determined by an independent actuary in order to provide benefits as defined by the schemes. Full actuarial valuations are made at periodic intervals and the profit and loss account bears the company's share of contributions as defined by the independent actuary.

Investments

Investments are stated at cost, less provision in respect of any permanent diminution in value.

Seven Seas Limited

NOTES TO THE ACCOUNTS at 30 September 1993

2. TURNOVER

Analysis of turnover by geographical market is not disclosed in these accounts as the directors consider that disclosure would be prejudicial to the business. Turnover is attributable to the principal continuing activity of the company.

3. OPERATING COSTS

	1993 £000	1992 £000
Increase in finished goods and work in progress	(440)	(453)
Raw materials and consumables	16,689	17,028
Staff costs	5,284	5,139
Depreciation	701	549
Auditors' fees and expenses	23	24
Non audit fees paid to auditors	13	5
Hire of plant and vehicles	144	152
Profit on sale of tangible fixed assets	(37)	(12)
Other operating charges	15,480	16,102
	<u>37,857</u>	<u>38,534</u>

4. DIRECTORS AND EMPLOYEES

The average number of persons (including directors where appropriate) employed by the company was:

	1993	1992
Production	210	224
Sales and marketing	72	68
Distribution	25	7
Administration	46	46
	<u>353</u>	<u>345</u>

The costs incurred in respect of employees:

	1993 £000	1992 £000
Wages and salaries	4,877	4,716
Social security costs	389	378
Other pension costs	18	45
	<u>5,284</u>	<u>5,139</u>

Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

4. DIRECTORS AND EMPLOYEES (continued)

	1993 £000	1992 £000
Directors emoluments included in the above employment costs amounted to:	331	390
Chairman	-	-
Highest paid director	93	104
The emoluments (excluding pension contributions) of the directors fell within the following ranges:		
	1993 No.	1992 No.
£0 - £5,000	4	4
£45,001 - £50,000	1	1
£50,001 - £55,000	1	1
£60,001 - £65,000	1	1
£65,001 - £70,000	1	.
£80,001 - £85,000	1	1
£100,001 - £105,000	-	1

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £000	1992 £000
Corporation tax at 33% (1992 - 33%)	(2,735)	(2,545)
Group relief	2,735	2,545
	-	-
Deferred tax (note 11)	79	114
Taxation credit	79	114

The tax charge has been reduced by group relief for which no payment is made.

Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

6. TANGIBLE FIXED ASSETS

	<i>Land and buildings</i>		<i>Plant and</i>	<i>Fixtures, fittings, Tools and</i>	
	<i>Short</i>	<i>Freehold</i>	<i>machinery</i>	<i>equipment</i>	<i>Total</i>
	<i>leasehold</i>				
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:					
At 30 September 1992	157	2,459	6,155	1,403	10,174
Additions	-	-	283	413	696
Disposals	-	-	(4)	(301)	(305)
Transfers	-	87	(87)	-	-
At 30 September 1993	157	2,546	6,347	1,515	10,565
Depreciation:					
At 30 September 1992	24	208	3,608	793	4,633
Charge for the year	3	80	372	246	701
Disposals	-	-	(4)	(248)	(252)
At 30 September 1993	27	288	3,976	791	5,082
Net book amounts:					
At 30 September 1993	130	2,258	2,371	724	5,483
At 30 September 1992	133	2,251	2,547	610	5,541

Included in the cost of freehold land and buildings is £322,000 of land which is not depreciated (1992 - £322,000).

7. INVESTMENTS

	<i>1993</i>	<i>1992</i>
	<i>£000</i>	<i>£000</i>
Shares in subsidiary undertakings		
Cost at 30 September	1,653	1,653

The company owns the whole of the share capital of the following:

British Cod Liver Oils Limited
Seven Seas Health Care Limited
Marfleet Refining Company Limited
New Era Laboratories Limited
Vitrite Health Care Limited
Seven Seas (Ireland) Limited

These companies and their subsidiary undertakings did not trade during the year. All the companies are registered in England and Wales except Seven Seas (Ireland) Limited which is incorporated in the Republic of Ireland.

In the opinion of the directors the value of these investments is not less than that shown in these accounts.

Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

8. STOCKS

	1993	1992
	£000	£000
Raw materials	1,865	1,926
Work in progress	3,296	2,158
Finished goods	2,845	3,543
	<u>8,006</u>	<u>7,627</u>

There is no significant difference between the balance sheet value of stock and its replacement cost.

9. DEBTORS: amounts falling due within one year

	1993	1992
	£000	£000
Trade debtors	9,679	9,037
Amounts owed by fellow subsidiary undertakings	36,204	22,146
Amounts owed by subsidiary undertakings	5	5
Other debtors	93	48
Value added tax	25	36
Prepayments and accrued income	100	220
	<u>46,106</u>	<u>31,492</u>

10. CREDITORS: amounts falling due within one year

	1993	1992
	£000	£000
Trade creditors	9,380	10,479
Amounts owed to immediate parent undertaking	11,000	11,000
Amounts owed to fellow subsidiary undertakings	654	652
Amounts owed to subsidiary undertakings	1,658	1,658
Other taxation and social security	461	504
Accruals and deferred income	745	647
Other creditors	378	51
	<u>24,276</u>	<u>24,991</u>

Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

11. PROVISIONS FOR LIABILITIES AND CHARGES

	1993 £000	1992 £000
Rationalisation of business	37	60
Deferred taxation	114	193
	<u>151</u>	<u>253</u>

The movements in provisions during the year are detailed below:

	Rationalisation £000	Deferred tax £000
Provision at 1 October 1992	60	193
Utilised	(23)	-
Credit in the year	-	(79)
Provision at 30 September 1993	<u>37</u>	<u>114</u>

Deferred taxation is provided for in full at 33% (1992 - 33%) and is in respect of timing differences arising from:

	1993 £000	1992 £000
Excess of capital allowances over depreciation	126	213
Short term timing differences	(12)	(20)
	<u>114</u>	<u>193</u>

12. CALLED UP SHARE CAPITAL

	1993 £000	1992 £000
Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993 £000	1992 £000
Profit for the financial year	8,858	8,220
Opening shareholders' funds	29,423	21,203
	<u>38,281</u>	<u>29,423</u>

Seven Seas Limited

NOTES TO THE ACCOUNTS

at 30 September 1993

14. CAPITAL COMMITMENTS

	1993 £000	1992 £000
Expenditure contracted for	735	99
Expenditure authorised but not contracted for	336	102

15. PENSION OBLIGATIONS

Within the UK the Company participates in the IT Pension Fund which is a defined benefit scheme, the assets of which are held in trustee administered funds.

There is no pension cost in respect of the IT Pension Fund for the year ended 30 September 1993. This has been assessed in accordance with the advice of R Watson & Sons, consulting actuaries, using the projected unit method.

The latest actuarial valuation of the IT Pension Fund which now incorporates the Imperial Retirement Benefit Scheme was made as at 5 April 1992. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the future investment returns would be 9½% per annum, that dividends and rents from existing equity and property holdings would increase at 5% per annum in the long term, that pay increases would average 7% per annum and pension increases would be at least equal to those specified in the rules of the Scheme.

At the date of the latest actuarial valuation of the Fund, the market value of the assets of the Fund was £1,468 million. The total assets were sufficient to cover 116% of the benefits that had accrued to members, after allowing for expected future increases in earnings and for benefits improvements which have subsequently been implemented. Company contributions to the Fund remain suspended having regard to the surplus disclosed at this valuation.

There are no outstanding or prepaid contributions at the balance sheet date.

16. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Hanson PLC, a company registered in England and Wales. The results of Seven Seas Limited are incorporated in the group accounts published by Hanson PLC. The accounts of Hanson PLC are available from 1 Grosvenor Place, London, SW1X 7JH.