

Register

ONWARD FISHING COMPANY LIMITED

FINANCIAL STATEMENTS

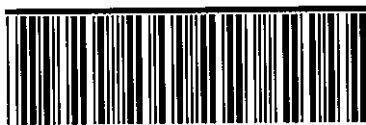
31ST DECEMBER, 1994

Registered number: 69212

KIDSONS IMPEY

CHARTERED ACCOUNTANTS

ABERDEEN



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ONWARD FISHING COMPANY LIMITED
FINANCIAL STATEMENTS
for the year ended 31st December 1994

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ONWARD FISHING COMPANY LIMITED

COMPANY INFORMATION

31st December 1994

CHAIRMAN	T. Taylor
OTHER DIRECTORS	Mrs. M. Taylor
SECRETARY	Allan J. Smart
REGISTERED OFFICE	Boston House St. Andrews Dock Hull HU3 4PR
SOLICITORS	Mackinnons 21 Albert Street Aberdeen AB9 8DA
AUDITORS	Kidsons Impey Chartered Accountants 11 Albyn Place Aberdeen AB1 1YE

ONWARD FISHING COMPANY LIMITED

DIRECTORS' REPORT

31st December 1994

The directors present their report and the audited financial statements for the year ended 31st December 1994.

Principal activity

The principal activity of the company is fishing.

Business review

The company has had a successful year and provided fishing opportunities continue to be available expects to do well in the future.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £30,000 has been paid and the balance of the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in notes 7 and 8 to the financial statements.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1994	1st January 1994
	Ordinary shares	Ordinary shares
T. Taylor	1,483,740	182,390
Mrs. M. Taylor	10	10

Share capital

On 1st July 1994, the company issued 1,301,350 ordinary shares of £1 each to T. Taylor at par as settlement for the acquisition of the trades of M.V. Dorothy Gray and M.V. Pisces.

Auditors

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

Allan J. Smart
Secretary

Boston House,
St. Andrews Dock,
Hull,
HU33 4PR

16.6.95

ONWARD FISHING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

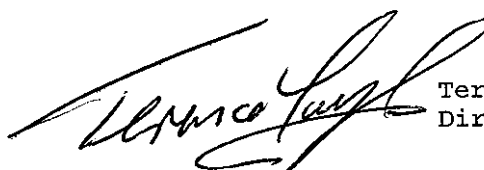
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By order of the board

16/6/95



Terence Taylor
Director

ONWARD FISHING COMPANY LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Onward Fishing Company Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kidsons Impey

Kidsons Impey
Registered Auditors
Chartered Accountants

Aberdeen

16 Jan 95

ONWARD FISHING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1994

	Note	1994 £	1993 £
Turnover	2	4,867,879	3,443,724
Cost of sales		(3,663,155)	(2,779,029)
Gross profit		1,204,724	664,695
Administrative expenses		(250,462)	(299,379)
Other operating income		-	3,000
Operating profit	3	954,262	368,316
Interest received		4,098	-
Interest payable	5	(155,692)	(187,990)
Profit on ordinary activities before taxation		802,668	180,326
Taxation	6	(258,588)	30,899
Profit for the financial year		544,080	211,225
Dividends		(30,000)	-
Retained profit for the year	17	514,080	211,225

There are no recognised gains and losses in 1994 or 1993 other than the profit for the year.

ONWARD FISHING COMPANY LIMITED

BALANCE SHEET

at 31st December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Intangible assets	7		825,000		800,000
Tangible assets	8		5,008,722		5,291,180
			<u>5,833,722</u>		<u>6,091,180</u>
Current assets					
Debtors	9	72,510		76,803	
Cash at bank and in hand			3,524		5,781
			<u>76,034</u>		<u>82,584</u>
Creditors: amounts falling due within one year	10	(607,722)		(2,109,057)	
Net current liabilities			<u>(531,688)</u>		<u>(2,026,473)</u>
Total assets less current liabilities			5,302,034		4,064,707
Creditors: amounts falling due after more than one year	11		(1,366,653)		(2,140,964)
Provision for liabilities and charges	13		(620,998)		(362,410)
Accruals and deferred income	14		(982,493)		(1,044,873)
			<u>2,331,890</u>		<u>516,460</u>
Capital and reserves (equity)					
Called up share capital	16		1,623,750		322,400
Revaluation reserve			400,000		400,000
Profit and loss account	17		308,140		(205,940)
Total shareholders' funds	15		<u>2,331,890</u>		<u>516,460</u>

The financial statements on pages 5 to 16 were approved by the board of directors on

16/6/95
T. Taylor

Director

ONWARD FISHING COMPANY LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1994

	1994		1993	
	£	£	£	£
Net cash inflow from operating activities		886,953		759,925
Returns on investment and servicing of finance				
Interest received	4,098		-	
Interest paid	(161,020)		(177,485)	
Hire purchase interest	(426)		-	
Dividends paid	(30,000)		-	
Net cash outflow from returns on investments and servicing of finance		(187,348)		(177,485)
Taxation				
Corporation tax paid		(7,500)		(67,506)
Investing activities				
Payments to acquire:				
Intangible fixed assets	(25,000)		-	
Tangible fixed assets	(65,235)		(407,047)	
Acquisitions of businesses	-		(684,764)	
	(90,235)		(1,091,811)	
Receipts from sale of intangible fixed assets	-		10,000	
Receipts from sale of tangible fixed assets	170		210,000	
Net cash outflow from investing activities		(90,065)		(871,811)
Net cash inflow/(outflow) before financing		602,040		(356,877)
Financing				
Loans received	678,752		100,579	
Loan repayments	(392,675)		(252,242)	
Capital elements of hire purchase repayments	(7,042)		(6,682)	
Net cash inflow/(outflow) from financing		279,035		(158,345)
Increase/(decrease) in cash and cash equivalents		881,075		(515,222)

Further details are given in note 19.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules modified to incorporate the revaluation of certain fishing licences.

Fishing licences

Fishing licences owned on 4th September 1992 are included at their 'current cost' which is reviewed annually. Fishing licences acquired subsequent to that date are included at historical cost. Fishing licences are not subject to amortisation.

Depreciation

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Fishing vessels	20 years
Motor vehicles	4 years
Office equipment	4 years

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant assets by equal annual instalments.

Leases and hire purchase contracts

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

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the dates of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. Exchange differences are included in operating profit.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

(continued)

1 Accounting policies (continued)

Pensions - defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax. All activities are classified as continuing. There were no acquisitions during the year.

3 Operating profit

	1994 £	1993 £
Operating profit is stated after crediting		
Release of provision for fishing fines	144,084	-
Transfer from capital expenditure grants deferred credit	62,380	62,380
Exchange adjustments	-	7,371
	<u> </u>	<u> </u>
and after charging		
Exchange adjustments	15,834	-
	<u> </u>	<u> </u>
Audit fees	6,500	6,500
	<u> </u>	<u> </u>
Leasing charges and hires	10,854	22,249
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets		
- owned assets	298,899	287,836
- assets held under hire purchase agreements	5,794	3,048
	<u> </u>	<u> </u>
	<u>304,693</u>	<u>290,884</u>

4 Directors and employees

Staff costs including directors' emoluments

Wages and salaries	159,405	110,033
Social security costs	17,035	11,129
Other pension costs	2,876	1,608
	<u> </u>	<u> </u>
	<u>179,316</u>	<u>122,770</u>

	Number	Number
Average number employed including executive directors	7	6
	<u> </u>	<u> </u>

The company's fishing vessels are crewed by self employed share fishermen. Share money paid to these fishermen is included in cost of sales.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

4 Directors and employees (continued)

Directors	£	£
Directors emoluments as executives	94,985	61,446
Chairmans emoluments	44,498	45,160
Highest paid director	50,487	N/A
Other directors		
£15,001 to £20,000	-	1
	=	=

5 Interest payable

	£	£
Bank loans and overdrafts and other loans wholly repayable within five years		
- by instalments	79,646	31,304
- others	42,559	88,423
	122,205	119,727
Loans not wholly repayable within 5 years	33,061	59,247
Interest on corporation tax	-	9,016
Hire purchase interest	426	-
	155,692	187,990

6 Taxation

Corporation tax	-	-
Deferred taxation at 33%	258,588	(30,899)
	258,588	(30,899)

7 Intangible fixed assets

	Fishing licences £
Cost or valuation	
31st December 1993	800,000
Additions	25,000
31st December 1994	825,000
Whereof	
At cost	425,000
At valuation	400,000
	825,000

The fishing licences held at 4th September 1992 were revalued to their current cost by a firm of naval architects and ship surveyors.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

8 Tangible fixed assets

Cost	Fishing vessels £	Motor vehicles £	Office equipment £	Total £
31st December 1993	6,106,886	15,341	305	6,122,532
Additions	7,764	13,996	475	22,235
31st December 1994	<u>6,114,650</u>	<u>29,337</u>	<u>780</u>	<u>6,144,767</u>
Depreciation				
31st December 1993	826,533	4,699	120	831,352
Charge for year	298,234	6,294	165	304,693
31st December 1994	<u>1,124,767</u>	<u>10,993</u>	<u>285</u>	<u>1,136,045</u>
Net book amount				
31st December 1994	<u>4,989,883</u>	<u>18,344</u>	<u>495</u>	<u>5,008,722</u>
31st December 1993	<u>5,280,353</u>	<u>10,642</u>	<u>185</u>	<u>5,291,180</u>

The net book value of assets held under hire purchase agreements amounts to £17,344 (1993- £9,142).

9 Debtors

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	-	5,817
Other debtors	41,475	44,069
Corporation tax	14,943	7,443
Directors' current accounts	7,920	9,502
Prepayments and accrued income	8,172	9,972
	<u>72,510</u>	<u>76,803</u>

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

10 Creditors: amounts falling due
within one year

	1994 £	1993 £
Bank overdrafts (see notes 11 and 12)	78,330	961,662
Bank loans (see notes 11 and 12)	346,296	487,720
Other loans	-	100,579
Trade creditors	111,926	271,920
Taxation and social security	3,531	6,409
Other creditors	-	200,441
Directors loan account	-	110
Hire purchase liabilities	5,683	4,684
Accruals	61,956	75,532
	<u>607,722</u>	<u>2,109,057</u>

11 Creditors: amounts falling due
after more than one year

	1994 £	1993 £
Bank loans	1,366,653	838,573
Amounts due for acquisition (see note 17)	-	1,301,350
Hire purchase liabilities due within two years	-	1,041
	<u>1,366,653</u>	<u>2,140,964</u>

Bank loans are repayable as follows:

In one year or less	346,296	487,720
Between one and two years	383,787	251,296
Between two and five years	720,366	502,587
Over five years	262,500	84,690
	<u>1,712,949</u>	<u>1,326,293</u>

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

11 Creditors: amounts falling due
after more than one year (continued)

A loan amounting to £486,666 is repayable by half yearly instalments of £54,075 with interest at 7 1/2% per annum. A second loan amounting to £251,283 is repayable by half yearly instalments of £62,823 with interest at 7 1/2%. A third loan amounting to £975,000 is repayable by three quarterly instalments of £25,000 followed by twenty four quarterly instalments of £37,500 with interest at 2 3/4 % over base rates.

12 Securities granted

The bank loan amounting to £251,283 is secured by a charge over the M.V. Dorothy Gray. All other bank loans and overdrafts are secured by a floating charge over the company's assets, incorporating a fixed charge over book debts, and by charges over the fishing vessels.

13 Provision for liabilities and charges

Deferred taxation

	1994 £	1993 £
Provision made and full potential liability		
Accelerated capital allowances	630,596	372,008
Losses forward	(9,598)	(9,598)
	<u>620,998</u>	<u>362,410</u>
31st December 1993	362,410	-
On acquisition of M.V. Dorothy Gray and M.V. Pisces	-	393,309
Charge/(credit) for the year	<u>258,588</u>	<u>(30,899)</u>
31st December 1994	<u>620,998</u>	<u>362,410</u>

14 Accruals and deferred income

Capital expenditure grants deferred income

At 31st December 1993	1,044,873	1,107,253
Transfer to profit and loss account	<u>(62,380)</u>	<u>(62,380)</u>
At 31st December 1994	<u>982,493</u>	<u>1,044,873</u>

Under certain circumstances grants totalling £1,249,444 may become repayable.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

15 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the financial year	544,080	211,225
Dividends	(30,000)	-
	<u>514,080</u>	<u>211,225</u>
New share capital subscribed	1,301,350	-
	<u>1,815,430</u>	<u>211,225</u>
Net addition to shareholders' funds	1,815,430	211,225
Opening shareholders' funds	516,460	305,235
Closing shareholders' funds	<u>2,331,890</u>	<u>516,460</u>

16 Called up share capital

	1994		1993	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>1,623,750</u>	<u>1,623,750</u>	<u>322,400</u>	<u>322,400</u>

17 Profit and loss account

	1994 £
1st January 1994	(205,940)
Retained profit for the year	<u>514,080</u>
31st December 1994	<u>308,140</u>

18 Acquisitions

On 1st January 1993 Onward Fishing Company Limited acquired the trades of M.V. Dorothy Gray and M.V. Pisces from T. Taylor. The formal documentation in respect of the acquisition was not completed until 1st July 1994 at which time 1,301,350 ordinary shares were issued in settlement of the acquisition cost.

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994
(continued)

19 Cash flow statement

(a) Reconciliation of operating profit to
net cash inflow from operating
activities

	1994 £	1993 £
Operating profit	954,262	368,316
Depreciation charges	304,693	290,884
Amortisation of grants	(62,380)	(62,380)
Gain on sale of fixed assets	(170)	-
Decrease in debtors	11,793	105,867
(Decrease)/increase in creditors	(321,245)	57,238
	<u>886,953</u>	<u>759,925</u>

(b) Analysis of changes in cash and cash
equivalents as shown in the balance sheet

	Cash £	Bank overdrafts £	Total £
1st January 1993	1,755	(442,414)	(440,659)
Net cash outflow for year ended 31st December 1993	<u>4,026</u>	<u>(519,248)</u>	<u>(515,222)</u>
31st December 1993	5,781	(961,662)	(955,881)
Net cash inflow for year ended 31st December 1994	<u>2,257</u>	<u>(883,332)</u>	<u>(881,075)</u>
31st December 1994	<u>3,524</u>	<u>(78,330)</u>	<u>(74,806)</u>

(c) Analysis of changes in financing during the year

	Hire Purchase £	Loans £	Total £
1st January 1993	-	1,075,960	1,075,960
Changes during the year ended 31st December 1993			
New hire purchase contracts	12,407	-	12,407
Acquisitions	-	502,575	502,575
Cash outflow from financing	<u>(6,682)</u>	<u>(151,663)</u>	<u>(158,345)</u>
31st December 1993	5,725	1,426,872	1,432,597
Changes during the year ended 31st December 1994			
New hire purchase contracts	7,000	-	7,000
Cash (outflow)/inflow from financing	<u>(7,042)</u>	<u>286,077</u>	<u>279,035</u>
31st December 1994	<u>5,683</u>	<u>1,712,949</u>	<u>1,718,632</u>

ONWARD FISHING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1994

(continued)

19 Cash flow statement (continued)

(d) Acquisitions

	1994 £	1993 £
Net assets acquired		
Intangible fixed assets	-	410,000
Tangible fixed assets	-	2,656,725
Debtors	-	16,725
Cash at bank and in hand	-	592
Creditors	-	(201,452)
Bank loans	-	(502,575)
Bank overdrafts	-	(685,356)
Deferred tax	-	(393,309)
	-	<u>1,301,350</u>
	=	=
Satisfied by :		
Loan received	-	1,301,350
	=	=

(e) Analysis of net outflow of cash and cash equivalents in respect of acquisitions

	1994 £	1993 £
Bank and cash balances of acquired businesses	-	592
Bank loans and overdrafts of acquired businesses	-	(685,356)
	-	<u>(684,764)</u>
	=	=

(f) Major non-cash transactions

The consideration for acquisition of the trades of M.V. Dorothy Gray and M.V. Pisces in 1993 was met by the issue of 1,301,350 £1 shares. The formal documentation was not completed until 1994 and consequently the amount due was upheld as a liability at 31st December 1993. The liability was settled by the issue of shares in 1994.

20 Leasing commitments

Financial commitments under non-cancellable operating leases will result in payments falling due in the year ended 31st December 1995 amounting to £13,775 in respect of leases for equipment expiring within one year.