

Abbreviated Accounts
for the Year Ended 31 December 2003
for
SFF Services Limited



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COMPANIES HOUSE		05/11/04

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SFF Services Limited

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for the Year Ended 31 December 2003**

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SFF Services Limited

**Company Information
for the Year Ended 31 December 2003**

DIRECTORS:	A Smith H Morrison R H T Allen A Coghill J Evans B N Isbister A West H McPhee N J Garrett J Watt
SECRETARY:	M J Sutherland
REGISTERED OFFICE:	14 Regent Quay Aberdeen AB11 5AE
REGISTERED NUMBER:	98563 (Scotland)
AUDITORS:	Shearer, Bruce & Paterson Chartered Accountants and Registered Auditors 59 Queen Street Peterhead Aberdeenshire AB42 1TU
SOLICITORS:	Paull & Williamson 6 Union Row Aberdeen AB10 1SA

SFF Services Limited

Report of the Directors for the Year Ended 31 December 2003

The directors present their report with the accounts of the company for the year ended 31 December 2003.

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 accounts.

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 2003 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	
G P Sutherland	- resigned 4.12.03
A West	
A Strachan	- resigned 10.7.03
H McPhee	
N J Garrett	- appointed 10.7.03
J Watt	- appointed 4.12.03

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03 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	-	-
A West	-	-
H McPhee	-	-
N J Garrett	-	-
J Watt	-	-

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 2003**

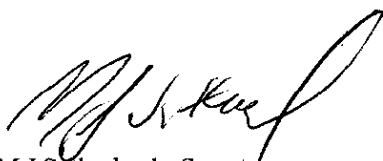
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 'M J Sutherland', is written over the printed name.

M J Sutherland - Secretary

30 September 2004

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

We have examined the abbreviated accounts on pages five to fourteen, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to fourteen are properly prepared in accordance with that provision.



Shearer, Bruce & Paterson
Chartered Accountants
and Registered Auditors
59 Queen Street
Peterhead
Aberdeenshire
AB42 1TU

30 September 2004

SFF Services Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2003**

		31.12.03		31.12.02	
	Notes	£	£	£	£
GROSS PROFIT			429,742		517,667
Administrative expenses			386,707		376,928
OPERATING PROFIT	3		43,035		140,739
Income from investments		5,298		5,005	
Interest receivable and similar income		44,575		40,984	
			49,873		45,989
			92,908		186,728
Amounts written off investments	4		41,354		37,525
			51,554		149,203
Interest payable and similar charges	5		710		280
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			50,844		148,923
Tax on profit on ordinary activities	6		18,098		49,907
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			32,746		99,016
Dividends	7		85,000		85,000
			(52,254)		14,016
Retained profit brought forward			1,766,141		1,752,125
RETAINED PROFIT CARRIED FORWARD			£1,713,887		£1,766,141

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 abbreviated accounts

SFF Services Limited

**Abbreviated Balance Sheet
31 December 2003**

		<u>31.12.03</u>		<u>31.12.02</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		39,078		34,129
CURRENT ASSETS:					
Stocks	9	18,761		69,409	
Debtors	10	452,269		580,924	
Investments	11	390,410		427,539	
Cash at bank and in hand		1,233,561		1,112,337	
		<u>2,095,001</u>		<u>2,190,209</u>	
CREDITORS: Amounts falling due within one year	12	<u>420,190</u>		<u>458,195</u>	
NET CURRENT ASSETS:			<u>1,674,811</u>		<u>1,732,014</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£1,713,889</u></u>		<u><u>£1,766,143</u></u>
CAPITAL AND RESERVES:					
Called up share capital	14		2		2
Profit and loss account			<u>1,713,887</u>		<u>1,766,141</u>
SHAREHOLDERS' FUNDS:	18		<u><u>£1,713,889</u></u>		<u><u>£1,766,143</u></u>

These abbreviated accounts 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 West - Director

Approved by the Board on 30 September 2004

The notes form part of these abbreviated accounts

SFF Services Limited

**Cash Flow Statement
for the Year Ended 31 December 2003**

		31.12.03		31.12.02	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		164,298		947,117
Returns on investments and servicing of finance	2		49,163		45,709
Taxation			(39,994)		(177,242)
Capital expenditure and financial investment	2		(21,088)		(14,496)
Equity dividends paid			(85,000)		(85,000)
Increase in cash in the period			<u>£67,379</u>		<u>£716,088</u>
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period			67,379		716,088
Cash inflow from decrease in liquid resources			<u>(37,129)</u>		<u>(34,489)</u>
Change in net funds resulting from cash flows			<u>30,250</u>		<u>681,599</u>
Movement in net funds in the period			30,250		681,599
Net funds at 1 January			<u>1,539,876</u>		<u>858,277</u>
Net funds at 31 December			<u>£1,570,126</u>		<u>£1,539,876</u>

The notes form part of these abbreviated accounts

SFF Services Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2003**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.03	31.12.02
	£	£
Operating profit	43,035	140,739
Depreciation charges	11,914	13,837
Decrease in stocks	50,648	57,125
Decrease in debtors	128,655	846,176
Decrease in creditors	(69,954)	(110,760)
Net cash inflow from operating activities	<u>164,298</u>	<u>947,117</u>

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

	31.12.03	31.12.02
	£	£
Returns on investments and servicing of finance		
Interest received	44,575	40,984
Interest paid	(710)	(280)
Dividends received	5,298	5,005
Net cash inflow for returns on investments and servicing of finance	<u>49,163</u>	<u>45,709</u>
 Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,863)	(11,460)
Cash payments - investmt purch	(64,083)	(24,690)
Cash receipts - investmt sales	59,858	21,654
Net cash outflow for capital expenditure	<u>(21,088)</u>	<u>(14,496)</u>

The notes form part of these abbreviated accounts

SFF Services Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2003**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.03 £	Cash flow £	At 31.12.03 £
Net cash:			
Cash at bank and in hand	1,112,337	121,224	1,233,561
Bank overdraft	-	(53,845)	(53,845)
	<u>1,112,337</u>	<u>67,379</u>	<u>1,179,716</u>
 Liquid resources:			
Current asset			
investments	427,539	(37,129)	390,410
	<u>427,539</u>	<u>(37,129)</u>	<u>390,410</u>
 Total	<u>1,539,876</u>	<u>30,250</u>	<u>1,570,126</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	1,112,337		1,233,561
Current asset			
investments	427,539		390,410
Bank overdraft	-		(53,845)
	<u>1,539,876</u>		<u>1,570,126</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

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

	31.12.03	31.12.02
	£	£
Wages and salaries	104,488	100,014
Social security costs	10,811	9,211
Other pension costs	4,084	3,927
	<u>119,383</u>	<u>113,152</u>

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

	31.12.03	31.12.02
Management	3	3
Administration	1	1
	<u>4</u>	<u>4</u>

SFF Services Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Hire of plant and machinery	300	890
Depreciation - owned assets	11,914	13,837
Auditors' remuneration	3,200	3,960
Property operating lease	<u>12,601</u>	<u>12,293</u>
Directors' emoluments	<u>21,000</u>	<u>-</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.03	31.12.02
	£	£
Loss on sale of shares	<u>41,354</u>	<u>37,525</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Bank interest	<u>710</u>	<u>280</u>

6. TAXATION

Analysis of the tax charge

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

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	16,207	38,103
Under/(over) provided in previous years	<u>1,891</u>	<u>11,804</u>
Total current tax	<u>18,098</u>	<u>49,907</u>
Tax on profit on ordinary activities	<u>18,098</u>	<u>49,907</u>

UK corporation tax has been charged at 19% (2002 - 21.58%).

No provision for deferred tax is required (2002 - Nil)

7. DIVIDENDS

	31.12.03	31.12.02
	£	£
Equity shares:		
Proposed final dividend	<u>85,000</u>	<u>85,000</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2003	21,874	76,678	98,552
Additions	564	16,299	16,863
	<u>22,438</u>	<u>92,977</u>	<u>115,415</u>
At 31 December 2003			
DEPRECIATION:			
At 1 January 2003	13,658	50,765	64,423
Charge for year	1,224	10,690	11,914
	<u>14,882</u>	<u>61,455</u>	<u>76,337</u>
At 31 December 2003			
NET BOOK VALUE:			
At 31 December 2003	<u>7,556</u>	<u>31,522</u>	<u>39,078</u>
At 31 December 2002	<u>8,216</u>	<u>25,913</u>	<u>34,129</u>

9. STOCKS

	31.12.03	31.12.02
	£	£
Work in progress	<u>18,761</u>	<u>69,409</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.03	31.12.02
	£	£
V.A.T.	7,228	5,582
Trade debtors	419,923	559,992
Prepayments	10,792	3,400
API Capital account	12,470	11,950
API Income account	1,856	-
	<u>452,269</u>	<u>580,924</u>

11. CURRENT ASSET INVESTMENTS

	31.12.03	31.12.02
	£	£
Listed investments	<u>390,410</u>	<u>427,539</u>

Market value of listed investments at 31 December 2003 - £298,484 (2002 - £254,856).

SFF Services Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

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

	31.12.03	31.12.02
	£	£
Bank loans and overdrafts (see note 13)	53,845	-
Trade creditors	71,745	111,226
Due to SFF	145,000	131,907
Other creditors	48,393	91,959
Dividend proposed	85,000	85,000
Taxation	16,207	38,103
	<u>420,190</u>	<u>458,195</u>

13. LOANS AND OVERDRAFTS

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

	31.12.03	31.12.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>53,845</u>	<u>-</u>

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.03	31.12.02
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.03	31.12.02
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

15. PENSION COMMITMENTS

The company 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 £4,084 (2002 £3,927). 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.

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

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 2003 amount to £145,000 (2002 £140,000) of which £145,000 (2002 £131,907) is included in creditors.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03	31.12.02
	£	£
Profit for the financial year	32,746	99,016
Dividends	(85,000)	(85,000)
Net (reduction)/addition to shareholders' funds	(52,254)	14,016
Opening shareholders' funds	1,766,143	1,752,127
Closing shareholders' funds	1,713,889	1,766,143
Equity interests	1,713,889	1,766,143