

KEILA FISHING COMPANY LIMITED
FINANCIAL STATEMENTS
FOR
31 AUGUST 2001

Company Registration Number 199913



JOHNSTON CARMICHAEL
Chartered Accountants & Registered Auditors
11 Albyn Place
Aberdeen
AB10 1YE

KEILA FISHING COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

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KEILA FISHING COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2001.

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 year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	
	At 31 August 2001	1 September 2000
J M Drever	337,500	337,500
T G Tulloch	<u>262,500</u>	<u>262,500</u>

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 M Drever
Director

x sign
J. Drever

Approved by the directors on 14/6/02 x Date

KEILA FISHING COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2001

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

Registered office:
South Tuan
Westray
ORKNEY
KW17 2DD

Signed on behalf of the directors

J. Drever

x sign

J M Drever
Director

Approved by the directors on 14/6/02

x Date

KEILA FISHING COMPANY LIMITED

Independent Auditors' Report to the Shareholders of Keila Fishing Company Limited

We have audited the financial statements of Keila Fishing Company Limited for the year ended 31 August 2001 as detailed on pages 4 to 10. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and the auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 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 opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2001 and of the loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

11 Albyn Place
Aberdeen
AB10 1YE

Johnston Carmichael
JOHNSTON CARMICHAEL
Chartered Accountants
& Registered Auditors

21 Jun 2002
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KEILA FISHING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 AUGUST 2001**

	Note	Year to 31 Aug 01 £	Period from 9 Sep 99 to 31 Aug 00 £
Turnover		814,258	810,202
Cost of sales		<u>(771,898)</u>	<u>(729,069)</u>
Gross profit		42,360	81,133
Administrative expenses		<u>(21,993)</u>	(16,723)
Other operating income		<u>31,669</u>	29,093
Operating profit	2	52,036	93,503
Interest payable and similar charges		<u>(75,038)</u>	<u>(56,276)</u>
(Loss)/profit on ordinary activities before taxation		(23,002)	37,227
Tax on (loss)/profit on ordinary activities		<u>7,980</u>	<u>(6,080)</u>
Retained (loss)/profit for the financial year		<u>(15,022)</u>	<u>31,147</u>

KEILA FISHING COMPANY LIMITED

BALANCE SHEET

31 AUGUST 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Intangible assets	3		1,651,200		1,651,200
Tangible assets	4		839,021		884,291
Investments	5		100		100
			<u>2,490,321</u>		<u>2,535,591</u>
Current assets					
Debtors	6	38,941		42,026	
Creditors: amounts falling due within one year	7	(740,310)		(761,297)	
Net current liabilities			(701,369)		(719,271)
Total assets less current liabilities			<u>1,788,952</u>		<u>1,816,320</u>
Creditors: amounts falling due after more than one year	8		(149,623)		(153,333)
			<u>1,639,329</u>		<u>1,662,987</u>
Provisions for liabilities and charges					
Deferred taxation	9		(192,574)		(201,210)
			<u>1,446,755</u>		<u>1,461,777</u>
Capital and reserves					
Called-up equity share capital	11		600,000		600,000
Share premium account			830,630		830,630
Profit and loss account	12		16,125		31,147
Shareholders' funds			<u>1,446,755</u>		<u>1,461,777</u>

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 14/06/02^{x Date}, and are signed on their behalf by:

J. Drever

x sign

J M Drever

KEILA FISHING COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 AUGUST 2001****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

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

Fishing licences and quota

The company's fishing licences and quota are included at cost and are not amortised, as the directors believe they have indefinite useful lives.

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

YEAR ENDED 31 AUGUST 2001

2. Operating profit

Operating profit is stated after charging/(crediting):

	Year to 31 Aug 01 £	Period from 9 Sep 99 to 31 Aug 00 £
Directors' emoluments	-	-
Depreciation	51,282	49,661
Profit on disposal of fixed assets	(2,678)	-
Auditors' fees	2,000	-
	<u>2,000</u>	<u>-</u>

3. Intangible fixed assets

	Fishing licence £	Fishing quota £	Total £
Cost			
At 1 September 2000 and 31 August 2001	<u>300,000</u>	<u>1,351,200</u>	<u>1,651,200</u>
Net book value			
At 31 August 2001	<u>300,000</u>	<u>1,351,200</u>	<u>1,651,200</u>
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					
At 1 September 2000	1,750	900,000	15,551	16,651	933,952
Additions	-	-	-	8,312	8,312
Disposals	-	-	-	(3,451)	(3,451)
At 31 August 2001	<u>1,750</u>	<u>900,000</u>	<u>15,551</u>	<u>21,512</u>	<u>938,813</u>
Depreciation					
At 1 September 2000	-	43,333	778	5,550	49,661
Charge for the year	-	43,333	778	7,171	51,282
On disposals	-	-	-	(1,151)	(1,151)
At 31 August 2001	<u>-</u>	<u>86,666</u>	<u>1,556</u>	<u>11,570</u>	<u>99,792</u>
Net book value					
At 31 August 2001	<u>1,750</u>	<u>813,334</u>	<u>13,995</u>	<u>9,942</u>	<u>839,021</u>
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

YEAR ENDED 31 AUGUST 2001

4. Tangible fixed assets (*continued*)

Hire purchase agreements

Included within the net book value of £839,021 is £9,941 (2000 - £8,800) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £7,171 (2000 - £4,400).

5. Investments

	Unlisted investment £
Cost	
At 1 September 2000 and 31 August 2001	<u>100</u>
Net book value	
At 31 August 2001	<u>100</u>
At 31 August 2000	<u>100</u>

6. Debtors

	2001 £	2000 £
Trade debtors	27,876	28,119
Other debtors	<u>11,065</u>	<u>13,907</u>
	<u>38,941</u>	<u>42,026</u>

7. Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdraft – secured	645,960	690,656
Orkney Islands Council loan – secured	28,495	20,833
Trade creditors	44,154	29,135
Hire purchase agreements	3,611	2,500
Corporation tax	656	12,908
Other creditors	<u>17,434</u>	<u>5,265</u>
	<u>740,310</u>	<u>761,297</u>

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

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

	2001	2000
	£	£
Orkney Islands Council loan – secured	144,623	145,833
Hire purchase agreements	5,000	7,500
	<u>149,623</u>	<u>153,333</u>

The Orkney Islands Council loan is repayable by quarterly instalments as follows:

In one year or less	28,495	20,833
Between one and two years	24,104	20,833
Between two and five years	72,312	62,500
Due after more than five years	48,207	62,500
	<u>173,118</u>	<u>166,666</u>

9. Deferred taxation

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

	Year to 31 Aug 01 £	Period from 9 Sep 99 to 31 Aug 00 £
Excess of taxation allowances over depreciation on fixed assets	<u>192,574</u>	<u>201,210</u>

10. Related party transactions

(a) Mr John M. Drever, who is also a self employed share fisherman, received £27,322 (2000 -£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 £28,285 (2000 -£24,686) in respect of his crew share. Mr Tulloch has assigned life policies to the company's bankers as additional security for bank borrowing.

KEILA FISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

11. Share capital

Authorised share capital:

	2001	2000
	£	£
1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital brought forward	600,000	-
Issue of ordinary shares	-	600,000
	<u>600,000</u>	<u>600,000</u>

12. Profit and loss account

	Year to 31 Aug 01	Period from 9 Sep 99 to 31 Aug 00
	£	£
Balance brought forward	31,147	-
Retained (loss)/profit for the financial year	(15,022)	31,147
Balance carried forward	<u>16,125</u>	<u>31,147</u>