

"REGISTRAR"

**UK FISHERIES LIMITED AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2005**



**UK FISHERIES LIMITED AND SUBSIDIARIES**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2005**

**DIRECTORS:**

Mr D Parlevliet  
Mr J C Van der Plas  
Mr T Mar Baldvinsson  
Mr H Gretarsson

**SECRETARY:**

Mackinnons

**REGISTERED OFFICE:**

The Orangery  
Hesslewood Country Business Park  
Ferriby Road  
HESSLE  
East Yorkshire  
HU13 0LH

**REGISTERED NUMBER:**

05219340 (England and Wales)

**AUDITORS:**

Haines Flowers  
Chartered Accountants  
Registered Auditors  
7 Wright Street  
HULL  
HU2 8HU

## **UK FISHERIES LIMITED AND SUBSIDIARIES**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2005.

#### **PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of operation of fishing and other vessels and the provision of management services and other opportunities to vessel owners.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors during the year under review were:

Mr D Parlevliet  
Mr J C Van der Plas  
Mr T Mar Baldvinsson  
Mr H Gretarsson

The directors holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 or 31 December 2005.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditors, Haines Flowers, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**UK FISHERIES LIMITED AND SUBSIDIARIES**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
Mr D Parlevliet - Director

Date: ..... 4 July 2006 .....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
UK FISHERIES LIMITED AND SUBSIDIARIES**

We have audited the financial statements of UK Fisheries Limited and subsidiaries for the year ended 31 December 2005 on pages six to twenty three. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
UK FISHERIES LIMITED AND SUBSIDIARIES**

**Qualified opinion arising from disagreement on accounting treatment relating to the group financial statements**

Included in provisions for liabilities shown on the balance sheet is an amount of £1,300,000 for costs required to wind up the pension scheme of Boyd Line Limited, a subsidiary company whose results are consolidated within these group accounts. We believe this provision is overstated by £180,000. In our opinion, Boyd Line Limited should increase the provision by £300,000 while introducing a deferred tax asset of £480,000 as disclosed in note 12 to the financial statements. The net effect of reducing this provision would be to increase profit after tax for the year by £180,000.

Except for the absence of a decrease of this provision, in our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group at 31 December 2005 and of the profit of the group for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985, as amended.

**Unqualified opinion relating to the parent company financial statements**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs at 31 December 2005 and of the profit of the parent company for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*Haines Flowers*

Haines Flowers  
Chartered Accountants  
Registered Auditors  
7 Wright Street  
HULL  
HU2 8HU

Date: *6 July 2006* .....

**UK FISHERIES LIMITED AND SUBSIDIARIES****CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	YEAR ENDED 31.12.05		PERIOD 1.9.04 TO 31.12.04 as restated	
		£	£	£	£
<b>TURNOVER</b>			6,336,748		1,809,496
Cost of sales			<u>4,246,888</u>		<u>1,190,366</u>
<b>GROSS PROFIT</b>			2,089,860		619,130
Administrative expenses			<u>120,948</u>		<u>210,663</u>
			1,968,912		408,467
Other operating income			<u>-</u>		<u>353</u>
<b>OPERATING PROFIT</b>	2		1,968,912		408,820
Income from fixed asset investments		22	-	-	-
Interest receivable and similar income		5,024		1,894	
Other finance income	15	<u>22,000</u>		<u>-</u>	
			<u>27,046</u>		<u>1,894</u>
			1,995,958		410,714
Interest payable and similar charges			<u>548,647</u>		<u>159,343</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,447,311		251,371
Tax on profit on ordinary activities	3		<u>361,259</u>		<u>57,715</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>1,086,052</u>		<u>193,656</u>
<b>RETAINED PROFIT FOR THE YEAR FOR THE GROUP</b>			<u>1,086,052</u>		<u>193,656</u>

The notes form part of these financial statements

**UK FISHERIES LIMITED AND SUBSIDIARIES**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	YEAR ENDED 31.12.05 £	PERIOD 1.9.04 TO 31.12.04 as restated £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,086,052	193,656
Actuarial loss	<u>(208,000)</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	878,052	<u>193,656</u>
Prior year adjustment		
Note 4	<u>11,900</u>	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<u>889,952</u>	

The notes form part of these financial statements



**UK FISHERIES LIMITED AND SUBSIDIARIES**

**COMPANY PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	YEAR ENDED 31.12.05		PERIOD 1.9.04 TO 31.12.04	
		£	£	£	£
<b>TURNOVER</b>			-		-
Administrative expenses			<u>11,711</u>		<u>51,049</u>
<b>OPERATING LOSS</b>			(11,711)		(51,049)
Income from shares in group undertakings		500,000		-	
Interest receivable and similar income		<u>276</u>		<u>-</u>	
			<u>500,276</u>		<u>-</u>
			488,565		(51,049)
Interest payable and similar charges			<u>426,591</u>		<u>117,431</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			61,974		(168,480)
Tax on profit/(loss) on ordinary activities			<u>(130,361)</u>		<u>(50,244)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>			<u>192,335</u>		<u>(118,236)</u>
<b>RETAINED PROFIT/(DEFICIT) FOR THE YEAR</b>			<u>192,335</u>		<u>(118,236)</u>

The notes form part of these financial statements

**UK FISHERIES LIMITED AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET****31 DECEMBER 2005**

		2005		2004 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	5		11,865,358		11,864,858
Tangible assets	6		3,158,894		3,567,270
Investments	7		<u>-</u>		<u>63</u>
			15,024,252		15,432,191
<b>CURRENT ASSETS</b>					
Stocks		147,572		115,707	
Debtors	8	1,237,694		1,040,676	
Cash at bank		<u>678,035</u>		<u>202,389</u>	
		2,063,301		1,358,772	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>3,216,688</u>		<u>3,283,485</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,153,387)</u>		<u>(1,924,713)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			13,870,865		13,507,478
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		(5,687,500)		(6,270,833)
<b>PROVISIONS FOR LIABILITIES</b>	12		(2,005,257)		(2,042,989)
<b>PENSION (LIABILITY)/ASSET</b>	15		<u>(94,500)</u>		<u>11,900</u>
<b>NET ASSETS</b>			<u>6,083,608</u>		<u>5,205,556</u>

The notes form part of these financial statements

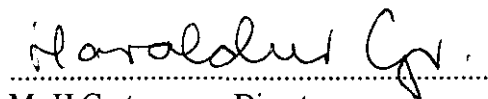
**UK FISHERIES LIMITED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET - continued**  
**31 DECEMBER 2005**

		2005		2004 as restated	
	Notes	£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		5,000,000		5,000,000
Profit and loss account	14		<u>1,083,608</u>		<u>205,556</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>6,083,608</u>		<u>5,205,556</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**ON BEHALF OF THE BOARD:**



Mr H Gretarsson - Director

Approved by the Board on 4 July 2006


The notes form part of these financial statements

**UK FISHERIES LIMITED AND SUBSIDIARIES****COMPANY BALANCE SHEET****31 DECEMBER 2005**

		2005		2004 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	5		-		-
Tangible assets	6		-		-
Investments	7		<u>12,710,500</u>		<u>12,710,000</u>
			12,710,500		12,710,000
<b>CURRENT ASSETS</b>					
Debtors	8		-	50,244	
Cash at bank			<u>2,152</u>	<u>775</u>	
			2,152	51,019	
<b>CREDITORS</b>					
Amounts falling due within one year	9		<u>1,951,053</u>	<u>1,608,422</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,948,901)</u>	<u>(1,557,403)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			10,761,599	11,152,597	
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		<u>5,687,500</u>	<u>6,270,833</u>	
<b>NET ASSETS</b>			<u>5,074,099</u>	<u>4,881,764</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		5,000,000	5,000,000	
Profit and loss account	14		<u>74,099</u>	<u>(118,236)</u>	
<b>SHAREHOLDERS' FUNDS</b>			<u>5,074,099</u>	<u>4,881,764</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

**ON BEHALF OF THE BOARD:**



Mr H Gretarsson - Director

Approved by the Board on ..... 4 July 2006

The notes form part of these financial statements

## **UK FISHERIES LIMITED AND SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2005**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

##### **Basis of consolidation**

The consolidated accounts include the accounts of the company and its subsidiary undertakings made up to the group financial year end at 31 December 2005. The consolidated profit and loss account includes the results of subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

In the company's accounts fixed asset investments are stated at cost and in the consolidated accounts investments in subsidiary undertakings are valued using the acquisition method of accounting for the period.

##### **Turnover**

The group

Turnover represents amounts invoiced for goods delivered and services rendered to third parties.

The company

Turnover represents amounts invoiced for goods delivered and services rendered to customers.

##### **Fishing Quota**

Fishing quota held within group fixed assets is stated at fair value on acquisition. Having no infinite economic life, no systematic amortisation is applied, but provision is made for any permanent impairment in value. As permitted under FRS10, this represents a departure for the purposes of giving a true and fair view, from the requirements of the Companies Act 1985, which requires intangible assets to be amortised.

##### **Tangible fixed assets**

Depreciation of tangible fixed assets is charged by reference to cost at rates estimated to write off their cost less any residual value over their expected useful lives. The rates or lives applied are as follows

Plant and equipment	25% on cost, or 20% reducing balance
Fishing vessel	15 years

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Fish stocks include all direct costs incurred on each fishing trip. Net realisable value is based on estimated selling price less the estimated cost of disposal.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

## **UK FISHERIES LIMITED AND SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2005**

#### **1. ACCOUNTING POLICIES - continued**

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### **Pensions**

The group operates a defined benefit pension scheme. The regular pension cost is charged to the profit and loss account and is based on the expected pension costs over the service life of the employees. The current pension surplus is spread in the profit and loss account over the remaining service lives of current employees, currently estimated at nil years.

##### **Investments**

Investments held as fixed assets are stated at cost or valuation, less provision for any permanent diminution in value.

#### **2. OPERATING PROFIT**

The operating profit is stated after charging:

	YEAR ENDED 31.12.05	PERIOD 1.9.04 TO 31.12.04 as restated
	£	£
Depreciation - owned assets	408,376	131,159
Loss on disposal of fixed assets	-	1,853
Auditors' remuneration	18,088	12,269
Foreign exchange differences	20,759	4,741
Pension costs	<u>(10,266)</u>	<u>-</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

# **UK FISHERIES LIMITED AND SUBSIDIARIES**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2005**

### **3. TAXATION**

#### **Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	YEAR ENDED 31.12.05 £	PERIOD 1.9.04 TO 31.12.04 as restated £
Current tax:		
UK corporation tax	442,221	50,689
Under / (Over) provision in prior years	<u>2,370</u>	<u>-</u>
Total current tax	<u>444,591</u>	<u>50,689</u>
Deferred tax:		
Origination and reversal of timing differences	(37,732)	7,026
Pension (deficit)/surplus	<u>(45,600)</u>	<u>-</u>
Total deferred tax	<u>(83,332)</u>	<u>7,026</u>
Tax on profit on ordinary activities	<u><u>361,259</u></u>	<u><u>57,715</u></u>

### **4. PRIOR YEAR ADJUSTMENT**

#### **Group**

The group has adopted the provisions of FRSSE "defined benefit schemes" for the current financial year. The accounting policy is described in the accounting policies note.

As a result of this change in accounting policy the comparatives have been restated for the year ended 31 December 2004.

The profit and loss reserves and shareholders funds have been restated as shown in reserves per note 14 to the accounts.

**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2005****5. INTANGIBLE FIXED ASSETS****Group**

	Fishing Quota £
<b>COST</b>	
At 1 January 2005	11,864,858
Additions	<u>500</u>
At 31 December 2005	<u>11,865,358</u>
<b>NET BOOK VALUE</b>	
At 31 December 2005	<u>11,865,358</u>
At 31 December 2004	<u>11,864,858</u>

**6. TANGIBLE FIXED ASSETS****Group**

	Fishing vessel £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 January 2005 and 31 December 2005	<u>3,688,929</u>	<u>7,771</u>	<u>3,696,700</u>
<b>DEPRECIATION</b>			
At 1 January 2005	128,791	639	129,430
Charge for year	<u>406,355</u>	<u>2,021</u>	<u>408,376</u>
At 31 December 2005	<u>535,146</u>	<u>2,660</u>	<u>537,806</u>
<b>NET BOOK VALUE</b>			
At 31 December 2005	<u>3,153,783</u>	<u>5,111</u>	<u>3,158,894</u>
At 31 December 2004	<u>3,560,138</u>	<u>7,132</u>	<u>3,567,270</u>



**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2005****7. FIXED ASSET INVESTMENTS****Group**

	Listed investments £	Unlisted investments £	Totals £
<b>COST</b>			
At 1 January 2005	21	42	63
Disposals	<u>(21)</u>	<u>(42)</u>	<u>(63)</u>
At 31 December 2005	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 December 2005	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2004	<u>21</u>	<u>42</u>	<u>63</u>

Market value of listed investments at 31 December 2005 - £Nil (2004 - £21).

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2005	12,710,000
Additions	<u>500</u>
At 31 December 2005	<u>12,710,500</u>
<b>NET BOOK VALUE</b>	
At 31 December 2005	<u>12,710,500</u>
At 31 December 2004	<u>12,710,000</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

**Subsidiaries**

Boyd Line Limited

Nature of business: Fishing support services

% holding

Class of shares:

Ordinary shares of £1 each

100.00

Lionman Limited\*

Nature of business: Deep sea fishing

% holding

Class of shares:

Ordinary shares of £1 each

100.00

# **UK FISHERIES LIMITED AND SUBSIDIARIES**

## **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2005**

### **7. FIXED ASSET INVESTMENTS - continued**

Rayshore Limited\*

Nature of business: Dormant

% holding

Class of shares:

Ordinary shares of £1 each

100.00

\*held by subsidiary undertakings

Boyd Line Management Services Limited and Boyd Line Management Services (Cyprus) Limited have been dissolved during the year.

In the opinion of the directors, the aggregate value of the company's investments in its subsidiaries is not less than the amount at which they are included in the balance sheet.

### **8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Trade debtors	1,086,403	852,344	-	-
Amounts owed by group undertakings	-	-	-	50,244
Other debtors	151,291	188,332	-	-
	<u>1,237,694</u>	<u>1,040,676</u>	<u>-</u>	<u>50,244</u>

### **9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Bank loans and overdrafts	2,145,211	2,447,726	583,333	583,333
Trade creditors	418,766	438,834	1,334	-
Amounts owed to group undertakings	-	-	1,338,484	930,779
Taxation and social security	442,826	191,381	-	-
Other creditors	209,885	205,544	27,902	94,310
	<u>3,216,688</u>	<u>3,283,485</u>	<u>1,951,053</u>	<u>1,608,422</u>

**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2005****10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Bank loans	<u>5,687,500</u>	<u>6,270,833</u>	<u>5,687,500</u>	<u>6,270,833</u>

Amounts falling due in more than five years:

	<b>Group</b>		<b>Company</b>	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Repayable by instalments				
Bank loans more 5 yr by instal	<u>3,354,167</u>	<u>3,937,500</u>	<u>3,354,167</u>	<u>3,937,500</u>

**11. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2005	2004 as restated	2005	2004 as restated
	£	£	£	£
Bank loans	<u>7,832,711</u>	<u>8,718,559</u>	<u>6,270,833</u>	<u>6,854,166</u>

Boyd Line Limited and its subsidiary Lionman Limited have provided security against the borrowings of its parent company UK Fisheries Limited. This security is by way of a pledge over 100% of all issued and outstanding shares together with a fixed and floating debenture over all assets of Boyd Line Limited and Lionman Limited, especially the shipping vessel Arctic Warrior.

**12. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	2005	2004 as restated
	£	£
Deferred tax	<u>705,257</u>	<u>742,989</u>
Other provisions		
Pension fund wind up provision	<u>1,300,000</u>	<u>1,300,000</u>
Aggregate amounts	<u>2,005,257</u>	<u>2,042,989</u>

**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2005****12. PROVISIONS FOR LIABILITIES - continued****Group**

	Deferred tax £	Other provisions £
Balance at 1 January 2005	742,989	1,300,000
Profit and loss account	(37,732)	-
Balance at 31 December 2005	<u>705,257</u>	<u>1,300,000</u>

## Deferred tax provision

	2005 £	2004 £
Accelerated capital allowances claimed in excess of depreciation charged	705,257	746,975
Short term timing difference	-	(3,986)
	<u>705,257</u>	<u>742,989</u>

**Group**

During 2004 the directors have made the decision to formally wind up Boyd Line Limited's pension scheme. A provision for the costs of winding up this scheme was included in the 2004 accounts at £1,300,000. This provision was a best estimate based on information included in the last actuarial valuation of the scheme at 6 April 2003 and any subsequent relevant information. Current actuarial estimates indicate that a cost of £1,600,000 would be required to wind up the pension scheme at 31 December 2005, which would require a further provision of £300,000. The directors also believe that the provision when paid will qualify for tax purposes and as such a deferred tax asset of £480,000 (30%) should be reserved against the provision. The directors however have decided to leave the provision as it is at £1,300,000.

The result of the increased provision and associated deferred tax credit would mean the provision at 31 December 2005 should be £1,120,000. The provision of £1,300,000 is therefore overstated by £180,000.

The provision of £1,600,000 is a best estimate based on information included in the last actuarial valuation of the scheme at 6 April 2003 and any subsequent relevant information. This provision will be reviewed on an ongoing basis.

**13. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2005 £	2004 as restated £
5,000,000	£1 ordinary	£1	<u>5,000,000</u>	<u>5,000,000</u>

**UK FISHERIES LIMITED AND SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**14. RESERVES**

**Group**

	Profit and loss account £
At 1 January 2005	193,656
Prior year adjustment	<u>11,900</u>
	205,556
Retained profit for the year	1,086,052
Actuarial loss	<u>(208,000)</u>
At 31 December 2005	<u><u>1,083,608</u></u>

**Company**

	Profit and loss account £
At 1 January 2005	(118,236)
Retained profit for the year	<u>192,335</u>
At 31 December 2005	<u><u>74,099</u></u>

**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2005****15. PENSION COMMITMENTS****Group**

The group operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 6 April 2003 and updated to 31 December 2005 by a qualified independent actuary.

The scheme was closed to new members and has no active members as at 31 December 2005. The major assumptions used by the actuary were:

	31.12.05	31.12.04	31.12.03
Rate of increase in salaries	0%	4%	4.25%
Rate of increase in pensions in payment	2.75%	3%	2.80%
Discount rate for scheme liabilities	4.70%	5.20%	5.30%
Inflation assumption	2.75%	3%	2.80%

**The assets in the scheme and the expected rate of return were:**

	Long-term rate of return expected at 31.12.05	Value at 31.12.05 £	Long-term rate of return expected at 31.12.04	Value at 31.12.04 £	Long-term rate of return expected at 31.12.03	Value at 31.12.03 £
Deposit admin contracts	6%	2,062,000	6.50%	1,797,000	6.50%	1,251,000
Annuities purchased	4.70%	<u>1,603,000</u>	5.20%	<u>1,662,000</u>	5.30%	<u>1,507,000</u>
Total market value of assets		3,665,000		3,459,000		2,758,000
Present value of scheme liabilities		<u>(3,800,000)</u>		<u>(3,442,000)</u>		<u>(3,130,000)</u>
Deficit in scheme		(135,000)		17,000		(372,000)
Related deferred tax liability		<u>40,500</u>		<u>(5,100)</u>		<u>111,600</u>
Net pension (liability)/asset		<u>(94,500)</u>		<u>11,900</u>		<u>(260,400)</u>

**UK FISHERIES LIMITED AND SUBSIDIARIES****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2005****Analysis of the amount that will be included within operating profit under FRSSE**

	2005	2004 as restated
	£	£
Current service cost	(32,000)	(94,000)
Gains and losses on any settlements or curtailments	<u>(1,000)</u>	<u>(25,000)</u>
Total operating charge	<u><u>(33,000)</u></u>	<u><u>(119,000)</u></u>

**Analysis of the amount that will be included as other finance income under FRSSE**

	2005	2004 as restated
	£	£
Expected return on pension scheme assets	201,000	157,000
Interest on pension scheme liabilities	<u>(179,000)</u>	<u>(165,000)</u>
Net return	<u><u>22,000</u></u>	<u><u>(8,000)</u></u>

**Analysis of amount that will be included within the statement of total recognised gains and losses under FRSSE**

	2005	2004 as restated
	£	£
Actual return less expected return on pension scheme assets	202,000	65,000
Experience gains and losses arising on the scheme liabilities	(131,000)	40,000
Changes in assumptions underlying the present value of the scheme liabilities	<u>(279,000)</u>	<u>(127,000)</u>
Actuarial loss	<u><u>(208,000)</u></u>	<u><u>(22,000)</u></u>

**Movement in deficit during the year**

	2005	2004 as restated
	£	£
Surplus/(deficit) in scheme at start of year	17,000	(372,000)
Current service cost	(32,000)	(94,000)
Contributions	67,000	538,000
Other finance income	22,000	(8,000)
Actuarial gain	(208,000)	(22,000)
Gains and losses on any settlements or curtailments	<u>(1,000)</u>	<u>(25,000)</u>
(Deficit)/surplus in scheme at end of year	<u><u>(135,000)</u></u>	<u><u>17,000</u></u>

## **UK FISHERIES LIMITED AND SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2005**

#### **History of experience gains and losses**

	YEAR ENDED 31.12.05	YEAR ENDED 31.12.04	PERIOD 1.10.02 TO 31.12.03	YEAR ENDED 30.09.02
Difference between the expected and actual return on scheme assets:				
amount (£)	202,000	65,000	(81,000)	42,000
percentage of scheme assets	6%	2%	(3%)	2%
Experience gains and losses on scheme liabilities:				
amount (£)	(131,000)	40,000	(30,000)	(33,000)
percentage of the present value of the scheme liabilities	3%	(1%)	1%	1%
Total actuarial gain or loss:				
amount (£)	(208,000)	(22,000)	35,000	183,000
percentage of the present value of the scheme liabilities	5%	1%	(1%)	(6%)

The above information is based on an ongoing scheme. The directors have decided that the scheme will be wound up and further details relevant to the pension scheme are included in note 12 to the financial statements.

#### **16. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with other group companies.

#### **17. POST BALANCE SHEET EVENTS**

On 1 February 2006 the company acquired the entire share capital of J. Marr Limited for a consideration of £23.2 million. This was financed together with the restructuring of the company's debt through a £32 million credit facility.

#### **18. ULTIMATE CONTROLLING PARTY**

The group is under the joint control of Onward Fishing Company Limited and tory B. V. of the Netherlands.