

**SEACREST SEAFOOD, INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

## **C O N T E N T S**

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## **INDEPENDENT AUDITOR'S REPORT**

To Management and the Stockholder  
of Seacrest Seafood, Inc.

### **Opinion**

We have audited the accompanying financial statements of Seacrest Seafood, Inc. (a Delaware corporation) (the "Company"), which comprise the balance sheet as of March 31, 2025, and the related statements of income, changes in stockholder's equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Substantial Doubt about the Company's Ability to Continue as a Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 8 to the financial statements, the Company incurred a net loss of \$323,241 during the year ended March 31, 2025, and, as of that date, had a working capital deficiency and net deficit of \$263,915. As described in Notes 4 and 6 to the financial statements, the Company has two lines of credit and three loan agreements with related parties. The Company is not aware of any alternate sources of capital to meet its operational demands and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are described in Note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Haller Robbins Epelbaum Misiunas, LLC*

Miami, Florida  
July 31, 2025

**SEACREST SEAFOOD, INC.**

**BALANCE SHEET**

**MARCH 31, 2025**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 374,762
Accounts receivable	1,965,383
Inventories, net	244,917
Due from employees	30,000
Other assets	548,192
<b>TOTAL CURRENT ASSETS</b>	<u>3,163,254</u>

**TOTAL ASSETS**

\$ 3,163,254

**LIABILITIES AND STOCKHOLDER'S DEFICIT**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,523,037
Accrued expenses	19,764
Lines of credit	1,130,500
Loans - related parties	753,868
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,427,169</u>

**TOTAL LIABILITIES**

3,427,169

**STOCKHOLDER'S DEFICIT**

Common stock, \$1 par value, 3,000,000 shares authorized; 3,000,000 shares issued and outstanding	3,000,000
Retained deficit	<u>(3,263,915)</u>
<b>TOTAL STOCKHOLDER'S DEFICIT</b>	<u>(263,915)</u>

**TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT**

\$ 3,163,254

See independent auditor's report and accompanying notes to financial statements.

**SEACREST SEAFOOD, INC.**

**STATEMENT OF INCOME**

**FOR THE YEAR ENDED MARCH 31, 2025**

<b>SALES</b>	\$ 8,399,147
<b>COST OF GOODS SOLD</b>	<u>8,221,201</u>
<b>GROSS PROFIT</b>	<u>177,946</u>
<b>OPERATING EXPENSES</b>	
Auto	6,042
Bad debt	38,927
Bank and other fees	12,685
Computer expenses	3,990
Depreciation	10,543
Dues and subscriptions	939
Insurance	3,542
Licenses and taxes	711
Meals and entertainment	1,017
Miscellaneous	36,227
Office and supplies	5,436
Payroll taxes	70,800
Postage	590
Professional fees	32,727
Rent	16,613
Salaries	209,076
Telephone	956
Travel	<u>6,515</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>457,336</u>
<b>OTHER EXPENSE</b>	
Interest expense	<u>(43,851)</u>
<b>NET LOSS</b>	<u><u>\$ (323,241)</u></u>

See independent auditor's report and accompanying notes to financial statements.

**SEACREST SEAFOOD, INC.**

**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY (DEFICIT)**

**FOR THE YEAR ENDED MARCH 31, 2025**

	Common Stock		Retained	Total
	Shares	Amount	Deficit	Stockholder's
				Equity (Deficit)
<b>Balance at March 31, 2024</b>	<u>3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ (2,940,674)</u>	<u>\$ 59,326</u>
Net loss	<u>-</u>	<u>-</u>	<u>(323,241)</u>	<u>(323,241)</u>
<b>Balance at March 31, 2025</b>	<u><u>3,000,000</u></u>	<u><u>\$ 3,000,000</u></u>	<u><u>\$ (3,263,915)</u></u>	<u><u>\$ (263,915)</u></u>

See independent auditor's report and accompanying notes to financial statements.

**SEACREST SEAFOOD, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2025**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss	\$ (323,241)
Adjustments to reconcile net loss to net cash used in operating activities:	
Bad debt	38,927
Depreciation	10,543
Changes in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(1,708,073)
Inventories, net	332,297
Due from employees	(27,000)
Other assets	3,665
Increase in:	
Accounts payable	649,094
Accrued expenses	6,286

**NET CASH USED IN OPERATING ACTIVITIES**

(1,017,502)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net borrowings on lines of credit	1,130,500
Repayments of loans - related parties	(12,429)

**NET CASH PROVIDED BY FINANCING ACTIVITIES**

1,118,071

**NET INCREASE IN CASH**

100,569

**CASH - BEGINNING OF YEAR**

274,193

**CASH - END OF YEAR**

\$ 374,762

**SUPPLEMENTAL DISCLOSURES:**

Interest paid	<u>\$ 37,247</u>
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See independent auditor's report and accompanying notes to financial statements.



**SEACREST SEAFOOD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Seacrest Seafood, Inc. (the "Company") was incorporated under the laws of the State of Delaware in 2015. The Company's principal business is the distribution of frozen seafood products to the wholesale and retail markets. The products are sold principally to customers in the United States. The Company is a wholly owned subsidiary of Coastal Corporation Limited, a public limited company incorporated and domiciled in India.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash consists of funds held in checking accounts. Cash equivalents typically include money market accounts and all highly liquid investments with an original maturity of three months or less. There were no cash equivalents at March 31, 2025.

Revenue Recognition

The Company recognizes revenue in accordance with the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*. The Company's sales contain a single delivery element and revenue is recognized at a single point in time when and as performance obligations are satisfied by transferring control over a product to a customer.

Following FASB ASC Topic 606, the Company recognizes revenue when control of the product has been transferred to the customer, generally either at the time of sale or upon delivery to a customer, persuasive evidence of an arrangement exists, the price is fixed and collection is reasonably assured. The Company also provides for estimated product returns when products are shipped and sales incentive reserves when the related sales incentive has been approved and communicated. The Company records estimated reductions to sales revenue for customer returns and refunds. Provisions for sales returns are derived from historical trends. As of March 31, 2025, no provisions for sales returns were deemed necessary.

**SEACREST SEAFOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cost of sales

Cost of sales includes cost of inventory sold during the year, net of discounts and allowances and includes in-bound and out-bound freight costs.

Shipping and Handling Cost

The Company has elected to use certain practical expedients permitted under ASC 606. Shipping and handling fees and costs incurred associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included in cost of sales in the accompanying statement of income.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are recorded from sales arrangements in the normal course of business. The Company reduces the carrying amount of accounts receivable by an allowance for credit losses that reflects its best estimate of the amounts that will not be collected. Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts.

As of March 31, 2024, the balance of accounts receivable was \$296,237. No allowance for credit losses was necessary at March 31, 2025 and March 31, 2024.

Inventories

Inventories consist of frozen seafood products which are stated at the lower of cost and net realizable value. The Company utilizes both specific product identification and historical product demand as the basis for determining excess or obsolete inventory reserve. Changes in market conditions, lower-than-expected customer demand or changes in technology or features could result in additional obsolete inventory that is not saleable and could require additional inventory reserve provisions. At March 31, 2025, the inventory reserve totaled approximately \$26,000.

Property and Equipment

Property and equipment are recorded at cost. Improvements and replacements are capitalized. Expenditures for property and equipment in excess of \$2,500 are capitalized; lesser amounts are expensed. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statement of income.

Depreciation is computed using the straight-line method based on the estimated useful lives of the related assets, generally three to seven years.

**SEACREST SEAFOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The Company is taxed as a "C" corporation. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, measured by tax rates expected to apply for years in which taxes are expected to be paid or recovered. No deferred tax assets and liabilities were recorded at March 31, 2025.

Deferred tax assets are recognized for operating losses, contribution carryforwards and tax credits that are available to offset future taxable income. Valuation allowances are provided for deferred tax assets based on management's projection of the sufficiency of future taxable income to realize the assets. No valuation allowance was recorded as of March 31, 2025.

GAAP prescribes rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Company's tax returns. Management has determined that the Corporation does not have any uncertain tax positions and associated unrecognized tax benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company will not be subject to additional tax, penalties, and interest as a result of such challenge.

The Company's income tax filings are subject to examination by Federal and the State of Florida tax authorities.

Advertising

The Company has the policy of expensing advertising costs as incurred.

Change in Accounting Standard

On January 1, 2023, the Company adopted FASB ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related subsequent amendments thereto. This ASU replaced the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) method. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Company, the ASU applies to the measurement of its accounts receivable and contract assets. Accounts receivable and contract assets are now presented by using an allowance for credit losses to reduce the receivables and contract asset balances to the net amount expected to be collected over the lives of the receivables and contract assets. The Company adopted the new standard using the modified retrospective approach. For the Company, there was no transition adjustment related to the adoption of CECL.

**SEACREST SEAFOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Subsequent Events

Subsequent events were evaluated through July 31, 2025 which is the date the financial statements were available to be issued.

**NOTE 2 - DUE FROM A MANUFACTURING COMPANY IN THAILAND**

During 2022, the Company entered into a manufacturing agreement with a company in Thailand (the "Counterparty"), under which the Company paid the Counterparty a deposit \$500,000 for the production of rubber gloves. The Company never received this product and as a result initiated a criminal proceeding against the Counterparty on the grounds of fraud and the \$500,000 remained unrecovered as of March 31, 2025. The legal counsel and management believe that the deposit amount is recoverable in full. The \$500,000 deposit amount is included in other assets in the accompanying balance sheet at March 31, 2025.

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at March 31, 2025:

Furniture and equipment	\$ 45,632
Less: accumulated depreciation	<u>( 45,632)</u>
	<u><u>\$ -</u></u>

**NOTE 4 - LINES OF CREDIT**

The Company has two line of credit arrangements with a bank with maximum borrowings totaling \$1,130,500. The lines of credit bear variable interest equal to the sum of the adjusted secured overnight financing rate ("SOFR") rate, as it appears on the Federal Reserve Bank of New York's website plus 1.15%. The interest rates at March 31, 2025 were 5.36% and 5.45%. The outstanding principal plus any accrued and unpaid interest and other amounts owed shall be due on September 2, 2025 (Maturity).

The lines of credit are collateralized by a standby letter of credit from a bank in India.

**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

Litigation

The Company is subject to legal proceedings and other claims that arise in the ordinary course of its business. In the opinion of management and its legal counsel, the amount of ultimate liability, if any, in excess of applicable insurance coverage, is not likely to have a material effect on the financial condition, results of operations or liquidity of the Company. As of March 31, 2025, the Company and its management have not been made aware of, and are not aware of, any material pending or threatened litigation, claims or assessments.

**SEACREST SEAFOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**NOTE 6 - RELATED PARTY TRANSACTIONS**

Note Payable – Coastal Corporation Limited

The Company has an unsecured note payable with Coastal Corporation Limited (the parent and sole stockholder of the Company) to fund operations. The note payable outstanding balance is \$200,000 as of March 31, 2025, bears interest at a rate of 3% per annum and is due on demand.

Note Payable – Elite Enterprise

The Company has an unsecured note payable in the amount of \$373,876 with a company related to the president and chief executive officer of the Company to fund operations. The note payable bears interest at a rate of 4.30% per annum and is due on demand.

Note Payable – President and CEO.

The Company has an unsecured note payable in the amount of \$215,000 with the president and chief executive officer of the Company to fund operations. The note payable bears interest at a rate of 7% per annum and is due on demand.

**NOTE 7 - RISKS AND UNCERTAINTIES**

The Company maintains its cash balances at highly rated financial institutions located in Florida. Cash balances are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. The Company's uninsured cash balances totaled approximately \$98,000 at March 31, 2025. The Company has not experienced losses to its cash and management believes that it is not exposed to any significant credit risk related to cash accounts.

The Company's future operating results may be affected by a number of factors. The Company is dependent upon Coastal Corporation Limited as a major supplier located in India. Substantially all of the Company's inventory is produced in and imported from Coastal Corporation Limited. If this major supplier had operational problems or eased supplying inventory to the Company, operations could be adversely affected.

Purchases from Coastal Corporation Limited accounted for approximately \$7,565,000 or 97% of the Company's purchases for the year ended March 31, 2025. The Company's outstanding balance to Coastal Corporation Limited totaled approximately \$1,429,000 or 94% of total accounts payable at March 31, 2025.

The Company is dependent upon sales to four major customers. Sales to these four customers located in the United States amounted to approximately \$6,171,000 or 73% of total sales for the year ended March 31, 2025. The Company's outstanding receivable balance from these customers totaled approximately \$1,555,000 or 79% of total accounts receivable at March 31, 2025. If those customers have an economic downturn and sales to those customers drop below current levels, operations of the Company could be adversely affected.

**SEACREST SEAFOOD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2025**

**NOTE 8 - GOING CONCERN**

During the year ended March 31, 2025, the Company had net loss of \$323,241, negative cash flow from operations of \$1,017,502 and a working capital deficiency and net deficit of \$263,915. The Company believes it has sufficient cash to operate over the next 12 months.

To date, the Company has experienced operating losses and negative cash flows from operations. Whether and when the Company can attain profitability and positive cash flows from operations is uncertain. In the future, these uncertainties may cast doubt upon the Company's ability to continue as a going concern.

The Company will need to raise capital in order to fund its operations. This need may be adversely affected by uncertain market conditions and approval by regulatory bodies. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to the existing stockholder. The outcome of these matters cannot be predicted at this time.

Management believes that the Company will achieve significant increase in revenue in the following year ending March 31, 2026 through improved production planning and enhanced customer engagements across the Company's core markets. In addition, the Company plans to operate with stronger margins, supported by better utilization of processing capacities, expansion of value-added product lines and improved procurement strategies and operational efficiencies across the Company's supply chain.