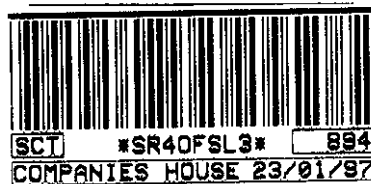


HEATHER FISHING COMPANY LIMITED
(Reg. No. SC 135351)

ABBREVIATED ACCOUNTS

For the year ended 31st March 1996

HUTTON & PHILP, C.A.
DUNFERMLINE



REPORT OF THE AUDITORS

To the Shareholders of HEATHER 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 Heather Fishing Company Limited for the year ended 31st March 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 March 1996 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with Schedule 8 of that Act.

On 7th January 1997 we reported, as auditors of Heather 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 March 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

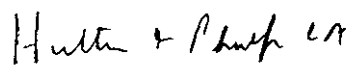
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 March 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 Queen Anne Street,
DUNFERMLINE.
7th January 1997


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

HEATHER FISHING COMPANY LIMITED


BALANCE SHEET

As at 31st March 1996

<u>1995</u>		<u>Notes</u>	<u>1996</u>
	<u>FIXED ASSETS</u>		
£ 49,075	Tangible Assets	2	£ 299,893
	<u>CURRENT ASSETS</u>		
£ 9,491	Debtors		£ 1,658
475,000	Investment Account		307,987
183,629	Cash in Bank		3,284
£ 668,120			£ 312,929
	<u>CURRENT LIABILITIES</u>		
£ 23,508	Creditors: Amounts falling due within one year		£ 3,000
644,612	<u>NET CURRENT ASSETS</u>		309,929
£ 693,687	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		£ 609,822
	<u>CAPITAL AND RESERVES</u>		
£ 539,755	Called up share capital	3	£ 439,755
-	Capital Redemption Reserve		100,000
153,932	Profit and Loss Account		70,067
£ 693,687			£ 609,822

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

...7th January 1997..... Date

HEATHER FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st March 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 Vehicle	20%

Government Grants

Grants of a capital nature are treated as deferred income and are brought into the Profit and Loss Account at the same rate of depreciation as the relevant 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 under Construction</u>	<u>Pressure Stock Licence</u>	<u>Plant</u>	<u>Total</u>
<u>Cost</u>				
As at 1st April 1995	£ -	£ 49,075	£ -	£ 49,075
Additions	246,843	-	4,500	251,343
At 31st March 1996	£ 246,843	£ 49,075	£ 4,500	£ 300,418
<u>Depreciation</u>				
As at 1st April 1995	£ -	£ -	£ -	£ -
Charge for year	-	-	525	525
At 31st March 1996	£ -	£ -	£ 525	£ 525
<u>Net Book Value</u>				
At 31st March 1996	£ 246,843	£ 49,075	£ 3,975	£ 299,893
At 31st March 1995	£ -	£ 49,075	£ -	£ 49,075

HEATHER FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31st March 1996

3. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
<u>Authorised</u>		
Ordinary £1 shares	£ 500,000	£ 500,000
14% Redeemable Cumulative Participating Preference Shares	<u>100,000</u>	<u>100,000</u>
	<u>£ 600,000</u>	<u>£ 600,000</u>
<u>Issued</u>		
Ordinary £1 shares fully paid	£ 439,755	£ 439,755
14% Redeemable Cumulative Participating Preference Shares	<u>-</u>	<u>100,000</u>
	<u>£ 439,755</u>	<u>£ 539,755</u>

On 14th December 1995 the 100,000 14% Redeemable Cumulative Participating Preference Shares were redeemed at par.