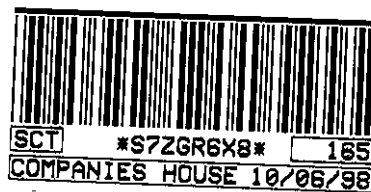


KINCURDIE FISHING COMPANY LIMITED
(Reg. No. SC 126050)

ABBREVIATED ACCOUNTS

For the year ended 31st December 1997

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HUTTON & PHILP, C.A.
DUNFERMLINE

AUDITORS' REPORT TO KINCURDIE FISHING COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

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 section(s) 246(5) and (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 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section(s) 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

30 Queen Anne Street
DUNFERMLINE
5th May 1998

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

KINCURDIE FISHING COMPANY LIMITED

BALANCE SHEET

As at 31st December 1997


<u>1996</u>		<u>Notes</u>	<u>1997</u>
	<u>FIXED ASSETS</u>		
£ 590,583	Tangible Assets	2	£ 542,104
	<u>CURRENT ASSETS</u>		
£ 10,840	Debtors		£ 7,976
107,143	Premier Investment Account		124,238
41,660	Bank Balance		51,994
£ 159,643			£ 184,208
	<u>CURRENT LIABILITIES</u>		
£ 78,805	Creditors: Amounts falling due within one year		£ 93,709
80,838	<u>NET CURRENT ASSETS</u>		90,499
	<u>TOTAL ASSETS</u>		
£ 671,421	<u>LESS CURRENT LIABILITIES</u>		£ 632,603
(67,567)	Creditors: Amounts falling due after more than one year	3	(21,892)
(156,251)	Deferred Income	4	(137,501)
£ 447,603			£ 473,210
	<u>CAPITAL AND RESERVES</u>		
£ 282,388	Called up share capital	5	£ 282,388
37,612	Capital Redemption Reserve		37,612
127,603	Retained Profit		153,210
£ 447,603			£ 473,210

The directors have:-

(i) taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985

and

(ii) in their opinion the company is entitled to those exemptions on the basis that it qualifies as a small company.


..... Director

..... 5th May 1998 Date

KINCURDIE FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st December 1997

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 1997	£ 919,659	£ 14,998	£ 934,657
Additions	-	23,000	23,000
Disposals	-	(14,998)	(14,998)
At 31st December 1997	£ 919,659	£ 23,000	£ 942,659
<u>Depreciation</u>			
As at 1st January 1997	£ 330,584	£ 13,490	£ 344,074
Charge for year	68,974	2,505	71,479
On Disposals	-	(14,998)	(14,998)
At 31st December 1997	£ 399,558	£ 997	£ 400,555
<u>Net Book Value</u>			
At 31st December 1997	£ 520,101	£ 22,003	£ 542,104
At 31st December 1996	£ 589,075	£ 1,508	£ 590,583

KINCURDIE FISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

For the year ended 31st December 1997

<u>3. CREDITORS: Amounts Falling Due After More Than One Year</u>	<u>1997</u>	<u>1996</u>
Loan	£ 60,000	£ 100,000
<u>Less: Included in Current Liabilities</u>	<u>40,000</u>	<u>40,000</u>
	£ 20,000	£ 60,000
Hire Purchase Creditor	<u>1,892</u>	<u>7,567</u>
	<u>£ 21,892</u>	<u>£ 67,567</u>

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

<u>4. DEFERRED INCOME</u>	<u>1997</u>	<u>1996</u>
<u>Capital Grants on Fishing Vessel</u>		
Balance at 1st January 1997	£ 156,251	£ 175,001
Credited to Profit and Loss Account	<u>(18,750)</u>	<u>(18,750)</u>
Balance at 31st December 1997	<u>£ 137,501</u>	<u>£ 156,251</u>

<u>5. CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
Ordinary £1 Shares	<u>£ 400,000</u>	<u>£ 400,000</u>
<u>Issued</u>		
Ordinary £1 Shares Fully Paid	<u>£ 282,388</u>	<u>£ 282,388</u>