

Abbreviated Accounts
for the Year Ended 31 December 2004
for
SFF Services Limited



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for the Year Ended 31 December 2004**

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SFF Services Limited

**Company Information
for the Year Ended 31 December 2004**

DIRECTORS:

H Morrison
A Coghill
J Evans
B N Isbister
A West
J Watt
H McPhee
N J Garrett
J Hermse
M Park
A Tait

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 2004

The directors present their report with the accounts of the company for the year ended 31 December 2004.

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 2004 will be £85,000.

DIRECTORS

The directors during the year under review were:

A Smith	- resigned 9.7.04
H Morrison	
R H T Allen	- deceased 17.12.04
A Coghill	
J Evans	
B N Isbister	
A West	
J Watt	
H McPhee	
N J Garrett	
J Hermse	- appointed 30.9.04
M Park	- appointed 30.9.04
A Tait	- appointed 30.9.04

The beneficial interests of the directors holding office on 31 December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04 or date of appointment if later
Ordinary £1 shares		
H Morrison	1	1
A Coghill	-	-
J Evans	-	-
B N Isbister	-	-
A West	1	-
J Watt	-	-
H McPhee	-	-
N J Garrett	-	-
J Hermse	-	-
M Park	-	-
A Tait	-	-

**Report of the Directors
for the Year Ended 31 December 2004**

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

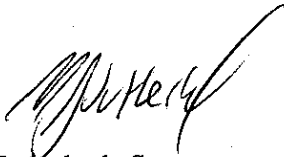
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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:



M J Sutherland - Secretary

28 April 2005

**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 2004 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

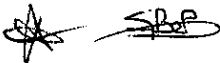
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of 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

28 April 2005

SFF Services Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2004**

		<u>31.12.04</u>		<u>31.12.03</u>	
	Notes	£	£	£	£
GROSS PROFIT			605,873		429,742
Administrative expenses			394,699		386,707
OPERATING PROFIT	3		211,174		43,035
Income from investments		6,193		5,298	
Interest receivable and similar income		43,658		44,575	
			49,851		49,873
			261,025		92,908
Amounts written off investments	4		1,379		41,354
			259,646		51,554
Interest payable and similar charges	5		17		710
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			259,629		50,844
Tax on profit on ordinary activities	6		65,005		18,098
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			194,624		32,746
Dividends	7		85,000		85,000
			109,624		(52,254)
Retained profit brought forward			1,713,887		1,766,141
RETAINED PROFIT CARRIED FORWARD			<u>£1,823,511</u>		<u>£1,713,887</u>

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 2004**

		<u>31.12.04</u>		<u>31.12.03</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		37,598		39,078
CURRENT ASSETS:					
Stocks	9	212,289		18,761	
Debtors	10	1,168,123		452,269	
Investments	11	402,527		390,410	
Cash at bank and in hand		933,859		1,233,561	
		<u>2,716,798</u>		<u>2,095,001</u>	
CREDITORS: Amounts falling due within one year	12	<u>930,883</u>		<u>420,190</u>	
NET CURRENT ASSETS:			<u>1,785,915</u>		<u>1,674,811</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£1,823,513</u></u>		<u><u>£1,713,889</u></u>
CAPITAL AND RESERVES:					
Called up share capital	14		2		2
Profit and loss account			<u>1,823,511</u>		<u>1,713,887</u>
SHAREHOLDERS' FUNDS:	19		<u><u>£1,823,513</u></u>		<u><u>£1,713,889</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:

Alex West

A West - Director

Approved by the Board on 28 April 2005

The notes form part of these abbreviated accounts

SFF Services Limited

**Cash Flow Statement
for the Year Ended 31 December 2004**

		<u>31.12.04</u>		<u>31.12.03</u>	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(170,212)		164,298
Returns on investments and servicing of finance	2		49,834		49,163
Taxation			(16,207)		(39,994)
Capital expenditure and financial investment	2		(24,272)		(21,088)
Equity dividends paid			(85,000)		(85,000)
(Decrease)/Increase in cash in the period			<u>£(245,857)</u>		<u>£67,379</u>
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(245,857)		67,379	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		<u>12,117</u>		<u>(37,129)</u>	
Change in net funds resulting from cash flows			(233,740)		30,250
Movement in net funds in the period			(233,740)		30,250
Net funds at 1 January			1,570,126		1,539,876
Net funds at 31 December			<u>£1,336,386</u>		<u>£1,570,126</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement¹
for the Year Ended 31 December 2004

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

	31.12.04	31.12.03
	£	£
Operating profit	211,174	43,035
Depreciation charges	12,256	11,914
(Increase)/Decrease in stocks	(193,528)	50,648
(Increase)/Decrease in debtors	(715,854)	128,655
Increase/(Decrease) in creditors	515,740	(69,954)
Net cash (outflow)/inflow from operating activities	(170,212)	164,298

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

	31.12.04	31.12.03
	£	£
Returns on investments and servicing of finance		
Interest received	43,658	44,575
Interest paid	(17)	(710)
Dividends received	6,193	5,298
Net cash inflow for returns on investments and servicing of finance	49,834	49,163
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,776)	(16,863)
Cash payments - investmt purch	(120,998)	(64,083)
Cash receipts - investmt sales	107,502	59,858
Net cash outflow for capital expenditure	(24,272)	(21,088)

The notes form part of these abbreviated accounts

SFF Services Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2004**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.04	Cash flow	At 31.12.04
	£	£	£
Net cash:			
Cash at bank and in hand	1,233,561	(299,702)	933,859
Bank overdraft	(53,845)	53,845	-
	<u>1,179,716</u>	<u>(245,857)</u>	<u>933,859</u>
 Liquid resources:			
Current asset investments	390,410	12,117	402,527
	<u>390,410</u>	<u>12,117</u>	<u>402,527</u>
 Total	<u>1,570,126</u>	<u>(233,740)</u>	<u>1,336,386</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	1,233,561		933,859
Current asset investments	390,410		402,527
Bank overdraft	(53,845)		-
	<u>1,570,126</u>		<u>1,336,386</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

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

	31.12.04	31.12.03
	£	£
Wages and salaries	104,571	104,488
Social security costs	10,581	10,811
Other pension costs	4,222	4,084
	<u>119,374</u>	<u>119,383</u>

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

	31.12.04	31.12.03
Management	3	3
Administration	1	1
	<u>4</u>	<u>4</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.04	31.12.03
	£	£
Hire of plant and machinery	300	300
Depreciation - owned assets	12,256	11,914
Auditors' remuneration	3,600	3,200
Property operating lease	<u>12,398</u>	<u>12,601</u>
Directors' emoluments	<u>15,000</u>	<u>21,000</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.04	31.12.03
	£	£
Loss on sale of shares	<u>1,379</u>	<u>41,354</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.04	31.12.03
	£	£
Bank interest	<u>17</u>	<u>710</u>

6. TAXATION**Analysis of the tax charge**

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

	31.12.04	31.12.03
	£	£
Current tax:		
UK corporation tax	65,005	16,207
Under/(over) provided in previous years	<u>-</u>	<u>1,891</u>
Tax on profit on ordinary activities	<u>65,005</u>	<u>18,098</u>

UK corporation tax has been charged at 25% (2003 - 19%).

No provision for deferred tax is required (2003 - Nil)

7. DIVIDENDS

	31.12.04	31.12.03
	£	£
Equity shares:		
Proposed final dividend	<u>85,000</u>	<u>85,000</u>

SFF Services Limited

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2004	22,438	92,977	115,415
Additions	349	10,427	10,776
At 31 December 2004	22,787	103,404	126,191
DEPRECIATION:			
At 1 January 2004	14,882	61,455	76,337
Charge for year	1,265	10,991	12,256
At 31 December 2004	16,147	72,446	88,593
NET BOOK VALUE:			
At 31 December 2004	6,640	30,958	37,598
At 31 December 2003	7,556	31,522	39,078

9. STOCKS

	31.12.04	31.12.03
	£	£
Work in progress	212,289	18,761

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

	31.12.04	31.12.03
	£	£
V.A.T.	20,408	7,228
Trade debtors	1,111,892	419,923
Prepayments	27,048	10,792
API Capital account	6,690	12,470
API Income account	2,085	1,856
	1,168,123	452,269

11. CURRENT ASSET INVESTMENTS

	31.12.04	31.12.03
	£	£
Listed investments	402,527	390,410

Market value of listed investments at 31 December 2004 - £322,025 (2003 - £298,484).

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

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

	31.12.04	31.12.03
	£	£
Bank loans and overdrafts (see note 13)	-	53,845
Trade creditors	419,013	71,745
Due to SFF	130,673	145,000
Other creditors	231,192	48,393
Dividend proposed	85,000	85,000
Taxation	65,005	16,207
	<u>930,883</u>	<u>420,190</u>

13. LOANS AND OVERDRAFTS

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

	31.12.04	31.12.03
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	53,845
	<u>-</u>	<u>53,845</u>

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.12.04	31.12.03
		value:	£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.04	31.12.03
		value:	£	£
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 £4,222 (2003 £4,084). There were no outstanding or prepaid contributions at the beginning or the end of the financial year.

16. CAPITAL COMMITMENTS

	31.12.04	31.12.03
	£	£
Contracted but not provided for in the financial statements	<u>647,840</u>	<u>-</u>

SFF Services Limited have purchased a freehold property after the balance sheet date. The commitment to purchase the property was in force at the balance sheet date, and these commitments are estimated at £647,840.

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

17. 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 will not be exercising their option to extend the lease.

18. 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 2004 amount to £145,000 (2003 £145,000) of which £130,672 (2003 £145,000) is included in creditors.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.04	31.12.03
	£	£
Profit for the financial year	194,624	32,746
Dividends	(85,000)	(85,000)
Net addition/(reduction) to shareholders' funds	109,624	(52,254)
Opening shareholders' funds	1,713,889	1,766,143
Closing shareholders' funds	1,823,513	1,713,889
 Equity interests	 1,823,513	 1,713,889