

**HERRING BUYERS ASSOCIATION
LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2003**



HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

P Croan - Chairman
I A McFadden
Dr F Clark
R Duthie
M Taylor
A Robertson
R Turner
F Clark Junior
N Bowen
C Anderson
M Clark
M Croan
M J Croan
F Kidd

Company Secretary

E Leedham

Registered Office

36 Springfield Terrace
South Queensferry
Edinburgh
EH30 9XF

Auditors

Chiene & Tait, CA
Registered Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Bank of Scotland
38 St. Andrew Square
Edinburgh
EH2 2YB

Solicitors

James & George Collie
1 East Craibstone Street
Aberdeen
AB11 6YQ

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

Principal activities

The company acts as an association to further the interests of all United Kingdom buyers of Herring, Mackerel and all other pelagic fish and as a unified body on behalf of such buyers.

Directors

The directors who served the company during the year were as follows:

P Croan
I A McFadden
Dr F Clark
R Duthie
M Taylor
A Robertson
R Turner
F Clark Junior
N Bowen
C Anderson
M Clark
M Croan
M J Croan

Under article 79 C Anderson, A Robertson, R Turner and N Bowen retire and being eligible offer themselves for re-election.

F Kidd was appointed as a director on 21 May 2003.

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 at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Donations

During the year the company made the following contributions:

	2003 £	2002 £
Charitable	<u>51</u>	<u>30</u>

Auditors

A resolution to re-appoint Chiene & Tait, CA as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

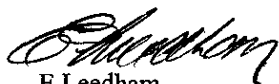
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2003

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



E Leedham
Company Secretary

Approved by the directors on12/11/03

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 6 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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 within it. Our responsibilities do not extend to any other information.

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.

In forming our opinion, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the completeness of income. The company is unable to verify the gross first hand purchases of pelagic fish by the individual members and is therefore unable to confirm the completeness of levy income. However, the Directors have procedures to ensure appropriate recording and safeguarding of income upon its receipt. Our opinion is not qualified in this respect.

**HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE**



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS *(continued)*

YEAR ENDED 31 MARCH 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Chiene & Tait CA

CHIENE & TAIT, CA

Registered Auditors

61 Dublin Street

Edinburgh EH3 6NL

19 November 2003

**HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
Turnover		50,438	38,593
Administrative expenses		42,979	44,182
Operating surplus/(deficiency)	2	7,459	(5,589)
Interest receivable		1,102	889
Surplus/(deficiency) on ordinary activities before taxation		8,561	(4,700)
Tax on surplus/(deficit) on ordinary activities		—	(1,938)
Retained surplus/(deficiency) for the financial year		8,561	(2,762)

The notes on pages 8 to 9 form part of these financial statements.

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2003

	Note	£	2003 £	2002 £
Current assets				
Debtors	3	43,768		32,574
Cash at bank		<u>51,578</u>		<u>44,013</u>
		95,346		76,587
Creditors: amounts falling due within one year	4	<u>56,758</u>		<u>46,560</u>
Net current assets			<u>38,588</u>	<u>30,027</u>
Total assets less current liabilities			<u>38,588</u>	<u>30,027</u>
Reserves	7			
Income and Expenditure Account	8		<u>38,588</u>	<u>30,027</u>
Members' funds			<u>38,588</u>	<u>30,027</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 12/11/03 and are signed on their behalf by:


P Croan

The notes on pages 8 to 9 form part of these financial statements.

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover, which is stated net of value added tax, represents levies receivable from members less rebates.

Turnover is based on actual receipts from the members based upon their first hand purchase of pelagic fish. The company is reliant upon the individual members' systems for recording all purchases calculating the levies due and remitting these to the company. No independent data is available regarding the purchases of pelagic fish by the members.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income and expenditure account.

Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRSSE 2002.

Deferred tax is provided on the liability method to take account of timing differences between the treatment for certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

2. Operating surplus/(deficit)

Operating surplus/(deficit) is stated after charging:

	2003 £	2002 £
Staff pension contributions	3,994	3,780
Auditors' fees	1,050	1,000

3. Debtors

	2003 £	2002 £
Trade debtors	35,510	31,337
Other debtors	8,258	1,237
	<u>43,768</u>	<u>32,574</u>

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

4. Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	4,604	–
Corporation tax	–	89
Other creditors	<u>52,154</u>	<u>46,471</u>
	<u>56,758</u>	<u>46,560</u>

5. Pensions

The company participates in a defined contribution pension scheme, the assets of which are held separately from those of the company in independently administered funds. Contributions are charged in the financial statements as incurred and there were no outstanding or proposed contributions as at the balance sheet date. Pension costs charged during the year were £3,994 (2002: £3,780).

6. Related party transactions

The ultimate controlling parties of the company are the member bodies whom the directors represent. The income of the company relates to levies received from the member bodies.

7. Company limited by guarantee

Each member undertakes to contribute an amount not exceeding £50, in the event of the company being wound up.

8. Income and expenditure account

	2003 £	2002 £
Balance brought forward	30,027	32,789
Retained surplus/(accumulated deficiency) for the financial year	<u>8,561</u>	<u>(2,762)</u>
Balance carried forward	<u>38,588</u>	<u>30,027</u>