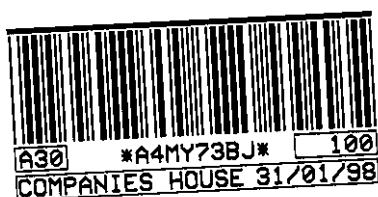


PENCLAWDD SHELLFISH PROCESSING CO. LTD
ABBREVIATED ACCOUNTS
Period Ended
31 MARCH 1997

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Auditors Report To the Directors of

Page 1

PENCLAWDD SHELLFISH PROCESSING CO. LTD

We have examined the abbreviated accounts set out on pages 2 to 5 together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page 2 and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 23 May 1997 we reported to the shareholders on the statutory accounts of the company for the year ended 31 March 1997, prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under Section 235 of the Companies Act 1985 was as follows :

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page .

Respective responsibilities of Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

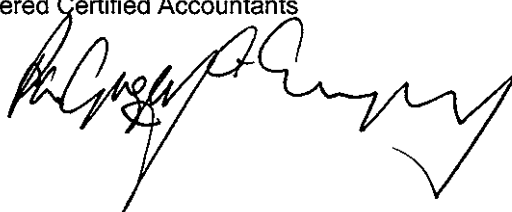
Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Beaufort House
Beaufort Road
Plasmari, Swansea, SA6 8JG

PETER GRIGG & COMPANY

Chartered Certified Accountants



23-5-97

ABBREVIATED BALANCE SHEET

Period Ended	Notes	1997	1995
31 MARCH 1997		£	£

FIXED ASSETS	2	375016	190237
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CURRENT ASSETS

Stock and Work in Progress		53468	1495
Debtors		153929	30692
Cash at Bank and in Hand		226	42
		<u>207623</u>	<u>32229</u>

CREDITORS :Amounts falling due
within one year

3	325194	163176
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NET CURRENT LIABILITIES		-117571	-130947
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TOTAL ASSETS LESS CURRENT LIABILITIES		257445	59290
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CREDITORS :Amounts falling due
after one year

3	68631	-
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**PROVISIONS FOR LIABILITIES
AND CHARGES**

Nil	Nil
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68631	-
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NET ASSETS		188814	59290
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CAPITAL and RESERVES

Share Capital	4	218397	90000
Profit and Loss Account		-29583	-30710

SHAREHOLDERS FUNDS		188814	59290
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The notes on pages 3 to 5 form an integral part of these accounts.

Advantage has been taken of the exemptions conferred by Section A of Part 111 of Schedule 8 of the Companies Act 1985, on the grounds that, in the directors' opinion, the company qualifies as a small company under S246 and S247 of the Companies Act 1985.

Advantage has been taken, in the preparation of the accounts, of special exemption applicable to small companies on the ground that, in the directors' opinion, the company qualifies as a small company under S246 and S247 of the Companies Act 1985.

Approved by the Board of Directors on 23 May 1997


.....M. Swiston (DIRECTOR)

NOTES TO THE ACCOUNTS

Period Ended

31 MARCH 1997

1 Accounting Policies:

- a) The accounts have been prepared under the historical cost convention.
- b) Turnover is shown in the accounts net of VAT, credit notes and discounts.
- c) The accounts do not include a cash flow statement by virtue of the exemption available to small small reporting entities.
- d) Fixed Assets are depreciated so as to write off their cost less estimated residual value over their anticipated useful lives at the following annual rates.

Motor Vehicles	20% on Cost
Fixtures and Fittings	20% on Cost
Plant & Equipment	20% on Cost
Leasehold Premises	Over the term of the lease which has 98 years to run.

Expenditure in setting up various plant and equipment has been capitalised and is to be written off over 5 years.

- e) Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.
- f) The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.
Provision for deferred taxation is made only to the extent that it is probable that a liability will become payable in the foreseeable future.
- g) Stocks are stated at the lower of cost and net realisable value.

NOTES to the ACCOUNTS (Cont)

Period Ended

.31 MARCH 1997

2 Fixed Assets:

	1997	1995
<u>Cost</u>	£	£
.01 DECEMBER	193222	34243
Additions	210368	214879
Less: Grant Received	-	-53550
Sales at Cost	-	-2350
Disposals	-	-
.31 MARCH	395890	19322

Depreciation

.01 DECEMBER	2985	-
Charge	17889	2985
.31 MARCH	20874	2985

Net Book Value

.31 MARCH	375016	190237
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3 Secured Liabilities

National Westminster Bank Plc. hold a mortgage debenture dated 24 August 1995 over the company's fixed and floating assets including a legal mortgage over the company's premises at Unit 28 Penclawdd Industrial Estate, Crofty, Swansea.

4 Share Capital:

	1997	1995
	£	£
Authorised	500000	100000
500,000 Ordinary Shares at £1 each	500000	100000

On 7 May 1996 the authorised ordinary share capital was increased from 10,000 to 500,000 £1 ordinary shares.

Allotted, issued and fully paid	218397	90000
218397 Ordinary Shares at £1 each	218397	90000

On 5 July 1996 the 128397 £1 ordinary shares were allotted and fully paid for in order to provide working capital for the company.

NOTES to the ACCOUNTS (Cont)

Period Ended

31 March 1997

5

Transactions with Directors

The following directors engaged in business transactions with the company during the period on normal commercial terms.

Mr D. L. Jones sold shellfish to the company amounting to £14987. He also loaned the company £4000 which is still outstanding at the balance sheet date.

Mr B. Preston sold shellfish to the company amounting to £16778. He also loaned the company £4000 which is still outstanding at the balance sheet date.

Mr C. MacDonald is a director of both Wirral Seafoods Ltd and Quality Seafoods Ltd. The company has a loan outstanding of £45664 from Wirral Seafoods Ltd at the balance sheet date.

During the period the company has sold £229816 and purchased £85732 of seafood produce from Quality Seafoods Ltd.

At the balance sheet date Quality Seafoods Ltd was a debtor of the company for £63199 and a creditor of Quality Seafoods Ltd for £64383.