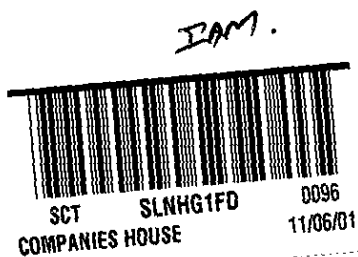


KEILA FISHING COMPANY LIMITED
FINANCIAL STATEMENTS
FOR
31 AUGUST 2000



Company Registration Number 199913



HLB KIDSONS
Chartered Accountants
11 Albyn Place
Aberdeen
AB10 1YE

KEILA FISHING COMPANY LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the period from 9 September 1999 to 31 August 2000.

Principal activities

The principal activity of the company during the year was that of fishing vessel owner.

The directors and their interests in shares of the company

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2000	At 9 September 1999 or later date of appointment
J M Drever	337,500	337,500
T G Tulloch	262,500	262,500

J M Drever was appointed as a director on 9 September 1999.

T G Tulloch was appointed as a director on 9 September 1999.

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.

Registered office:

South Tuan

Westray

ORKNEY

KW17 2DD

Signed on behalf of the directors

J. Drever

J M Drever

Director

Approved by the directors on 5 Jun 2001

KEILA FISHING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000**

	Note	Period to 31 Aug 00 £
Turnover		810,202
Cost of sales		<u>(729,069)</u>
Gross profit		81,133
Administrative expenses		(16,723)
Other operating income		<u>29,093</u>
Operating profit	2	93,503
Interest payable		<u>(56,276)</u>
Profit on ordinary activities before taxation		37,227
Taxation		<u>(6,080)</u>
Retained profit for the financial period		<u><u>31,147</u></u>

KEILA FISHING COMPANY LIMITED

BALANCE SHEET

31 AUGUST 2000

Fixed assets		
Intangible assets	3	1,651,200
Tangible assets	4	884,291
Investments	5	100
		<u>2,535,591</u>
Current assets		
Debtors	6	42,026
Creditors: amounts falling due		
Within one year	7	<u>(761,297)</u>
Net current liabilities		<u>(719,271)</u>
Total assets less current liabilities		1,816,320
Creditors: amounts falling due		
After more than one year	8	<u>(153,333)</u>
		1,662,987
Provisions for liabilities and charges		
Deferred taxation	9	<u>(201,210)</u>
		<u>1,461,777</u>
Capital and reserves		
Called-up equity share capital	11	600,000
Share premium account	12	830,630
Profit and loss account	13	31,147
		<u>1,461,777</u>
Shareholders' funds		<u>1,461,777</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the period by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

KEILA FISHING COMPANY LIMITED

BALANCE SHEET

31 AUGUST 2000

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 March 2000).

These financial statements were approved by the directors on the 5 Jun 2001, and are signed on their behalf by:

J. M. Drever
J M Drever

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

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 March 2000).

Turnover

The turnover shown in the profit and loss account represents sales during the period.

Fishing licence

The company's fishing licence is included at cost and is not amortised as the directors believe it has an indefinite useful life.

Fishing quota

The company's fishing quota is included at cost and is not amortised as the directors believe it has an indefinite useful life.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fishing vessel	-	15 years
Net store	-	20 years
Motor vehicles	-	3 years

Hire purchase agreements

Tangible fixed assets acquired under hire purchase contracts are capitalised at the estimated fair value at the date of inception of each contract. The total finance charges are allocated over the period of the contract in such a way as to give a reasonably constant charge on the outstanding liability.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

2. Operating profit

Operating profit is stated after charging:

	Period to 31 Aug 00 £
Directors' emoluments	-
Depreciation	<u>49,661</u>

3. Intangible fixed assets

	Fishing licence £	Fishing quota £	Total £
Cost			
Additions	300,000	1,351,200	1,651,200
At 31 August 2000	<u>300,000</u>	<u>1,351,200</u>	<u>1,651,200</u>
Net book value			
At 31 August 2000	<u>300,000</u>	<u>1,351,200</u>	<u>1,651,200</u>

4. Tangible fixed assets

	Land £	Fishing vessel £	Net store £	Motor vehicles £	Total £
Cost					
Additions	1,750	900,000	15,551	16,651	933,952
At 31 August 2000	<u>1,750</u>	<u>900,000</u>	<u>15,551</u>	<u>16,651</u>	<u>933,952</u>
Depreciation					
Charge for the period	-	43,333	778	5,550	49,661
At 31 August 2000	<u>-</u>	<u>43,333</u>	<u>778</u>	<u>5,550</u>	<u>49,661</u>
Net book value					
At 31 August 2000	<u>1,750</u>	<u>856,667</u>	<u>14,773</u>	<u>11,101</u>	<u>884,291</u>

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

4. Tangible fixed assets (*continued*)

Hire purchase agreements

Included within the net book value of £884,291 is £8,800 relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the period in respect of such assets amounted to £4,400.

5. Investments

	Unlisted investment £
Cost	
Additions	100
At 31 August 2000	<u>100</u>
Net book value	
At 31 August 2000	<u>100</u>

6. Debtors

	31 Aug 00 £
Trade debtors	28,119
Other debtors	13,907
	<u>42,026</u>

7. Creditors: amounts falling due within one year

	31 Aug 00 £
Bank overdraft – secured	690,656
Orkney Islands Council loan – secured	20,833
Trade creditors	29,135
Corporation tax	12,908
Hire purchase agreements	2,500
Other creditors	5,265
	<u>761,297</u>

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

8. Creditors: amounts falling due after more than one year

	31 Aug 00
	£
Orkney Islands Council loan – secured	145,833
Hire purchase agreements	7,500
	<u>153,333</u>

Included above are amounts totalling £62,501 falling due in more than five years.

9. Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Period to 31 Aug 00
	£
Excess of taxation allowances over depreciation on fixed assets	<u>201,210</u>

10. Related party transactions

(a) Mr John M. Drever, who is also a self employed share fisherman, received £26,030 in respect of his crew share. Mr Drever has assigned life policies to the company's bankers as additional security for bank borrowing.

(b) Mr Thomas G Tulloch, who is also a self employed share fisherman received £24,686 in respect of his crew share. Mr Tulloch has assigned a life policy to the company's bankers as additional security for bank borrowing.

11. Share capital

Authorised share capital:

	31 Aug 00
	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>

Allotted, called up and fully paid:

	31 Aug 00
	£
Issue of ordinary shares	<u>600,000</u>

12. Share premium account

	Period to 31 Aug 00
	£
Premium on shares issued in the period	<u>830,630</u>

KEILA FISHING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 9 SEPTEMBER 1999 TO 31 AUGUST 2000

13. Profit and loss account

	Period to 31 Aug 00
	£
Retained profit for the financial period	31,147
Balance carried forward	<u>31,147</u>