

**HERRING BUYERS ASSOCIATION
LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006**



C|
T

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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

Contents	Pages
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4 to 5
Income and expenditure account	6
Balance sheet	7
Notes to the financial statements	8 to 9

**HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE
OFFICERS AND PROFESSIONAL ADVISERS**

The Board of Directors

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

Company Secretary

E Leedham

Registered Office

36 Springfield Terrace
South Queensferry
Edinburgh
EH30 9XF

Auditors

Chiene + Tait
Chartered Accountants
& Registered Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

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

Solicitors

Tods Murray LLP
Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9AG

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2006.

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:

I A McFadden

R Duthie

A Robertson

R Turner

F Clark Junior

N Bowen

C Anderson

M Clark

M Croan

M J Croan

F Kidd

G Bruce

M Taylor

(Resigned 3 May 2006)

S Leiper

(Appointed 18 May 2005, Resigned 21 April 2006)

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

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 surplus or deficiency of the company for that year.

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.

In so far as the directors are aware:

- o there is no relevant audit information of which the company's auditors are unaware; and
- o the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2006

Donations

During the year the company made the following contributions:

	2006 £	2005 £
Charitable	<u>30</u>	<u>65</u>

Auditors

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

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 on 22/9/06

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERRING
BUYERS ASSOCIATION LIMITED
YEAR ENDED 31 MARCH 2006**

We have audited the financial statements of Herring Buyers Association Limited for the year ended 31 March 2006 on pages 6 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 8.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 report to you if, in our opinion, the Directors' Report is consistent with the financial statements. We also report to you, 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 other transactions 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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. However, the evidence available to us was limited in respect of the completeness of the company's income. As disclosed in note 1, the company's income is based upon the actual receipts from members. 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 remitted by the individual members. The Directors have appropriate procedures to ensure appropriate recording and safeguarding of income upon its receipt.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERRING
BUYERS ASSOCIATION LIMITED (continued)**

YEAR ENDED 31 MARCH 2006

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the completeness of the company's income, in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2006.

In respect solely of the limitation of our work relating to the completeness of the company's income for the financial year, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Chiene + Tait

CHIENE + TAIT
Chartered Accountants
& Registered Auditors
61 Dublin Street
Edinburgh
EH3 6NL

25 SEPTEMBER 2006

HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
Turnover		116,404	48,594
Administrative expenses		45,524	48,085
Operating surplus	2	70,880	509
Interest receivable		2,266	2,028
Surplus on ordinary activities before taxation		73,146	2,537
Surplus for the financial year		<u>73,146</u>	<u>2,537</u>

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

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

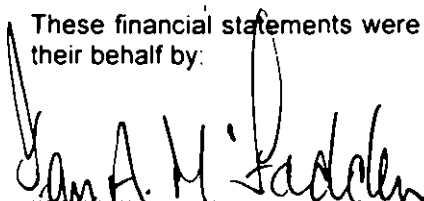
BALANCE SHEET

31 MARCH 2006

	Note	£	2006 £	2005 £
Current assets				
Debtors	3	3,687		64,362
Cash at bank		111,369		50,649
		<u>115,056</u>		<u>115,011</u>
Creditors: amounts falling due within one year	4	<u>1,966</u>		<u>75,067</u>
Net current assets			113,090	39,944
Total assets less current liabilities			113,090	39,944
Reserves	7			
Income and expenditure account	8		113,090	39,944
Members' funds			113,090	39,944

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 January 2005).

These financial statements were approved by the directors on the 25/9/06 and are signed on their behalf by:


I A McFadden

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 2006

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 January 2005).

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 reflects the requirements of FRSSE 2005.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Operating surplus

Operating surplus is stated after charging:

	2006	2005
	£	£
Pension contributions	4,658	4,306
Auditor's fees	1,200	1,150

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2006

3. Debtors

	2006	2005
	£	£
Trade debtors	2,636	62,969
Other debtors	1,051	1,393
	<u>3,687</u>	<u>64,362</u>

4. Creditors: amounts falling due within one year

	2006	2005
	£	£
Other creditors	<u>1,966</u>	<u>75,067</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 £4,658 (2005: £4,306).

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

	2006	2005
	£	£
Balance brought forward	39,944	37,407
Surplus for the financial year	73,146	2,537
Balance carried forward	<u>113,090</u>	<u>39,944</u>