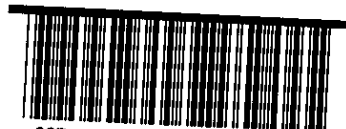


Abbreviated Financial Statements
for the Year Ended 31 December 2002
for
SFF Services Limited



SCT	SLM970Z2	1167
COMPANIES HOUSE		07/10/03
SCT	SKLTTOGN	1760
COMPANIES HOUSE		18/09/03

SFF Services Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2002**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Financial Statements	10

SFF Services Limited

**Company Information
for the Year Ended 31 December 2002**

DIRECTORS:

A Smith
H Morrison
R H T Allen
A Coghill
J Evans
B N Isbister
G P Sutherland
A West
A Strachan
H McPhee

SECRETARY:

M J Sutherland

REGISTERED OFFICE:

14 Regent Quay
Aberdeen
AB11 5AE

REGISTERED NUMBER:

98563 (Scotland)

AUDITORS:

Shearer, Bruce & Paterson
2 Cross Street
Fraserburgh
Aberdeenshire
AB42 9EQ

SOLICITORS:

Paull & Williamson
6 Union Row
Aberdeen
AB10 1SA

SFF Services Limited

Report of the Directors for the Year Ended 31 December 2002

The directors present their report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of guardship and liaison services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £42,500 per share.

The total distribution of dividends for the year ended 31 December 2002 will be £85,000.

DIRECTORS

The directors during the year under review were:

A Smith	
H Morrison	
R H T Allen	
A Coghill	
J Evans	
B N Isbister	
J J Parkhouse	- resigned 25.4.02
G P Sutherland	
A West	
A Strachan	
H McPhee	- appointed 18.7.02

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02 or date of appointment if later
Ordinary £1 shares		
A Smith	1	1
H Morrison	1	1
R H T Allen	-	-
A Coghill	-	-
J Evans	-	-
B N Isbister	-	-
G P Sutherland	-	-
A West	-	-
A Strachan	-	-
H McPhee	-	-

STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, 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 financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SFF Services Limited

**Report of the Directors
for the Year Ended 31 December 2002**

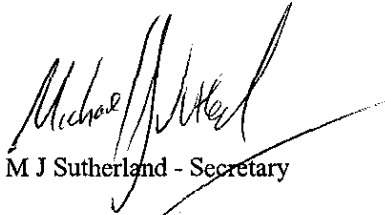
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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. 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.

AUDITORS

The auditors, Shearer, Bruce & Paterson, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Michael Sutherland', is written over a horizontal line.

M J Sutherland - Secretary

1 May 2003

SFF Services Limited

**Report of the Independent Auditors to
SFF Services Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to fourteen, together with the full financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

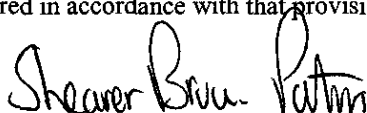
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fourteen are properly prepared in accordance with that provision.



Shearer, Bruce & Paterson
2 Cross Street
Fraserburgh
Aberdeenshire
AB42 9EQ

1 May 2003

SFF Services Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2002**

		31.12.02		31.12.01	
	Notes	£	£	£	£
GROSS PROFIT			517,667		920,950
Administrative expenses			376,928		363,239
OPERATING PROFIT	3		140,739		557,711
Income from investments		5,005		4,798	
Interest receivable and similar income		40,984		33,513	
			45,989		38,311
			186,728		596,022
Amounts written off investments	4		37,525		36,352
			149,203		559,670
Interest payable and similar charges	5		280		390
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			148,923		559,280
Tax on profit on ordinary activities	6		49,907		165,438
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			99,016		393,842
Dividends	7		85,000		85,000
			14,016		308,842
Retained profit brought forward			1,752,125		1,443,283
RETAINED PROFIT CARRIED FORWARD			£1,766,141		£1,752,125

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

SFF Services Limited

Abbreviated Balance Sheet
31 December 2002

		31.12.02		31.12.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		34,129		36,506
CURRENT ASSETS:					
Stocks	9	69,409		126,534	
Debtors	10	580,924		1,427,100	
Investments	11	427,539		462,028	
Cash at bank and in hand		1,112,337		398,441	
		2,190,209		2,414,103	
CREDITORS: Amounts falling due within one year	12	458,195		698,482	
NET CURRENT ASSETS:			1,732,014		1,715,621
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£1,766,143</u>		<u>£1,752,127</u>
CAPITAL AND RESERVES:					
Called up share capital	14		2		2
Profit and loss account			1,766,141		1,752,125
SHAREHOLDERS' FUNDS:	18		<u>£1,766,143</u>		<u>£1,752,127</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



A Smith - Director

Approved by the Board on 1 May 2003

The notes form part of these financial statements

SFF Services Limited

**Cash Flow Statement
for the Year Ended 31 December 2002**

		31.12.02		31.12.01	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		947,117		(276,794)
Returns on investments and servicing of finance	2		45,709		37,921
Taxation			(177,242)		(41,782)
Capital expenditure and financial investment	2		(14,496)		(23,388)
Equity dividends paid			(85,000)		(85,000)
Increase/(Decrease) in cash in the period			<u>£716,088</u>		<u>£(389,043)</u>
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		716,088		(389,043)	
Cash inflow from decrease in liquid resources		<u>(34,489)</u>		<u>(34,395)</u>	
Change in net funds resulting from cash flows			<u>681,599</u>		<u>(423,438)</u>
Movement in net funds in the period			681,599		(423,438)
Net funds at 1 January			858,277		1,281,715
Net funds at 31 December			<u>£1,539,876</u>		<u>£858,277</u>

The notes form part of these financial statements

SFF Services Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2002**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.12.02	31.12.01
	£	£
Operating profit	140,739	557,711
Depreciation charges	13,837	10,432
Decrease in stocks	57,125	47,608
Decrease/(Increase) in debtors	846,176	(1,017,039)
(Decrease)/Increase in creditors	(110,760)	124,494
Net cash inflow/(outflow) from operating activities	947,117	(276,794)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.02	31.12.01
	£	£
Returns on investments and servicing of finance		
Interest received	40,984	33,513
Interest paid	(280)	(390)
Dividends received	5,005	4,798
Net cash inflow for returns on investments and servicing of finance	45,709	37,921
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(11,460)	(21,431)
Cash payments - investmt purch	(24,690)	(101,321)
Cash receipts - investmt sales	21,654	99,364
Net cash outflow for capital expenditure	(14,496)	(23,388)

The notes form part of these financial statements

SFF Services Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank and in hand	398,441	713,896	1,112,337
Bank overdraft	(2,192)	2,192	-
	<u>396,249</u>	<u>716,088</u>	<u>1,112,337</u>
Liquid resources:			
Current asset			
investments	462,028	(34,489)	427,539
	<u>462,028</u>	<u>(34,489)</u>	<u>427,539</u>
Total	<u><u>858,277</u></u>	<u><u>681,599</u></u>	<u><u>1,539,876</u></u>
Analysed in Balance Sheet			
Cash at bank and in hand	398,441		1,112,337
Current asset			
investments	462,028		427,539
Bank overdraft	(2,192)		-
	<u>858,277</u>		<u>1,539,876</u>

The notes form part of these financial statements

SFF Services Limited

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% on cost
Computer equipment	- 25% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.02	31.12.01
	£	£
Wages and salaries	100,014	93,520
Social security costs	9,211	9,657
Other pension costs	3,927	3,685
	<u>113,152</u>	<u>106,862</u>

The average monthly number of employees during the year was as follows:

	31.12.02	31.12.01
Management	3	3
Administration	1	1
	<u>4</u>	<u>4</u>

SFF Services Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.02	31.12.01
	£	£
Hire of plant and machinery	890	3,028
Depreciation - owned assets	13,837	10,432
Auditors' remuneration	3,960	3,050
Property operating lease	<u>12,293</u>	<u>12,400</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.02	31.12.01
	£	£
Loss on sale of shares	<u>37,525</u>	<u>36,352</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.02	31.12.01
	£	£
Bank interest	<u>280</u>	<u>390</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.02	31.12.01
	£	£
Current tax:		
UK corporation tax	38,103	157,572
Under/(over) provided in previous years	<u>11,804</u>	<u>7,866</u>
Total current tax	<u>49,907</u>	<u>165,438</u>
Tax on profit on ordinary activities	<u>49,907</u>	<u>165,438</u>

UK corporation tax has been charged at 21.58% (2001 - 29.07%).

No provision for deferred tax is required (2001 - Nil)

7. DIVIDENDS

	31.12.02	31.12.01
	£	£
Equity shares:		
Proposed final dividend	<u>85,000</u>	<u>85,000</u>

SFF Services Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2002	21,874	65,218	87,092
Additions	-	11,460	11,460
	<u>21,874</u>	<u>76,678</u>	<u>98,552</u>
At 31 December 2002	21,874	76,678	98,552
DEPRECIATION:			
At 1 January 2002	12,465	38,121	50,586
Charge for year	1,193	12,644	13,837
	<u>13,658</u>	<u>50,765</u>	<u>64,423</u>
At 31 December 2002	13,658	50,765	64,423
NET BOOK VALUE:			
At 31 December 2002	<u>8,216</u>	<u>25,913</u>	<u>34,129</u>
At 31 December 2001	<u>9,409</u>	<u>27,097</u>	<u>36,506</u>

9. STOCKS

	31.12.02	31.12.01
	£	£
Work in progress	<u>69,409</u>	<u>126,534</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.02	31.12.01
	£	£
V.A.T.	5,582	7,445
Trade debtors	559,992	1,407,576
Prepayments	3,400	2,891
AAM Capital account	11,950	9,188
	<u>580,924</u>	<u>1,427,100</u>

11. CURRENT ASSET INVESTMENTS

	31.12.02	31.12.01
	£	£
Listed investments	<u>427,539</u>	<u>462,028</u>

Market value of listed investments at 31 December 2002 - £254,856 (2001 - £345,739).

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.02	31.12.01
	£	£
Bank loans and overdrafts (see note 13)	-	2,192
Trade creditors	111,226	275,935
Due to SFF	131,907	140,000
Other creditors	91,959	29,917
Dividend proposed	85,000	85,000
Taxation	38,103	165,438
	<u>458,195</u>	<u>698,482</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.02	31.12.01
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>2,192</u>

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.02	31.12.01
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.02	31.12.01
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

15. PENSION COMMITMENTS

The company's employees are members of a defined contribution pension scheme operated by the Scottish Fishermens Federation. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £3927 (2001 £3685). There were no outstanding or prepaid contributions at the beginning or the end of the financial year.

16. OTHER FINANCIAL COMMITMENTS

SFF Services Limited have entered into a lease for 14 Regent Quay, Aberdeen at a cost of £12,500 per annum. The lease runs until 25 May 2005 at which time SFF Services have the option to extend the lease for a further 3 years.

17. RELATED PARTY DISCLOSURES

The company is controlled through nominees, by the Scottish Fishermens Federation which is an unincorporated body, part of its operation being to provide management services to this company. Management fees charged to the profit and loss account for the year ended 31 December 2002 amount to £140,000 (2001 £140,000) of which £131,907 (2001 £140,000) is included in creditors.

SFF Services Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2002**

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02	31.12.01
	£	£
Profit for the financial year	99,016	393,842
Dividends	(85,000)	(85,000)
Net addition to shareholders' funds	14,016	308,842
Opening shareholders' funds	1,752,127	1,443,285
Closing shareholders' funds	1,766,143	1,752,127
Equity interests	1,766,143	1,752,127