

161

THE DON FISHING COMPANY LIMITED

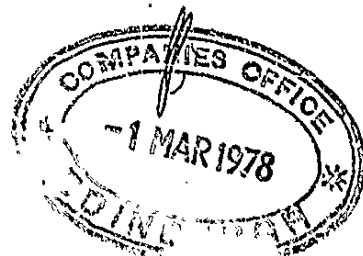
DIRECTORS' REPORT

and

ACCOUNTS

for year ended

31st December 1976



THE DON FISHING COMPANY LIMITED

REPORT OF THE DIRECTORS to the Annual General Meeting of the Company

The Directors submit their Annual Report and the audited Accounts of the Company for the year ended 31st December 1976.

DIRECTORS -

The Members of the Board are -

Mr. Ian C. Wood (Chairman)
Mr. Forbes McLennan
Mr. Edwin C. Garrett
Mr. Charles Small
Mr. James M. McDonald (Appointed 8th March 1976)

In accordance with the Company's Articles of Association, Mr. Ian C. Wood and Mr. Edwin C. Garrett retire as Directors at this time and, being eligible, offer themselves for re-election.

None of the Directors had interests in the Company's shares during the year.

The Directors, with the exception of Mr. James M. McDonald, are also Directors of The John Wood Group (Aberdeen) Limited, the Company's Holding Company. The Directors' share interests in that Holding Company are not notified.

ACTIVITIES AND STATE OF AFFAIRS -

The Company carries on the business of Fish Salesmen, Fishing Vessel Managers and Fishing Vessel Owners. The Subsidiary Companies, which are detailed in the Notes forming part of the annexed Accounts, carry on the business of Trawl Owners, Fish Salesmen and Fishing Vessel Managers. There were no exports by the Company during the year.

The Directors consider both the state of affairs as shown by the Balance Sheet as at 31st December 1976 and the profit as brought out by the Profit and Loss Account for the year ended 31st December 1976 to be satisfactory.

APPROPRIATIONS -

The Directors recommend that no Dividend be paid for the year ended 31st December 1976. A dividend of £7,000 has been paid for the year ended 31st December 1975 and the Directors recommend that the resultant profit for the year ended 31st December 1976 amounting to £88,644 be carried to Reserves.

INVESTMENTS IN SUBSIDIARY COMPANIES -

During the year ended 31st December 1976 Investments in Subsidiary Companies were revalued by reference to the Shareholders' Funds of the relevant Subsidiaries.

MARKET VALUE OF PROPERTIES -

Professional valuations have not been obtained in respect of the Freehold and Leasehold Properties included in the Balance Sheet as at 31st December 1976 at Book Values of £12,401 and £8,000 respectively./

THE DON FISHING COMPANY LIMITED

REPORT OF THE DIRECTORS to the Annual
General Meeting of the Company

MARKET VALUE OF PROPERTIES (CONTD) -

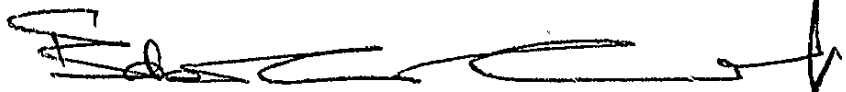
respectively. The Properties are worth more than Book Value, but as the Directors are of the opinion that these or similar properties are essential for the continuation of the business, any difference arising on revaluation would be of no significance to the shareholders.

AUDITORS -

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the reappointment of Messrs. James Milne & Co., Chartered Accountants, as Auditors of the Company will be put to the Annual General Meeting.

By order of the Board,

ecc x



Secretary.

ABERDEEN,
7th December 1977.

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE DON FISHING COMPANY LIMITED

ABERDEEN, 7th December 1977. In our opinion the annexed Balance Sheet and Profit and Loss Account and Notes thereon have been properly prepared in accordance with the provisions of the Companies Acts 1948 and 1967 and give respectively a true and fair view of the state of the Company's affairs at 31st December 1976 and of the profit for the year ended on that date.

James W *James W*
Auditors.

THE DON FISHING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for year ended
31st December 1976

<u>1975</u>	
<u>£262,171</u>	<u>TURNOVER</u> (Note 1)..... <u>£425,405</u>
£ 53,341	<u>TRADING PROFIT</u> <u>£154,248</u>
	<u>Add -</u>
24,909	Share of Partnership Profits less Losses.. 25,175
-	Dividends from Unquoted Investments..... 143
5,522	Interest Received and Receivable..... 2,627
332	Gain on Sale of Fixed Assets..... -
-	Transfer from Capital Expenditure
£ 84,104	Grants Suspense Account..... <u>1,561</u>
	<u>£183,754</u>
	<u>Deduct -</u>
£ 1,642	Depreciation.....£ 6,890
-	Loan Interest Payable..... 1,469
<u>2,542</u> 900	Auditors' Remuneration..... <u>1,000</u> 9,359
£ 81,562	<u>PROFIT FOR YEAR BEFORE TAXATION</u> <u>£174,395</u>
	<u>TAXATION -</u>
£17,800	Corporation Tax at 52% on
6,000	Profit for year.....£ -
<u>15,300</u>	Deferred Taxation (Note 1)..... 263,500
£39,100	Group Relief (Note 3).....(Cr) <u>168,200</u>
	<u>£ 95,300</u>
<u>39,100</u> -	Adjustment in respect of
£ 42,462	earlier years..... <u>28,100</u> 123,400
	<u>PROFIT FOR YEAR AFTER TAXATION</u> <u>£ 50,995</u>
	<u>EXTRAORDINARY ITEMS -</u>
£26,706	Share of White Fish Authority
	Grants re Partnership Vessels,
	no longer repayable.....£ 23,030
89(Dr)	Share of Sums arising on
255(Dr)	revaluation of Partnership
	Fishing Vessels..... 21,088
	Cancellation Charge..... -
-	Share of Gain on Sale of
	Partnership Fishing Vessel... 1,371
<u>26,362</u> -	Sum written off re ex
£ 68,824	Subsidiary Company.....(Dr) <u>840</u> 44,649
	<u>£ 95,644</u>
	<u>DIVIDEND -</u>
	Dividend for year ended
	31st December 1975..... <u>7,000</u>
<u>£ 68,824</u>	<u>PROFIT FOR YEAR RETAINED</u> <u>£ 88,644</u>

THE DON FISHING COMPANY LIMITED

BALANCE SHEET

as at

31st December 1976

1975

EMPLOYMENT OF FUNDS -

£ 24,523	<u>FIXED ASSETS</u> (Note 4).....£	407,545
225,581	<u>INVESTMENTS IN SUBSIDIARY COMPANIES</u> (Note 5).....	1,979,247
723,393	<u>PARTNERSHIP INTERESTS</u> (Note 6).....	718,362
581	<u>UNQUOTED INVESTMENTS</u> (Note 7).....	581

NET CURRENT ASSETS -

Current Assets -

£ 6,259	Stocks on Hand (Note 1)....£	22,008
102,774	Loans to Fishing	
112,712	Vessel Owners.....	53,334
-	Debtors and Prepayments...	210,038
91,090	Taxation Recoverable.....	14,667
	Cash at Bank.....	335,575
824	Cash in Hand and in Transit.....	1,549
<u>£313,659</u>		<u>£637,171</u>

Current Liabilities -

<u>£131,544</u>	Creditors.....	<u>£124,574</u>
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<u>182,115</u>	Net Current Assets.....	<u>512,597</u>
£1,156,193		£3,618,332

Less - INTER GROUP INDEBTEDNESS -

£673,033	Sums due to Holding, Subsidiary and Fellow Subsidiary Companies.....	£917,545
	<u>Less - Sum due by Subsidiary and Fellow Subsidiary Companies...</u>	<u>41,175</u>
<u>573,271</u>		<u>876,370</u>
£ 582,922		<u>£2,741,962</u>

REPRESENTED BY/

THE DON FISHING COMPANY LIMITED

BALANCE SHEET (CONTD)

as at

31st December 1976

1975

REPRESENTED BY -

SHARE CAPITAL -

Authorised -

£ 30,000

30,000 Shares of £1 each..£ 30,000

Issued -

£ 10,000

10,000 Shares of £1 each,
fully paid.....£ 10,000

394,222

RESERVES (Note 8)..... 2,236,532

£ 404,222

£2,246,532

-

LOAN (Note 9)..... 30,374

-

CAPITAL EXPENDITURE GRANTS

SUSPENSE ACCOUNT (Note 10)..... 37,456

TAXATION -

£164,100
178,700 14,600

Deferred Taxation

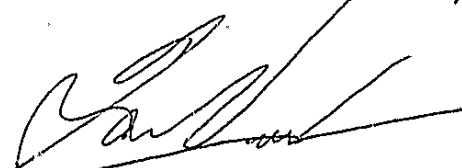

(Note 1).....£427,600

Corporation Tax..... - 427,600

£ 582,922

£2,741,962

On behalf of the Board,

Ed V
cca


Director
Director

THE DON FISHING COMPANY LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31st December 1976

1975

SOURCE OF FUNDS -

£ 107,924	Profit for year before Taxation.....	£219,044
	Adjustment for items not involving the movement of funds -	
1,310	Depreciation.....	6,890
-	Transfer from Capital Expenditure	
-	Grants Suspense Account.....	(1,561)
£ 109,234		£224,373

FUNDS FROM OTHER SOURCES -

-	Loans Received.....	34,714
-	Capital Expenditure Grants Received....	39,017
37,611	Reduction in Partnership Interests.....	5,031
	Inter Group Indebtedness -	
(32,398)	Increase/(Decrease) in Net Sum due to Group Companies.....	303,099
	Taxation -	
(36,940)	Group Relief Compensation Received/(Paid).....	125,500
£ 77,507	<u>TOTAL FUNDS FROM ALL SOURCES.....</u>	<u>£731,734</u>

APPLICATION OF FUNDS -

£ 2,003	Net Additions to Fixed Assets.....	£ 389,912
-	Loan Repayments.....	4,340
2,003	Dividend re year to 31st December 1975.....	7,000
£ 75,504		£330,482

INCREASE IN WORKING CAPITAL -

£(4,553)	Increase/(Decrease) in Stocks.....	£ 15,749
(43,043)	Decrease in Loans to Fishing Vessel Owners.....	(49,440)
(35,562)	Increase/(Decrease) in Debtors.....	111,993
(27,077)	Decrease/(Increase) in Creditors.....	6,970
	Movement in Net Liquid Funds -	
185,495	Increase in Cash at Bank	244,485
£ 75,504	Increase in Cash in Hand and in Transit.....	725
244		£330,482

NOTES FORMING PART OF THE ACCOUNTS

Year ended 31st December 1976

1. ACCOUNTING POLICIES -

The accounting policies followed for dealing with items which are judged material in determining the profit and in stating the financial position are as follows -

Turnover -

Turnover represents sums received and receivable for goods and services supplied during the year.

Depreciation -

Depreciation has been provided at rates estimated to write off the relevant assets over their expected useful lives. No further depreciation is charged on Properties.

Stocks on Hand -

Stocks on Hand are valued at the lower of cost and net realisable value.

Deferred Taxation -

Deferred Taxation represents Corporation Tax on the excess of the book value of fixed assets on which taxation allowances are claimed over the written down value for taxation purposes. The movement during the year has been calculated at the rate borne on the profits of the year, namely 52%.

2. DIRECTORS' REMUNERATION -

No Directors' Remuneration is charged in the Accounts for the year ended 31st December 1976.

3. GROUP RELIEF -

Group Relief represents Corporation Tax at 52% on the 'tax loss' surrendered by the Company to other Companies in the Group.

4. FIXED ASSETS -

	<u>1975</u>	<u>Additions</u>	<u>Disposals</u>	<u>1976</u>
Cost or Valuation -				
Freehold Properties	£12,401	£ -	£ -	£ 12,401
Leasehold Properties -				
Short term	10,110	-	-	10,110
Fishing Vessel	-	131,202	-	131,202
Payment on Account of Fishing Vessel under Construction	-	256,400	-	256,400
Plant, Machinery etc.	14,088	2,310	-	16,398
	<u>£36,599</u>	<u>£389,912</u>	<u>£ -</u>	<u>£426,511</u>

Allocation/

NOTES FORMING PART OF THE ACCOUNTS

Year ended 31st December 1976

4. FIXED ASSETS (CONTD) -

	<u>1975</u>	<u>1976</u>
Allocation of Cost or Valuation -		
Cost	£26,146	£416,053
Valuation 1963	<u>10,453</u>	<u>10,453</u>
	<u>£36,599</u>	<u>£426,511</u>
Depreciation -		
Leasehold Properties -		
Short term	£ 2,110	£ 2,110
Fishing Vessel	- 5,146	- 5,146
Plant, Machinery etc.	<u>9,966 1,744</u>	<u>11,710</u>
	<u>£12,076</u>	<u>£ 18,966</u>
Net Book Value	<u>£24,523</u>	<u>£407,545</u>

5. INVESTMENTS IN SUBSIDIARY COMPANIES -

The undernoted Companies are Subsidiary Companies of The Don Fishing Company Limited -

	<u>Percentage of issued Ordinary Shares held</u>	
	<u>by the Company</u>	<u>by Subsidiaries of the Company</u>
Aberdeen Motor Trawlers Ltd.	100%	-
Distributors Fishing Company (Aberdeen) Limited	-	100%
The Ashley Fishing Company Limited	100%	-
The Burwood Fishing Company Limited	100%	-
The Leslie Fishing Company Limited	100%	-
Aberdeen Near Water Trawlers Limited	100%	-
The Don Fishing Company (Peterhead) Limited	100%	-

During the year ended 31st December 1976 Investments in Subsidiary Companies were revalued, by reference to the Shareholders' Funds of the relevant Subsidiary Companies, the surplus arising on that revaluation having been added to Reserves.

6. PARTNERSHIP INTERESTS -

The figures represent interests in Fishing Vessel partnerships and are after taking into account the Company's proportions of profits and losses to the last accounting date of each partnership falling on or before 31st December 1976. Of the total of £718,361, £425,641 (1975 - £448,565) represents interests in partnerships in which the Company has an interest in excess of 50%.

THE DON FISHING COMPANY LIMITED
NOTES FORMING PART OF THE ACCOUNTS

Year ended 31st December 1976

7. UNQUOTED INVESTMENTS -

The Directors Valuation of the Unquoted Investments at 31st December 1976 was £580 (1975 - £580).

8. RESERVES -

<u>1975</u>		<u>1976</u>
£325,398	As at 31st December 1975.....	£ 394,222
	<u>Add -</u>	
	Sum arising on Revaluation of Investments - in Subsidiary Companies.....	1,753,666
<u>68,824</u>	Profit for year retained.....	<u>88,644</u>
<u>£394,222</u>	As at 31st December 1976.....	<u>£2,236,532</u>

9. LOAN -

The Loan, which is not wholly repayable within five years, is secured by a Mortgage over a Fishing Vessel. The Loan, at an interest rate of 7½% per annum, is repayable by half yearly instalments terminating not later than 1987.

10. CAPITAL EXPENDITURE GRANTS SUSPENSE ACCOUNT -

<u>1975</u>		<u>1976</u>
£	- Grants Received and Receivable.....	£39,017
	<u>Less -</u>	
	- Transferred to Profit and Loss Account.....	<u>1,561</u>
£	- As at 31st December 1976.....	<u>£37,456</u>

1. CONTINGENT LIABILITIES -

There are Contingent Liabilities for Grants amounting to £39,017 which are repayable in certain circumstances and in respect of Bank Guarantees, without limit, for other Companies in the Group.

2. CAPITAL COMMITMENTS -

At 31st December 1976 the commitments in respect of Capital Expenditure contracted for by the Company totalled £225,000. The Capital Commitments in respect of further partnership capital amounted to approximately £40,000 at 31st December 1976.

3. GROUP ACCOUNTS -

Group Accounts in respect of The Don Fishing Company Limited and its Subsidiary Companies are not submitted as The Don Fishing Company Limited is a wholly owned Subsidiary Company of The John Wood Group (Aberdeen) Limited, a Company incorporated in Scotland.