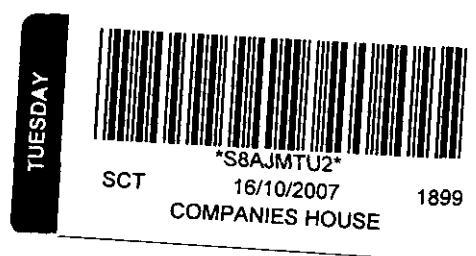


**HERRING BUYERS ASSOCIATION
LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2007**



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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

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**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 J Croan
P M Croan
F Kidd
G Bruce

Company Secretary

E Leedham

Registered Office

36 Springfield Terrace
South Queensferry
Edinburgh
EH30 9XF

Auditor

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

Bankers

Bank of Scotland
38 St Andrew Square
Edinburgh
EH2 2YB

Solicitors

Davis Wood Summers

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2007

Principal activities and business review

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

Following a review of the company's financial position and future projections the directors agreed to rebate 100% of the levies receivable in respect of the year ended 31 March 2007

Directors

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

I A McFadden

R Duthie

M Taylor

(Resigned 3 May 2006)

A Robertson

R Turner

F Clark Junior

N Bowen

C Anderson

M Clark

M J Croan

P M Croan

F Kidd

G Bruce

S Leiper

(Resigned 21 April 2006)

Under article 79, I A McFadden, R Duthie and N Bowen retire and being eligible offer themselves for re election F Kidd has also indicated his intention to retire at the forthcoming AGM

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and the profit or loss for that period In preparing these financial statements the directors are required to

- select suitable accounting policies and 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 that disclose with reasonable accuracy at any time the financial position of the company and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

Directors' responsibilities *(continued)*

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- 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

Donations

During the year the company made the following contributions

	2007 £	2006 £
Charitable	<u>170</u>	<u>30</u>

Auditor

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

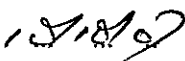
Small company provisions

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 

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERRING BUYERS ASSOCIATION LIMITED

YEAR ENDED 31 MARCH 2007

We have audited the financial statements of Herring Buyers Association Limited for the year ended 31 March 2007 set out on pages 6 to 9. These financial statements have been prepared under the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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

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

YEAR ENDED 31 MARCH 2007

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 2007 and of its deficit 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

In respect solely of the limitation of our work relating to 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 and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

15 OCTOBER 2007

HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
Turnover		(2,636)	116,404
Administrative expenses		46,789	45,524
Operating (deficiency)/surplus	2	(49,425)	70,880
Interest receivable		5,179	2,266
(Deficiency)/surplus on ordinary activities before taxation		(44,246)	73,146
(Deficiency)/surplus for the financial year		(44,246)	73,146

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

HERRING BUYERS ASSOCIATION LIMITED COMPANY LIMITED BY GUARANTEE

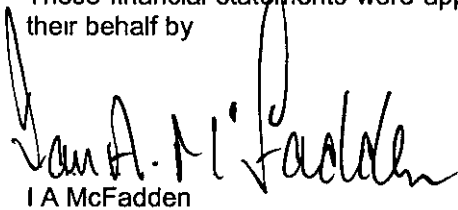
BALANCE SHEET

31 MARCH 2007

	Note	£	2007 £	2006 £
Current assets				
Debtors	3	29,251		3,687
Cash at bank		115,719		111,369
		144,970		115,056
Creditors amounts falling due within one year	4	76,126		1,966
Net current assets			68,844	113,090
Total assets less current liabilities			68,844	113,090
Reserves				
Income and expenditure account	8		68,844	113,090
Members' funds			68,844	113,090

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 14/10/07 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 2007

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.

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 agreement, 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 (deficit)/surplus

Operating (deficit)/surplus is stated after charging

	2007 £	2006 £
Pension contributions	4,430	4,658
Auditor's fees	1,300	1,200

3 Debtors

	2007 £	2006 £
Trade debtors	27,861	2,636
Other debtors	1,390	1,051
	<u>29,251</u>	<u>3,687</u>

HERRING BUYERS ASSOCIATION LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2007

4 Creditors amounts falling due within one year

	2007 £	2006 £
Other taxation	544	—
Other creditors	75,582	1,966
	<u>76,126</u>	<u>1,966</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 £4,430 (2006 £4,658).

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

	2007 £	2006 £
Balance brought forward	113,090	39,944
(Deficiency)/surplus for the financial year	(44,246)	73,146
Balance carried forward	<u>68,844</u>	<u>113,090</u>