

The Don Fishing Company Ltd
Report and financial statements
for the year ended
31 December 2000

Registered no. 5222



The Don Fishing Company Limited

Report and financial statements for the year ended 31 December 2000

Contents	Page
Directors' report	1 - 2
Auditors's report	3
Profit and loss account	4
Statement of historical cost profits and losses	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7 - 8
Notes to the financial statements	9 - 21

Directors' report for the year ended 31 December 2000

The directors submit their report together with the Company's audited financial statements for the year ended 31 December 2000.

Results for the year

The Company made a loss for the year after taxation of £181,140. The directors recommend that no dividend is paid and that the deficit is deducted from reserves carried forward.

Principal activities

The principal activities during the year were those of fish selling, transactions in fishing quota and fishing vessel management.

Review of business activity and future developments

The Company experienced difficult trading conditions during 2000. Turnover was higher than in 1999 although operating costs rose and the Company reported a larger operating loss for the year.

The Company's income from its investments in vessel partnerships deteriorated and there were no significant gains on disposals of fishing vessels. Net interest income also declined and the Company made a loss before tax for the first time since 1992.

Present indications are that the Company will continue to experience difficult trading conditions in 2001.

Other transactions involving fishing vessels

Details of transactions involving fishing vessels are set out in note 3.

Directors

The present directors of the Company and those who served during the year are as follows:-

Sir Ian Wood
Edwin C Garrett
John R Penny (retired 27 September 2000)
Nicholas J Garrett
Robert I Auckland

The directors have no interest in the share capital of the Company.

Mr Nicholas J Garrett had no interest in the share capital of the group at 31 December 2000 and 31 December 1999.

All of the other directors are also directors of J W Holdings Ltd, the Company's ultimate parent company. The directors' share interests in J W Holdings Ltd are declared by that company.

Directors' report

for the year ended 31 December 2000 (continued)

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

Charitable donations made by the Company during the year amounted to £645 (1999 £913).

By order of the board



Robert I Auckland
Secretary

45 Sinclair Road
Aberdeen
AB11 9BG

Auditors' report to the members of to the members of The Don Fishing Company Limited

We have audited the financial statements on pages 4 to 21.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 Company's affairs at 31 December 2000 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Aberdeen, 25 June 2001

The Don Fishing Company Limited

4

Profit and loss account for the year ended 31 December 2000

		2000	1999
	Note	£	£
Turnover	1	1,519,689	894,687
Other operating income		284,774	341,988
		1,804,463	1,236,675
Raw materials and consumables		(958,440)	(327,171)
Staff costs	4	(471,276)	(446,625)
Depreciation	7	(51,854)	(54,020)
Other operating charges		(575,096)	(602,577)
Operating loss	2	(252,203)	(193,718)
Share of results from unincorporated subsidiary undertakings	9	(200,381)	473,982
Share of results from unincorporated associated undertakings	9	(57,190)	377,224
Dividends receivable	8	90,000	90,000
Exceptional gain on sale of fishing vessel outwith the group	7	-	302,439
Exceptional gain on transfer of subsidiary within the group	8	-	255,130
(Loss)/profit before interest and taxation		(419,774)	1,305,057
Interest	5	113,849	188,285
(Loss)/profit on ordinary activities before taxation		(305,925)	1,493,342
Taxation	6	124,785	(418,886)
(Loss)/profit after taxation		(181,140)	1,074,456
Dividends payable		-	(480,000)
(Loss)/profit for the year retained	16	(181,140)	594,456

There were no recognised gains or losses other than the loss for the year after taxation of £181,140 (1999 profit £1,074,456), all of which arose from continuing activities.

Statement of historical cost profits and losses for the year ended 31 December 2000

	2000	1999
	£	£
Reported (loss)/profit on ordinary activities before taxation	(305,925)	1,493,342
Depreciation element relating to revalued fixed assets	16,877	19,495
Historical cost (loss)/profit on ordinary activities before taxation	(289,048)	1,512,837
Taxation	124,785	(418,886)
Historical cost (loss)/profit for the year after taxation	(164,263)	1,093,951

The Don Fishing Company Limited

5

Balance sheet at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	7	243,881	239,308
Investments	8	5,210,762	6,227,219
		<u>5,454,643</u>	<u>6,466,527</u>
Current assets			
Stocks	10	646,521	690,367
Debtors	11	5,810,742	4,011,091
Cash at bank and in hand		4,745	703,871
		<u>6,462,008</u>	<u>5,405,329</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(4,070,687)	(3,829,179)
Net current assets		<u>2,391,321</u>	<u>1,576,150</u>
Total assets less current liabilities		<u>7,845,964</u>	<u>8,042,677</u>
Creditors: amounts falling due after more than one year	12	(1,700,000)	(1,700,000)
Provision for liabilities and charges	13	(970,087)	(985,660)
Net assets		<u><u>5,175,877</u></u>	<u><u>5,357,017</u></u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Revaluation reserve	16	527,090	543,967
Profit and loss account	16	4,638,787	4,803,050
Equity shareholders' funds	17	<u><u>5,175,877</u></u>	<u><u>5,357,017</u></u>

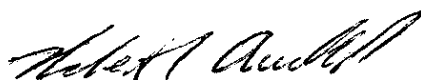
The financial statements on pages 4 to 21 were approved by the board of directors on 21 June 2001 and are signed on its behalf by:

E C Garrett



Director

R I Auckland



Director

The Don Fishing Company Limited

6

Cash flow statement

for the year ended 31 December 2000

	Note	2000 £	1999 £
Net cash inflow/(outflow) from:			
Operating activities	F	<u>(1,888,180)</u>	<u>934,981</u>
Returns on investments and servicing of finance	C	<u>203,849</u>	<u>278,285</u>
United Kingdom corporation tax		<u>53,723</u>	<u>84,111</u>
Capital expenditure and financial investment	D	<u>(69,653)</u>	<u>665,498</u>
Acquisitions and disposals	E	<u>(121,753)</u>	<u>(1,170,986)</u>
Equity dividends paid to shareholders		<u>(480,000)</u>	<u>(450,000)</u>
(DECREASE)/INCREASE IN CASH		<u><u>(2,302,014)</u></u>	<u><u>341,889</u></u>

Notes to the cash flow statement for the year ended 31 December 2000

A Reconciliation of net cash flow to increase in net debt

	2000 £
Decrease in cash during 2000	(2,302,014)
Net funds at 1 January 2000	703,871
Net debt at 31 December 2000	<u>(1,598,143)</u>

B Analysis of changes in net funds/(debt)

	£
Cash at bank and in hand at 1 January 2000 (net funds)	703,871
Cash flows	(2,302,014)
Cash at bank and in hand at 31 December 2000 (net debt)	<u>(1,598,143)</u>

C Returns on investments and servicing of finance

	2000 £	1999 £
Interest received	239,604	201,767
Interest paid	(125,755)	(13,482)
Dividends received	90,000	90,000
	<u>203,849</u>	<u>278,285</u>

D Capital expenditure and financial investment

	2000 £	1999 £
Purchase of tangible fixed assets	(56,427)	(2,118,743)
Proceeds on sale of M V Ability and quota	-	701,660
Proceeds on sale of other tangible fixed assets	-	2,107,550
Loans advanced to fishing vessel partners	(41,000)	(36,509)
Loans repaid by fishing vessel partners	27,774	11,540
	<u>(69,653)</u>	<u>665,498</u>

E Acquisitions and disposals

	2000 £	1999 £
Investment in unincorporated subsidiary undertakings	(121,753)	(190,500)
Investment in unincorporated associated undertakings	-	(1,285,085)
Proceeds on transfer of shares in John S Duncan Ltd	-	304,599
	<u>(121,753)</u>	<u>(1,170,986)</u>

**Notes to the cash flow statement
for the year ended 31 December 2000 (continued)**

**F Reconciliation of operating loss to net
cash (outflow)/inflow from operating activities**

	2000	1999
	£	£
Operating loss	(252,203)	(193,718)
Depreciation on tangible fixed assets	51,854	54,020
Loss on sale of tangible fixed assets	-	98
Unrealised gain on investment in unincorporated associated undertakings	13,748	-
Decrease/(increase) in stocks	43,846	(645,830)
(Increase)/decrease in trade debtors	(545,886)	83,749
Decrease/(increase) in other debtors and prepayments	40,930	(73,700)
(Decrease)/increase in trade creditors	(74,812)	504,935
(Decrease)/increase in other taxation and social security	(38,668)	44,238
(Decrease)/increase in other creditors and accruals	(97,772)	77,726
Decrease in pension cost provision	(5,500)	(5,500)
Transfer of grant on sale of M V Ability	-	(957)
(Decrease)/increase in net amounts owed to parent companies and fellow subsidiary undertakings	(156,563)	36,554
(Increase)/decrease in net amounts owed by incorporated subsidiary undertakings	(86,513)	140,010
Decrease in net amounts owed by unincorporated subsidiary undertakings	58,597	370,491
(Increase)/decrease in net amounts owed by unincorporated associated undertakings	(839,238)	542,865
Net cash (outflow)/inflow from operating activities	(1,888,180)	934,981

Notes to the financial statements for the year ended 31 December 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain assets.

Turnover

Turnover represents amounts received and receivable, exclusive of VAT and trade discounts, for goods and services supplied during the year entirely to customers within the United Kingdom. Sales by associated undertakings are not included in turnover.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation. Grants received and receivable in respect of capital expenditure are credited to the profit and loss account over the expected useful life of the relevant fixed asset.

The Company has adopted the FRS number 15 "Tangible Fixed Assets" in preparing these accounts. In particular the company has decided not to revalue its properties on a regular basis and has frozen the 1991 valuation.

Depreciation

Depreciation is calculated by reference to cost or valuation at rates estimated to write off the relevant assets by equal annual instalments over their expected useful lives, which are mainly:

Heritable properties	50 years
Leasehold buildings	50 years or over the term of the lease if shorter
Fishing vessels	20 - 25 years
Plant and equipment	3 - 10 years
Computer equipment and software	3 - 5 years
Vehicles	4 years

Expenditure to extend the useful economic life of the assets is capitalised and depreciated over the estimated useful life of the renewal.

Partnership interests

The Company has interests in numerous partnerships most of which own one fishing vessel.

The partnerships have been treated as unincorporated subsidiary and associated undertakings as the directors consider that the Company exercises significant influence in all of these partnerships. In particular all fishing vessel partnerships in which the Company has an interest operate out of one of the Company's fishselling and management offices.

Each partnership prepares annual accounts but different accounting dates are involved. In each partnership the fixed assets are depreciated over their expected useful lives.

The Company's proportion of each partnership's profits, after depreciation, for the 12 months to 31 December 2000 are included in the Company's financial statements. Amounts due to or from the various partnerships are disclosed as amounts due to or from unincorporated subsidiary and associated undertakings in the Company's financial statements.

Notes to the financial statements for the year ended 31 December 2000 (continued)

1 Principal accounting policies (continued)

Stocks

Stocks including fishing quota for resale and work in progress are valued at the lower of cost and net realisable value. Cost, where appropriate, includes a proportion of overhead expenses.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension costs

Contributions to the pension scheme are charged to the profit and loss account so as to spread the cost over employees' working lives with the Company. The difference between the pension cost in the profit and loss account and the payment of contributions is shown as a net pension cost provision.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

2 Operating loss

	2000 £	1999 £
Operating loss is stated after charging/(crediting):		
Transfer from capital expenditure grant deferred credit	-	(957)
Property rental income net of expenses	(4,510)	(6,425)
Income from rental of fishing quotas	(109,450)	(4,450)
Loss on sale of tangible fixed assets	-	98
Auditors' remuneration	10,900	12,700
Hire and operating leases payments:		
Plant and machinery	3,460	3,700
Motor vehicles	24,633	23,047
Property	19,845	19,845
	47,938	46,592

During the year the auditors received no remuneration for non audit services (1999 £nil).

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

3 Transactions involving fishing vessels

During 2000 the Company increased its investment in the MV Starwood fishing vessel partnership from 36 shares to 48 shares at a cost of £121,753.

Towards the end of the year the MV Helene fishing vessel partnership sold outwith the group its only vessel with licence for £210,000. The Company has a 48 shareholding interest in this partnership and realised a gain of £96,104 on this transaction.

4 Directors and employees

	2000	1999
	Number	Number
The average weekly number of persons employed by the Company during the year was:		
Management	2	2
Administration	19	21
Fishselling	4	4
	<u>25</u>	<u>27</u>

	2000	1999
	£	£
Total staff costs in respect of these persons amounted to:		
Wages and salaries	409,603	390,494
Social security costs	36,270	31,772
Other pension costs	25,403	24,359
	<u>471,276</u>	<u>446,625</u>

All of the Company's fishing vessels are crewed by self-employed sharefishermen. Share money paid to these fishermen is not included in staff costs nor is the number of such men included in the average number of employees.

The above details of staff costs do not include the emoluments of Mr Nicholas J Garrett and Mr John R Penny which were paid by the Company's immediate parent company J W Fishing Vessel Management Ltd and recharged to the Company as part of a management charge.

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

5 Interest

	2000 £	1999 £
Interest receivable on:		
Short term deposits	26,839	31,819
Trading loans to unincorporated subsidiary and associated undertakings	211,825	155,312
Loans to employees	940	1,377
Taxation balances	-	13,259
	<u>239,604</u>	<u>201,767</u>
Interest payable:		
Short term deposits	(3,821)	(4,860)
Bank overdrafts	(121,934)	(2,829)
Taxation balances	-	(5,793)
	<u>(125,755)</u>	<u>(13,482)</u>
	<u>113,849</u>	<u>188,285</u>

6 Taxation

Based on the profit for the year:		
UK corporation tax at 30% (1999-30.25%)	69,833	(154,611)
Deferred tax	(26,586)	(250,187)
	<u>43,247</u>	<u>(404,798)</u>
Prior year adjustments		
- current	44,879	(31,941)
- deferred	36,659	17,853
	<u>124,785</u>	<u>(418,886)</u>

The taxation on income from interests in unincorporated associated undertakings is not shown separately as the Company accounts itself for the tax arising on the income from its shares in the partnerships.

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

7 Fixed assets - tangible

	Heritable properties £	Short term leasehold buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2000	65,000	215,000	195,400	63,144	538,544
Additions	-	-	35,552	-	35,552
Transferred from fellow subsidiary	25,000	-	-	-	25,000
Disposals	-	-	(2,192)	-	(2,192)
At 31 December 2000	90,000	215,000	228,760	63,144	596,904
Whereof:					
Cost	90,000	-	228,760	63,144	381,904
Valuation in 1991	-	215,000	-	-	215,000
	90,000	215,000	228,760	63,144	596,904
Aggregate depreciation					
At 1 January 2000	8,800	62,194	179,083	49,159	299,236
Charge for year	1,225	27,794	16,048	6,787	51,854
Transferred from fellow subsidiary	4,125	-	-	-	4,125
Disposals	-	-	(2,192)	-	(2,192)
At 31 December 2000	14,150	89,988	192,939	55,946	353,023
Net book value					
At 31 December 2000	75,850	125,012	35,821	7,198	243,881
At 31 December 1999	56,200	152,806	16,317	13,985	239,308

The short term leasehold buildings were revalued in 1991. If they had not been revalued they would have been included at 31 December as follows:

	2000 £	1999 £
Historical cost	84,404	84,404
Aggregate depreciation	(35,333)	(24,416)
Net book value	49,071	59,988

Heritable properties with a cost of £25,000 and accumulated depreciation of £3,807 were leased out under operating leases.

During 1999 the Company took the opportunity to sell its only remaining wholly owned fishing vessel (MV Ability) for £701,660. These sale proceeds included fishing quota and, in total, the Company realised a gain of £302,439.

Notes to the financial statements
for the year ended 31 December 2000 (continued)

8 Fixed asset investments

	2000 £	1999 £
Shares in subsidiary undertakings	1,120,292	1,120,292
Trade investments	51,000	51,000
Other loans (including loans to unincorporated subsidiary and associated undertakings)	347,765	334,539
	<u>1,519,057</u>	<u>1,505,831</u>
Interests in unincorporated subsidiary undertakings (note 9)	1,765,529	2,269,577
Interests in unincorporated associated undertakings (note 9)	1,926,176	2,451,811
	<u>3,691,705</u>	<u>4,721,388</u>
	<u>5,210,762</u>	<u>6,227,219</u>

	Shares in subsidiary undertakings £	Trade investments £	Other loans £	Total £
Cost or valuation				
At 1 January 2000	1,408,133	51,000	334,539	1,793,672
Additions	-	-	41,000	41,000
Repayments	-	-	(27,774)	(27,774)
At 31 December 2000	<u>1,408,133</u>	<u>51,000</u>	<u>347,765</u>	<u>1,806,898</u>
Whereof:				
Cost	419,407	51,000	347,765	818,172
Valuation in 1976 (cost £224,005)	988,726	-	-	988,726
	<u>1,408,133</u>	<u>51,000</u>	<u>347,765</u>	<u>1,806,898</u>
Provisions				
At 1 January 2000	(287,841)	-	-	(287,841)
At 31 December 2000	<u>(287,841)</u>	<u>-</u>	<u>-</u>	<u>(287,841)</u>
Net book value				
At 31 December 2000	<u>1,120,292</u>	<u>51,000</u>	<u>347,765</u>	<u>1,519,057</u>
At 31 December 1999	<u>1,120,292</u>	<u>51,000</u>	<u>334,539</u>	<u>1,505,831</u>

Included in trade investments with a cost of £51,000, is a holding of 51,000 ordinary shares in Granite City Ice Ltd representing 4.5% of the issued share capital.

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

8 Fixed asset investments (continued)

	Country of registration	Percentage of issued ordinary shares held
Principal incorporated subsidiary undertakings:		
Ordinary shares of £1 each:		
Kinlochbervie Fishselling Company Ltd	Scotland	75

A dividend of £90,000 (1999 £90,000) was receivable from Kinlochbervie Fishselling Company Ltd during the year.

During 1999 the Company transferred its shareholding interest in John S Duncan Ltd (100%) to its other trading subsidiary Kinlochbervie Fishselling Co Ltd for £304,599. The Company made a gain of £255,130 on this transfer which was eliminated on the group consolidation. These two subsidiaries are principally involved in fishselling and fishing vessel management.

The directors are of the opinion that the value of the Company's investments in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet. Group financial statements are not prepared as the Company is a wholly owned subsidiary of another company, registered in Scotland, which prepares consolidated financial statements.

9 Interests in unincorporated subsidiary and associated undertakings

The interests in unincorporated subsidiary and associated undertakings represent capital introduced by the Company (net of drawings and provisions) together with the Company's share of profits and losses.

The movement in the Company's investment in unincorporated subsidiary and associated undertakings during the year was as follows:

	Unincorporated subsidiary undertakings	Unincorporated associated undertakings	Total
	£	£	£
At 1 January 2000	2,269,577	2,451,811	4,721,388
Additions	121,753	-	121,753
Unrealised gains	-	(13,748)	(13,748)
Drawings by the Company	(820,788)	(454,697)	(1,275,485)
Increase in debtor balances	395,368	-	395,368
Share of losses	(200,381)	(57,190)	(257,571)
At 31 December 2000	1,765,529	1,926,176	3,691,705

Further details of additions and disposals are given in note 3.

Notes to the financial statements for the year ended 31 December 2000 (continued)

9 Interests in unincorporated subsidiary and associated undertakings (continued)

Unincorporated subsidiary undertakings at 31 December 2000

	Partnership share	Year end	Principal place of business
G Soutar Partnership	48/64	30 April	186 Albert Quay, Aberdeen
M V Karmarra	48/64	30 September	186 Albert Quay, Aberdeen
M V Ross Anne	48/64	30 September	186 Albert Quay, Aberdeen
M V Venture II	48/64	31 December	186 Albert Quay, Aberdeen
M V Ability	48/64	30 June	20 Harbour Street, Peterhead
M V Alba	48/64	31 December	20 Harbour Street, Peterhead
M V Demares	48/64	30 June	20 Harbour Street, Peterhead
M V Ryanwood	33/64	31 December	20 Harbour Street, Peterhead
M V Starwood	48/64	31 December	20 Harbour Street, Peterhead
M V Sharona	48/64	31 December	The Pier, Kinlochbervie

Unincorporated associated undertakings at 31 December 2000

	Partnership share	Year end	Principal place of business
Craigwood Partnership	32/64	31 December	186 Albert Quay, Aberdeen
M V's Denebula and Dauntless	32/64	31 December	186 Albert Quay, Aberdeen
M V's Kiroan and Artemis	32/64	28 February	186 Albert Quay, Aberdeen
M V Adorne	26/64	31 December	20 Harbour Street, Peterhead
M V Aquila	32/64	31 December	20 Harbour Street, Peterhead
M V Helenus	8/64	30 June	20 Harbour Street, Peterhead
M V Mayflower	24/64	31 December	20 Harbour Street, Peterhead
M V Nordfjodr	8/64	30 April	20 Harbour Street, Peterhead
M V Ocean Hunter	16/64	31 December	20 Harbour Street, Peterhead
M V Sagittarius	16/64	31 December	20 Harbour Street, Peterhead
M V Benaiah	20/64	31 October	21 Shore Street, Macduff
M V Carina	16/64	30 April	21 Shore Street, Macduff
M V Crystal Sea	8/64	30 June	21 Shore Street, Macduff
M V Crystal Waters	8/64	31 December	21 Shore Street, Macduff
M V Genesis	16/64	31 August	21 Shore Street, Macduff
M V Lorena	16/64	31 May	21 Shore Street, Macduff
M V Poseidon	8/64	31 December	21 Shore Street, Macduff

The Craigwood Partnership owned one former standby vessel. All the other partnerships operate either one or two fishing vessels

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

10 Stocks

	2000	1999
	£	£
Consumables	-	800
Fishing quota held for re-sale	605,621	637,000
Other goods for re-sale	40,900	52,567
	<u>646,521</u>	<u>690,367</u>

Although fishing quota is held for resale the opportunity is taken from time to time to derive rental income from stocks held.

11 Debtors

	2000	1999
	£	£
Amounts falling due within one year:		
Trade debtors	977,703	431,817
Amounts owed by group and associated undertakings:		
Parent companies and fellow subsidiaries	33,339	11,930
Incorporated subsidiaries	139,433	52,920
Unincorporated subsidiaries	642,027	745,836
Dividend receivable from subsidiary	90,000	90,000
Unincorporated associated undertakings	3,415,067	2,152,573
Corporation tax recoverable	16,190	35,365
Group relief receivable	54,368	7,105
Other debtors	170,142	232,289
Loans to employees	31,650	40,899
Prepayments and accrued income	240,823	210,357
	<u>5,810,742</u>	<u>4,011,091</u>

12 Creditors

	2000	1999
	£	£
Amounts falling due within one year:		
Bank overdraft	1,602,888	-
Trade creditors	1,005,210	1,080,022
Amounts owed to group and associated undertakings:		
Parent companies and fellow subsidiaries	123,606	258,760
Dividend payable to parent company	-	480,000
Incorporated subsidiaries	1,206,541	1,206,541
Unincorporated subsidiaries	3,764	474,396
Unincorporated associated undertakings	6,160	37,601
Corporation tax	17,328	26,584
Group relief payable	44,357	68,002
Other taxation and social security payable	36,445	75,113
Other creditors	130	91,189
Accruals and deferred income	24,258	30,971
	<u>4,070,687</u>	<u>3,829,179</u>

Amounts falling due after more than one year:

Loan from ultimate parent company	<u>1,700,000</u>	<u>1,700,000</u>
-----------------------------------	------------------	------------------

The loan from J W Holdings Ltd is interest free and is not repayable before the end of 2010.

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

13 Provision for liabilities and charges

	2000	1999
	£	£
Deferred taxation	952,157	962,230
Pension cost provision	17,930	23,430
	<u>970,087</u>	<u>985,660</u>

The full potential liability to deferred taxation has been provided at 30% (1999 30%) and comprises corporation tax deferred by:

	2000	1999
	£	£
Accelerated capital allowances	612,911	622,639
Gains rolled over	344,625	346,620
Other timing differences	(5,379)	(7,029)
	<u>952,157</u>	<u>962,230</u>

	2000	1999
	£	£
Deferred tax provision:		
At 1 January	962,230	729,896
Charge/(credit) to profit and loss account - current	26,586	250,187
- prior	(36,659)	(17,853)
At 31 December	<u>952,157</u>	<u>962,230</u>

	2000	1999
	£	£
Pension cost provision:		
At 1 January	23,430	28,930
Credit to profit and loss account	(5,500)	(5,500)
At 31 December	<u>17,930</u>	<u>23,430</u>

The group operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the group being invested with one pooled balanced fund and one long dated bonds fund. Contributions to the scheme are determined by a qualified actuary on the basis of periodic valuations. The most recent valuation was at 6 April 1998. The particulars of the actuarial valuation are contained in the financial statements of J W Holdings Ltd. The pension charge for the year was £25,403 (1999 £24,359).

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

14 Accruals and deferred income

	2000	1999
	£	£
Capital expenditure grants deferred credit:		
At 1 January	-	957
Credit to profit and loss account on disposal of M V Ability	-	(957)
At 31 December	-	-

15 Called up share capital

	2000	1999
	£	£
Authorised		
30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

16 Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 January 2000	543,967	4,803,050
Loss for the year	-	(181,140)
Revaluation element in the depreciation charge - current year	(16,877)	16,877
At 31 December 2000	<u>527,090</u>	<u>4,638,787</u>

17 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
(Loss)/profit for the year	(181,140)	1,074,456
Dividends payable	-	(480,000)
Opening shareholders' funds	5,357,017	4,762,561
Closing shareholders' funds	<u>5,175,877</u>	<u>5,357,017</u>

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

18 Commitments under operating leases

	2000		1999	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Payments falling due in 2001 in respect of operating leases which expire:				
Within one year	-	540	10,000	540
Within two to five years	19,845	27,406	-	27,406
Later than five years	-	-	9,845	-
	19,845	27,946	19,845	27,946

19 Contingent liabilities

At the balance sheet date the Company had guaranteed loans amounting to £2,170,312 (1999 £2,589,090) obtained by partners in fishing vessels in which the Company or a subsidiary is also a partner.

In addition, the Company has a contingent liability arising from a guarantee without limit extended to the group's principal bankers in respect of sums advanced to certain other members of the group.

20 Related party transactions

The Company has interests in numerous partnerships which own one or more fishing vessels. Many of these vessels receive ship repairing services from Wood & Davidson Ltd which is a fellow subsidiary undertaking of the Company. During the year fishing vessel partnerships purchased services with a value of £177,238 (1999 £276,939) from Wood & Davidson Ltd.

The Company provides fishselling and management services to fishing vessel partnerships in which it or other group companies hold shareholding interests. As an indication of the extent of these services the total value of fish sold by the Company on behalf of these fishing vessel partnerships in 2000 was £9,714,230 (1999 £9,666,108). The Company earns a commission on these fish sales and this commission is included as part of the Company's turnover for the year. The Company also earns income from various management services provided to these fishing vessel partnerships and this is included as part of the Company's turnover, other operating income and interest income earned for the year.

As explained in note 3 the Company and several of its fishing vessel partnerships were involved in certain transactions during the year.

As explained in note 4 the fishing vessel partnerships in which the Company holds a shareholding interest are crewed by self employed sharefishermen. The sharefishermen are remunerated by a share of the value of the fish sold after deducting operating costs of the fishing vessel on which they crew.

**Notes to the financial statements
for the year ended 31 December 2000 (continued)**

20 Related party transactions (continued)

At 31 December 2000 the Company had loans of £347,765 (1999 £334,539) outstanding to individual partners in fishing vessel partnerships in which the Company owns shares. The movements in these loans during the year are shown in note 8.

The Company provides management services to Kinlochbervie Fishselling Company Ltd in which it has a 75% shareholding interest. It also provides management services to John S Duncan Ltd. In 2000 the charge made for these management services was £125,000 (1999 £125,000).

As the Company is a wholly owned subsidiary of J W Holdings Ltd which prepares consolidated financial statements the Company is exempt from the requirement to disclose further information with regard to related party transactions which are eliminated on consolidation. There were no other material related party transactions.

21 Ultimate parent company

The directors report that J W Fishing Vessel Management Ltd, registered in Scotland, is the Company's immediate parent company and that J W Holdings Ltd, also registered in Scotland, is the Company's ultimate parent company. J W Holdings Ltd is controlled by Sir Ian Wood and his children through a number of trusts.