COMPANY REGISTRATION NUMBER 157635

Unity Fishing Company Limited

Report and Abbreviated Accounts

31 December 2005

ERNST & YOUNG

Independent auditors' report

to Unity Fishing Company Limited under section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 December 2005 which comprise the Abbreviated Balance Sheet and the related notes 1 to 5, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted or work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Inverness

12 September 2006

Abbreviated balance sheet
at 31 December 2005

	Notes	2005 £	(restated) 2004 £
Fixed assets	2		
Intangible assets		1,736,229	1,880,924
Tangible assets		2,851,203	3,168,750
Investments		811,250	811,250
		5,398,682	5,860,924
Current assets			
Debtors		124,436	27,556
Cash at bank and in hand		353,777	2,206
		478,213	29,762
Creditors: amounts falling due within one year	3	2,358,637	2,198,836
Net current liabilities		(1,880,424)	(2,169,074)
Total assets less current liabilities		3,518,258	3,691,850
Provisions for liabilities and charges		581,903	552,042
Government grants	4	63,415	32,589
		2,872,940	3,107,219
Capital and reserves			
Called up share capital	5	914,424	914,424
Profit and loss account		1,958,516	2,192,795
Shareholders' funds		2,872,940	3,107,219

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 6|9| 2006 and are signed on their behalf by:

Ralph B. Bellany

R Bellany
Director

6|9| 2006

ERNST & YOUNG

Notes to the abbreviated accounts
at 31 December 2005

1. Accounting policies

Basis of preparation

The full financial statements from which these abbreviated accounts have been extracted, are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The implementation of the new Financial Reporting Standard for Smaller Entities has resulted in a change in the treatment of dividends. Where an entity declares dividends after the balance sheet date, the entity shall not recognise those dividends as a liability at the balance sheet date. The dividend is recognised in the period it is paid.

This change in accounting policy has resulted in a prior year adjustment for the company. The proposed dividends of £280,000 for the year ended 31 December 2004 have been reversed out of the accounts and replaced by the payment of £280,000 of dividends in the year ended 31 December 2005. This has resulted in an increase in the shareholders funds as originally reported at 31 December 2004 of £280,000.

Intangible fixed assets

Intangible fixed assets comprise the fishing licence purchased with the vessel and purchased fishing quotas valued at the lower of cost and net realisable value.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Store	-	Over 50 years
Office equipment	-	Over 5 years
Fishing vessel	-	Over 16 years
Equipment	-	Over 4 -5 years
Motor vehicles	-	Over 4 years
Gear	-	Over 10 years

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments are initially recorded in the accounts at their purchase cost and are carried at that value unless the directors are of the opinion that there is evidence of a permanent diminution in value, whereupon the carrying value is written down to an estimated recoverable amount.

Notes to the abbreviated accounts
at 31 December 2005

2. Fixed assets

	Intangible Assets	*Tangible Assets*	*Investments*	*Total*
	£	£	£	£
Cost				
At 1 January 2005	2,169,341	4,401,123	811,250	7,381,714
Additions	–	117,828	–	117,828
Disposals	–	(126,338)	–	(126,338)
At 31 December 2005	2,169,341	4,392,613	811,250	7,373,204
Depreciation				
At 1 January 2005	288,417	1,232,373	–	1,520,790
Charge for year	144,695	409,505	–	554,200
On disposals	–	(100,468)	–	(100,468)
At 31 December 2005	433,112	1,541,410	–	1,974,522
Net book value				
At 31 December 2005	1,736,229	2,851,203	811,250	5,398,682
At 31 December 2004	1,880,924	3,168,750	811,250	5,860,924

3. Creditors: amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	*(restated) 2004*
	£	£
Bank loans and overdrafts	2,080,229	1,945,906

4. Government grants

	2005	*(restated) 2004*
	£	£
Received and receivable	73,328	33,466
Amortisation	(9,913)	(877)
	63,415	32,589

ERNST & YOUNG

Notes to the abbreviated accounts
at 31 December 2005

5. Share capital

		Authorised
		(restated)
	2005	*2004*
	£	*£*
Ordinary shares of £1 each	1,000,000	1,000,000

	Allotted, called up and fully paid			
	2005			*2004*
	No.	*£*	*No.*	*£*
Ordinary shares of £1 each	914,424	914,424	914,424	914,424