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MERSON LIMITED
REPORT AND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

Company Number: 2654063

H RAINSBURY & CO

Chartered Accountants
15 Duncan Terrace
London N1 8BZ



MERSON LIMITED
REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2000

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2000.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to be responsible for the financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. Within these financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REVIEW OF THE BUSINESS:

The company's trade is that of deep sea fishing. The directors were pleased with the results in the year.

RESULTS AND DIVIDENDS:

The profit and loss account for the period is set out on page 3. No dividend is recommended.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period together with their interests in the shares of the company are as follows:

	31.12.00	31.12.99
J C Parada	-	-

FIXED ASSETS

Changes in fixed assets are reflected in the Notes to the Accounts.

SMALL COMPANY EXEMPTIONS

In preparing this report the directors have taken advantage of the special exemptions available for small companies within Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

J V COUCEIRO

Secretary

Date: 14 May 2002



MERSON LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	£	2000 £	£	1999 £
TURNOVER	2		794,389		856,809
External Charges	3		639,494		657,329
			<hr/>		<hr/>
			154,895		199,480
Depreciation	1	50,611		50,611	
Other Operating Charges		67,882	118,493	53,058	103,669
		<hr/>	<hr/>	<hr/>	<hr/>
Profit (Loss) on Ordinary Activities before Taxation	4		36,402		95,811
Taxation	5		-		-
			<hr/>		<hr/>
Profit (Loss) on Ordinary Activities after Taxation	4		36,402		95,811
Retained Profits (Deficiency) Brought forward			(115,870)		(211,681)
			<hr/>		<hr/>
Retained Profits (Deficiency) Carried forward			<u>£(79,468)</u>		<u>£(115,870)</u>

There are no recognised gains or losses other than as disclosed above.

The notes on pages 4 to 6 form part of these accounts.

MERSON LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2000

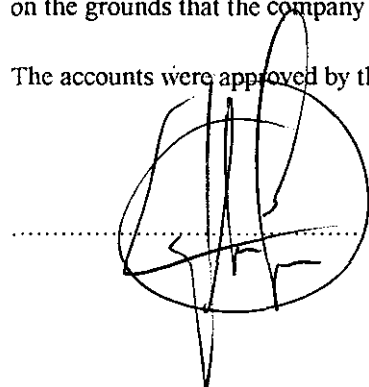
	Note	2000 £	1999 £
FIXED ASSETS			
Tangible Fixed Assets	7	50,214	100,825
CURRENT ASSETS			
Cash at Bank		10,222	40,434
Debtors	8	2,727	124,532
		<u>£12,949</u>	<u>£164,966</u>
CREDITORS: Amounts falling due within one year			
Creditors	9	<u>£141,631</u>	<u>£380,661</u>
Net Current Liabilities		128,682	(215,695)
		<u>£(78,468)</u>	<u>£(114,870)</u>
CAPITAL AND RESERVES			
Called Up Share Capital	10	1,000	1,000
Profit and Loss Account		(79,468)	(115,870)
		<u>£(78,468)</u>	<u>£(114,870)</u>

In the director's opinion the company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the period ended 31 December 2000. No member of the company has deposited a notice under section 249B(2) requiring an audit of these accounts.

The director is responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss of each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

In preparing these accounts the director has taken advantage of special exemptions available to small companies on the grounds that the company qualifies as a small company for the period ended 31 December 2000.

The accounts were approved by the Board of Directors on 14 May 2002 and are signed on its behalf by:



..... Director

MERSON LIMITED
NOTES ON AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

(a) The directors have given undertakings to provide continued financial support and to ensure that adequate working capital is available to the company to allow it to continue to trade for a period of two years from the date of these accounts. Confirmation has also been received from the directors that monies due to them by Merson Limited will not be repaid to the detriment of any other creditor. On the strength of these assumption the accounts have been prepared on the basis of a going concern.

(b) The accounts were prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Small Entities.

(c) Provision for depreciation of fixed assets has been made on the straight line basis at the following rate: Ship & Equipment - 10% per annum

(d) Transactions in foreign currency have been converted to sterling at the rate that prevailed at the time of the transaction.

(e) The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

2 TURNOVER

Represents the invoiced value of goods sold exclusive of VAT. Exports during the period amounted to £791,606

3 EXTERNAL CHARGES:	2000	1999
Include the following payments to and	£	£
in respect of Share Fishermen		
Wages	283,537	331,791
Provisions	23,423	21,893
	<u>£306,960</u>	<u>£353,684</u>

4 PROFIT (LOSS) On Ordinary	2000	1999
Activities Before Taxation	£	£
This is stated after charging:		
Auditors Remuneration	<u>£-</u>	<u>£1,600</u>

5 TAXATION

No provision for taxation has been made due to losses incurred in this and previous years. The directors do not consider that any provision is required for deferred taxation under the accounting policy set out in Note 1. There is no potential unprovided deferred taxation due to the trading losses available from previous years.

MERSON LIMITED
NOTES ON AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000.....Continued

6 RECONCILIATION OF SHARE HOLDERS FUNDS	2000	1999
	£	£
Profit (Loss) for the financial year	36,402	95,811
Opening Shareholders funds	(114,870)	(210,681)
Closing Shareholders funds	<u>£(78,468)</u>	<u>£(114,870)</u>

7 TANGIBLE ASSETS	Ship & Equipment
	£
Cost 1 January 2000	506,110
Additions	-
	<u>£506,110</u>
Depreciation 1 January 2000	405,285
Charge for the year	50,611
	<u>£455,896</u>
Book Value 31 December 2000	<u>£50,214</u>
Book Value 1 January 2000	<u>£100,825</u>

8 DEBTORS	2000	1999
	£	£
Trade Debtors	-	68,722
VAT Recoverable	2,552	2,099
Prepayments	175	2,935
Amount due from Related Company	-	50,776
	<u>£2,727</u>	<u>£124,532</u>

9 CREDITORS	2000	1999
	£	£
Trade Creditors	-	27,212
Directors Loan Account	140,031	351,849
Accruals	1,600	1,600
	<u>£141,631</u>	<u>£380,661</u>

MERSON LIMITED
NOTES ON AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000.....Continued

10 SHARE CAPITAL

	Authorised		Allotted Issued & Fully Paid	
	2000	1999	2000	1999
	No.	No.	£	£
Ordinary Shares of £1 each	1,000	1,000	£1,000	£1,000
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

11 OPERATING LEASES

The Company had no commitments under operating leases at the Balance Sheet date.

12 POST BALANCE EVENTS

The company has a claim to receive compensation from the United Kingdom Government following a judgement in the "Factortame" case for loss of profits.