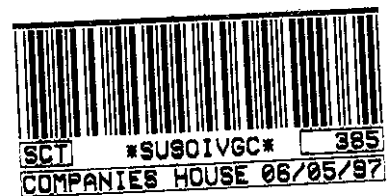


KINCURDIE FISHING COMPANY LIMITED
(Reg. No. SC 126050)

ABBREVIATED ACCOUNTS

For the year ended 31st December 1996

HUTTON & PHILP, C.A.
DUNFERMLINE



REPORT OF THE AUDITORS

To the Shareholders of KINCURDIE FISHING COMPANY LIMITED

Under Schedule 8 of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the full financial statements of Kincurdie Fishing Company Limited for the year ended 31st December 1996. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts in respect of the year ended 31st December 1996 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with Schedule 8 of that Act.

On 3rd March 1997 we reported, as auditors of Kincurdie Fishing Company Limited to the shareholders on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996 and our report was as follows:-

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 affairs of the Company at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hutton & Philp CA

30 Queen Anne Street,
Dunfermline.
3rd March 1997

HUTTON & PHILP, C.A.
Chartered Accountants
and Registered Auditor

KINCURDIE FISHING COMPANY LIMITED

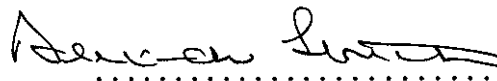
BALANCE SHEET

As at 31st December 1996

<u>1995</u>		<u>Notes</u>	<u>1996</u>
	<u>FIXED ASSETS</u>		
£ 642,386	Tangible Assets	2	£ 590,583
	<u>CURRENT ASSETS</u>		
£ 2,681	Debtors		£ 10,840
102,875	Premier Investment Account		107,143
28,854	Bank Balance		41,660
	<hr/>		
£ 134,410			£ 159,643
	<u>CURRENT LIABILITIES</u>		
	<u>Creditors: Amounts Falling Due</u>		
64,321	within One Year		78,805
	<hr/>		
70,089	<u>NET CURRENT ASSETS</u>		80,838
	<hr/>		
£ 712,475	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		£ 671,421
	<u>Creditors: Amounts Falling Due</u>		
(112,769)	after more than One Year	3	(67,567)
(175,001)	Deferred Income	4	(156,251)
	<hr/>		
£ 424,705			£ 447,603
	<hr/>		
	<u>CAPITAL AND RESERVES</u>		
£ 282,388	Called Up Share Capital	5	£ 282,388
37,612	Capital Redemption Reserve		37,612
104,705	Retained Profit		127,603
	<hr/>		
£ 424,705			£ 447,603
	<hr/>		

In preparing these abbreviated accounts -

- a) We have relied upon the exemptions for individual accounts under Sections 246 and 247 of the Companies Act 1985.
- b) We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

 Director

.....3rd March 1997..... Date

KINCURDIE FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 1996

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the asset cost, less estimated residual value of each asset evenly over its expected useful life as follows:-

Fishing Vessel and Gear	7½%
Motor Vehicles	20%

Government Grants

Grants of a capital nature are treated as deferred income and are brought into the Profit and Loss Account at the rate of depreciation of the relevant fixed asset.

Deferred Taxation

Deferred taxation is provided on the liability method unless there is reasonable probability that such liability will not arise within three years of the end of the financial year.

Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

2. TANGIBLE ASSETS

	<u>Fishing Vessel and Gear</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
As at 1st January 1996	£ 900,224	£ 14,998	£ 915,222
Additions	19,435	-	19,435
At 31st December 1996	£ 919,659	£ 14,998	£ 934,657
<u>Depreciation</u>			
As at 1st January 1996	£ 262,346	£ 10,490	£ 272,836
Charge for year	68,238	3,000	71,238
At 31st December 1996	£ 330,584	£ 13,490	£ 344,074
<u>Net Book Value</u>			
At 31st December 1996	£ 589,075	£ 1,508	£ 590,583
At 31st December 1995	£ 637,878	£ 4,508	£ 642,386

KINCURDIE FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31st December 1996

3. CREDITORS: Amounts Falling Due After More Than One Year

	<u>1996</u>	<u>1995</u>
Loan	£ 100,000	£ 140,000
<u>Less:</u> Included in Current Liabilities	40,000	40,000
	<hr/>	<hr/>
	£ 60,000	£ 100,000
Hire Purchase Creditor	7,567	12,769
	<hr/>	<hr/>
	£ 67,567	£ 112,769
	<hr/> <hr/>	<hr/> <hr/>

The loan is secured by a mortgage over the vessel and is repayable in annual instalments of £40,000.

4. DEFERRED INCOME

Capital Grants on Fishing Vessel

	<u>1996</u>	<u>1995</u>
Balance at 1st January 1996	£ 175,001	£ 193,751
Credited to Profit and Loss Account	(18,750)	(18,750)
	<hr/>	<hr/>
Balance at 31st December 1996	£ 156,251	£ 175,001
	<hr/> <hr/>	<hr/> <hr/>

5. CALLED UP SHARE CAPITAL

Authorised

Ordinary £1 Shares	<u>£ 400,000</u>	<u>£ 400,000</u>
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Issued

Ordinary £1 Shares Fully Paid	<u>£ 282,388</u>	<u>£ 282,388</u>
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