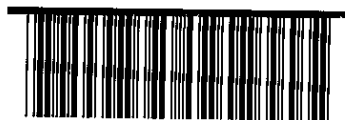


**Report of the Directors and
Financial Statements for the Period 1 July 2000 to 30 December 2001
for
Aquascot Group Limited**

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Aquascot Group Limited

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for the Period 1 July 2000 to 30 December 2001**

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Aquascot Group Limited

**Company Information
for the Period 1 July 2000 to 30 December 2001**

DIRECTORS:

P C Williams
D K Overton
R R Murray
O Steiro

SECRETARY:

John Christie

REGISTERED OFFICE:

11 Walker Street
Edinburgh
EH3 7NE

REGISTERED NUMBER:

107209 (Scotland)

AUDITORS:

Deloitte & Touche
Glasgow

Aquascot Group Limited

Report of the Directors for the Period 1 July 2000 to 30 December 2001

The directors present their report with the financial statements of the company for the period 1 July 2000 to 30 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of aquaculture and food processing of related products.

REVIEW OF BUSINESS

The results for the period and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the period under review and subsequently were:

	<i>during the period under review</i>	<i>subsequent to the period end</i>
R R Murray	- resigned 20.11.00	re-appointed 23.02.02
D K Overton	- resigned 20.11.00	re-appointed 23.02.02
O Steiro		appointed 26.02.02
K D Agnew	- resigned 20.11.00	
A J Reeve	- resigned 20.11.00	
C J Sinclair	- resigned 20.11.00	
W C H Phillips	- resigned 30.9.00	
P C Williams	- appointed 20.11.00	
N Meakin	- appointed 20.11.00	resigned 17.01.02

The directors holding office at 30 December 2001 did not hold any beneficial interest in the issued share capital of the company (or any group company) at date of appointment or 30 December 2001.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare 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. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

AUDITORS

Scott Oswald resigned on 20 November 2000. Arthur Andersen were thereafter appointed but resigned in July 2002 at which time Deloitte & Touche were appointed.

ON BEHALF OF THE BOARD:



D K Overton - DIRECTOR

Dated: 18/12/02

**Report of the Independent Auditors to the Shareholders of
Aquascot Group Limited**

We have audited the financial statements of Aquascot Group Limited for the eighteen month period ended 30 December 2001 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes numbered 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and Auditing Standards.

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 Companies Act 1985. We also report 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 30 December 2001 and of its loss for the eighteen month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Glasgow

Dated: 18/12/02

Aquascot Group Limited

**Profit and Loss Account
for the Period 1 July 2000 to 30 December 2001**

		Period 1.7.00 to 30.12.01	Year Ended 30.6.00
	Notes	£	£
			As restated note 23
TURNOVER		21,882,308	12,578,049
Cost of sales		<u>(19,556,314)</u>	<u>(11,254,194)</u>
GROSS PROFIT		2,325,994	1,323,855
Administrative expenses		<u>(3,364,033)</u>	<u>(1,680,287)</u>
		(1,038,039)	(356,432)
Other operating income		<u>136,183</u>	<u>925,623</u>
OPERATING (LOSS)/PROFIT	3	(901,856)	569,191
Interest receivable and similar income		<u>124,809</u>	<u>122,649</u>
		(777,047)	691,840
Interest payable and similar charges	4	<u>(1,245,243)</u>	<u>(189,864)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,022,290)	501,976
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		(2,022,290)	501,976
Dividends (including non-equity shares)	6	<u>-</u>	<u>192,020</u>
		(2,022,290)	693,996
Retained profit brought forward		1,269,045	575,049
Redemption of share capital		<u>(1,000)</u>	<u>-</u>
(DEFICIT)/RETAINED PROFIT CARRIED FORWARD	24	<u>£(754,245)</u>	<u>£1,269,045</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

The notes form part of these financial statements

Aquascot Group Limited

**Statement of Total Recognised Gains and Losses
for the Period 1 July 2000 to 30 December 2001**

	Period 1.7.00 to 30.12.01	Year Ended 30.6.00
	£	£
		As restated note 23
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	<u>(2,022,290)</u>	<u>693,996</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>£(2,022,290)</u>	<u>£693,996</u>
PRIOR PERIOD ADJUSTMENT	<u>(261,651)</u>	
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT AND FINANCIAL STATEMENTS	<u>£(2,283,941)</u>	

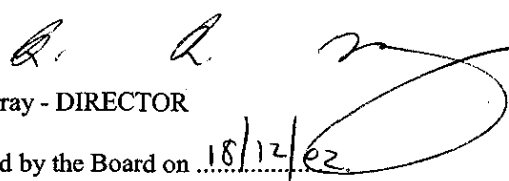
The notes form part of these financial statements

Aquascot Group Limited

**Balance Sheet
30 December 2001**

		<u>30.12.01</u>		<u>30.6.00</u>	
	Notes	£	£	£	£
					As restated note 23
FIXED ASSETS:					
Intangible assets	7		-		-
Tangible assets	8		3,397,602		1,331,024
Investments	9		<u>150,999</u>		<u>237,261</u>
			3,548,601		1,568,285
CURRENT ASSETS:					
Stocks	10	5,891,973		286,582	
Debtors	11	20,995,664		5,389,262	
Cash in hand		<u>1,067</u>		<u>272</u>	
		26,888,704		5,676,116	
CREDITORS: Amounts falling due within one year	12	<u>(5,473,884)</u>		<u>(2,928,615)</u>	
NET CURRENT ASSETS:			<u>21,414,820</u>		<u>2,747,501</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			24,963,421		4,315,786
CREDITORS: Amounts falling due after more than one year	13		(23,562,244)		(1,007,602)
ACCRUALS AND DEFERRED INCOME:	16		<u>(210,790)</u>		<u>(94,507)</u>
NET ASSETS			<u><u>£1,190,387</u></u>		<u><u>£3,213,677</u></u>
CAPITAL AND RESERVES:					
Called up share capital	17		438,812		439,812
Share premium	18		1,504,820		1,504,820
Capital redemption reserve	25		1,000		-
Revaluation reserve	19		-		-
Profit and loss account	24		<u>(754,245)</u>		<u>1,269,045</u>
SHAREHOLDERS' FUNDS	22		<u><u>£1,190,387</u></u>		<u><u>£3,213,677</u></u>

ON BEHALF OF THE BOARD:


R R Murray - DIRECTOR

Approved by the Board on 18/12/02

The notes form part of these financial statements

**Notes to the Financial Statements
for the Period 1 July 2000 to 30 December 2001**

1. ACCOUNTING POLICIES

The principal accounting policies are summarized below. They have all been applied consistently throughout the period and the preceeding year with the exception of the policies for Intangible and Tangible Fixed Assets. This is explained at note 23

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Fixed Assets are stated at cost, net of depreciation. Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 5% on cost
Plant & Equipment	- 10 - 25% on cost
Motor vehicles	- 25% on cost

Fixed Asset Investments

Fixed asset investments are shown at cost less provision for impairment.

Operating Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease, regardless of the timing of payments.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises actual purchase cost, feeding cost and attributable labour and production overheads based on the normal level of activity. Net realisable value is based on estimated selling price less estimated selling cost and additional costs to be incurred between the balance sheet date and the date of sale.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Government Grants

Government grants in respect of capital expenditure are treated as deferred income and are released to the profit and loss account over a four year period. As this period does not match that over which the relevant assets are depreciated, this policy is not strictly in accordance with SSAP 4. However, the effect of the departure from SSAP 4 is not material to the results of the period.

Grants of a revenue nature are credited to the profit and loss account in the same period as the expenditure to which they relate.

Aquascot Group Limited

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

2. STAFF COSTS

	Period 1.7.00 to 30.12.01 £	Year Ended 30.6.00 £
Wages and salaries	<u>4,405,532</u>	<u>1,757,042</u>

The average monthly number of employees during the period was as follows:

	Period 1.7.00 to 30.12.01	Year Ended 30.6.00
Employees	<u>224</u>	<u>174</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2000 - operating profit) is stated after charging/(crediting):

	Period 1.7.00 to 30.12.01 £	Year Ended 30.6.00 £
	As restated note 23	
Hire of plant and machinery under operating lease	39,459	29,986
Depreciation - owned and leased assets	552,653	369,964
Profit on disposal of fixed assets	(105)	(6,195)
Development Costs written off	88,663	924,999
Amortisation of government grants	(63,214)	(54,088)
Auditors' remuneration – for audit services	25,000	8,000
Auditors remuneration - for non-audit services	<u>3,000</u>	<u>-</u>
Directors' emoluments	<u>222,184</u>	<u>76,986</u>
Split,		
Wages and salaries	<u>217,234</u>	<u>73,253</u>
Pension contributions	<u>4,950</u>	<u>3,733</u>
Payments made to the highest paid director were;		
Wages and salaries	<u>183,108</u>	<u>38,489</u>
Pension contributions	<u>3,458</u>	<u>1,750</u>

Aquascot Group Limited

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.7.00 to 30.12.01 £	Year Ended 30.6.00 £
HIE Interest	15,177	34,977
Discounting Interest	114,637	99,494
Cermaq Loan Interest	1,066,835	-
Hire Purchase	32,207	21,006
Building Loan Interest	16,387	34,387
	<u>1,245,243</u>	<u>189,864</u>

Discounting interest is the interest charged by Capital Bank for an invoice discounting facility.

5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 30 December 2001 nor for the year ended 30 June 2000. A nil tax charge arises through the level of accumulated losses, the significant loss for the period. In addition, it is not considered prudent to recognise any deferred tax asset given the above.

6. DIVIDENDS

	Period 1.7.00 to 30.12.01 £	Year Ended 30.6.00 £
Non-equity shares:		
568,000 1050% Cumulative Redeemable C		
Preference Shares shares of 0.01 each		
Final - C Pref. Dividends	<u>-</u>	<u>192,020</u>

7. INTANGIBLE FIXED ASSETS

	Development Costs £
COST:	
At 1 July 2000 as previously reported	1,123,403
Prior year adjustment (note 23)	(1,123,403)
At 1 July 2000 (as restated) and 30 December 2001	<u>-</u>
AMORTISATION:	
At 1 July 2000 as previously reported	407,702
Prior year adjustment (note 23)	(407,702)
At 1 July 2000 (as restated) and 30 December 2001	<u>-</u>
NET BOOK VALUE:	
At 30 December 2001	<u>-</u>
At 30 June 2000 (as restated)	<u>-</u>

Aquascot Group Limited

**Notes to the Financial Statements
for the Period 1 July 2000 to 30 December 2001**

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant & Equipment	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 July 2000 (as reported)	1,637,949	1,708,774	135,139	3,481,862
Prior year adjustment (note 23)	(491,228)	-	-	(491,228)
Additions	286,431	2,326,739	45,949	2,659,119
Disposals	-	(147,552)	(12,000)	(159,552)
At 30 December 2001	<u>1,433,152</u>	<u>3,887,961</u>	<u>169,088</u>	<u>5,490,201</u>
DEPRECIATION:				
At 1 July 2000 (as reported)	554,937	1,141,449	90,375	1,786,761
Prior year adjustment (note 23)	(127,151)	-	-	(127,151)
Charge for period	149,867	379,782	23,004	552,653
Eliminated on disposals	-	(110,664)	(9,000)	(119,664)
At 30 December 2001	<u>577,653</u>	<u>1,410,567</u>	<u>104,379</u>	<u>2,092,599</u>
NET BOOK VALUE:				
At 30 December 2001	<u>855,499</u>	<u>2,477,394</u>	<u>64,709</u>	<u>3,397,602</u>
At 30 June 2000 (as restated)	<u>718,935</u>	<u>567,325</u>	<u>44,764</u>	<u>1,331,024</u>

The Net Book Values of Plant & Equipment and Motor Vehicles above include amounts of £107,235 (2000 - £463,584) in respect of the assets held under finance leases and hire purchase contracts.

Aquascot Group Limited

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

9. FIXED ASSET INVESTMENTS

	£
COST AND NET BOOK VALUE:	
At 1 July 2000	237,261
Disposals	(86,262)
At 30 December 2001	<u>150,999</u>

Investments in subsidiaries comprise:

Aquascot Seafarms Ltd (incorporated in Scotland). 100% owned. Principal activity – fish farming
West Coast Aquaculture Ltd (incorporated in Scotland). 100% owned. Principal activity – fish farming

10. STOCKS

	30.12.01	30.6.00
	£	£
Fish stock	5,784,511	211,136
Packaging and stationery	<u>107,462</u>	<u>75,446</u>
	<u>5,891,973</u>	<u>286,582</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.12.01	30.6.00
	£	£
V.A.T.	144,949	34,451
Trade Debtors	2,191,261	1,113,282
Other Debtors	33,867	2,129
Prepayments & Accrued Income	162,418	27,974
Amounts due by subsidiaries	<u>18,463,169</u>	<u>4,211,426</u>
	<u>20,995,664</u>	<u>5,389,262</u>

Aquascot Group Limited

**Notes to the Financial Statements
for the Period 1 July 2000 to 30 December 2001**

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.12.01	30.6.00
	£	£
Bank loans and overdrafts (see note 14)	932,671	455,991
Other Loans (see note 14)	41,500	5,630
Hire purchase contracts (see note 15)	121,636	172,015
Trade Creditors	1,230,199	1,207,656
Secured creditors	1,565,047	593,131
Other Creditors	398,352	27,334
Amounts due to subsidiaries	742,374	237,103
Social Security & Other Taxes	-	65,130
Accrued Expenses	442,105	164,625
	<u>5,473,884</u>	<u>2,928,615</u>

**13. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.12.01	30.6.00
	£	£
Bank loans (see note 14)	-	796,014
Inter-company loans (see note 14)	23,496,114	59,913
Hire purchase contracts (see note 15)	66,130	151,675
	<u>23,562,244</u>	<u>1,007,602</u>

Aquascot Group Limited

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

14. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	30.12.01	30.6.00
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	932,671	353,567
Bank loans	-	102,424
Other Loans	41,500	<u>5,630</u>
	<u>974,171</u>	<u>461,621</u>
Amounts falling due between one and two years:		
Bank loans	-	110,112
Other Loans	-	<u>5,630</u>
	-	<u>115,742</u>
Amounts falling due between two and five years:		
Bank loans	-	359,499
Other Loans	-	<u>18,903</u>
	-	<u>378,402</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Other Loans	<u>23,496,114</u>	<u>-</u>
Repayable by instalments		
Bank loans	-	326,403
Other Loans	-	<u>35,380</u>
	-	<u>361,783</u>

Other loans is a loan made by UK parent company Ewos Ltd in February 2001. There are no fixed repayment terms and interest is presently charged at 8.42% per annum.

Aquascot Group Limited

**Notes to the Financial Statements
for the Period 1 July 2000 to 30 December 2001**

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	30.12.01	30.6.00
	£	£
Gross obligations repayable:		
Within one year	142,922	207,737
Between one and five years	77,703	172,597
	<u>220,625</u>	<u>380,334</u>
Finance charges repayable:		
Within one year	21,286	35,722
Between one and five years	11,573	20,922
	<u>32,859</u>	<u>56,644</u>
Net obligations repayable:		
Within one year	121,636	172,015
Between one and five years	66,130	151,675
	<u>187,766</u>	<u>323,690</u>

16. ACCRUALS AND DEFERRED INCOME

	30.12.01	30.6.00
	£	£
Deferred government grants		
Brought forward	94,507	148,595
Received in period	179,497	-
Released in period	(63,214)	(54,088)
	<u>210,790</u>	<u>94,507</u>

17. CALLED UP SHARE CAPITAL

	31.12.01	30.6.00
	£	£
Authorised		
"A" Ordinary shares of £1	248,413	248,413
"B" Ordinary shares of £1	0	1,000
"C" Ordinary shares of £1	177,219	177,219
1050% Cumulative Redeemable "C" Preference shares	5,680	5,680
Cumulative "D" Preference shares	7,500	7,500
	<u>438,812</u>	<u>439,812</u>
Allotted, issued and fully paid		
"A" Ordinary shares of £1	248,413	248,413
"B" Ordinary shares of £1	0	1,000
"C" Ordinary shares of £1	177,219	177,219
1050% Cumulative Redeemable "C" Preference shares	5,680	5,680
Cumulative "D" Preference shares	7,500	7,500
	<u>438,812</u>	<u>439,812</u>
Equity shares		
"A" Ordinary shares of £1 - voting	248,413	248,413
"C" Ordinary shares of £1 - voting	177,219	177,219
	<u>425,632</u>	<u>425,632</u>

Aquascot Group Ltd

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

17. CALLED UP SHARE CAPITAL (CONT'D)

	31.12.01 £	30.6.00 £
Non-Equity shares		
"B" Ordinary shares of £1 – non voting	0	1,000
1050% Cumulative Redeemable "C" Preference Shares - non voting	5,680	5,680
Cumulative "D" Preference Shares - non voting	7,500	7,500
	<u>13,180</u>	<u>14,180</u>

The "C" ordinary shares are entitled to a cumulative preferential dividend of 20% of the profit attributable to members.

The "C" preference shares have first call over the company's assets in the event of a winding up or liquidation or similar event. Thereafter, the remaining assets are applied in order to the "D" preference shares, the "C" ordinary shares, and finally the "A" ordinary shares. The sums received are restricted for all categories other than the "A" ordinary shares, to the sum subscribed plus arrears of dividends.

The "C" preference shares are redeemable in equal annual instalments of £710 together with a premium of £70,290 from 30 June 1998 to 30 June 2005. The first three redemptions on 30 June 1998, 30 June 1999 and 30 June 2000 have not been made. On redemption the holders of "C" preference shares are entitled to a special dividend of 10p per share. At the shareholders' direction, this will be paid either as a dividend or the redemption price will be increased to reflect this.

The "D" preference shares are redeemable in equal annual instalments of £1,500, together with a premium of £188,500 from 30 June 2003 to 30 June 2007.

The premiums payable on redemption are annual and not aggregate.

18. SHARE PREMIUM

	£
At 1 July 2000 and 30 December 2001	<u>1,504,820</u>

19. REVALUATION RESERVE

	£
At 1 July 2000 (as reported)	491,228
Prior year adjustment (note 23)	<u>(491,228)</u>
As restated	-
At 30 December 2001	<u>-</u>

20. ULTIMATE PARENT COMPANY

The ultimate parent company at the balance sheet date was Cermaq ASA, a company registered in Norway. This represents a change in ownership which took place on 20 November 2000. The immediate parent company is EWOS Ltd. The company's accounts are consolidated into Cermaq Group's results. Parent company accounts can be obtained by writing to Cermaq ASA, Grev Wedels Plass 5, Postboks 472, Sentrum 0105, Oslo.

Aquascot Group Limited

Notes to the Financial Statements for the Period 1 July 2000 to 30 December 2001

21. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary, the company has availed itself of the exemption in FRS8 from disclosing related party transactions with other group undertakings and investees.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.12.01 £	30.6.00 £ As restated note 23
(Loss)/Profit for the financial period	(2,022,290)	501,976
Dividends	-	192,020
	(2,022,290)	693,996
Movement in Other reserves	-	(192,020)
Release of Revaluation Reserve	-	(491,228)
Redemption of Share capital	(1,000)	-
Net (reduction)/addition to shareholders' funds	(2,023,290)	10,748
Opening shareholders' funds (as restated)	3,213,677	3,202,929
Closing shareholders' funds	1,190,387	3,213,677
Equity interests	1,177,207	3,200,497
Non-equity interests	13,180	13,180
	1,190,387	3,213,677

23. PRIOR YEAR ADJUSTMENTS

Following the acquisition of the company by Cermaq during the period, the company has changed its accounting policies for Tangible and Intangible Fixed Assets to align with the accounting policies of the new ultimate holding company. As explained in the relevant notes above, Tangible Fixed Assets are now included at cost necessitating the removal of the revaluation reserve and Development expenditure is expensed immediately requiring Intangible Fixed Assets to be written off.

The effects of the changes are summarized below:

	2000 £
Profit and loss Account:	
Increase in Administrative expenses	(261,651)
Increase/(decrease) in (loss)/profit in period	(261,651)
Balance Sheet:	
Decrease in Intangible Fixed Assets	(715,701)
Decrease in Tangible Fixed Assets	(364,077)
Decrease in Revaluation Reserve	491,228
Increase/(decrease) in net assets	(588,550)

Under the former accounting policies, the net book value of intangible fixed assets shown in the balance sheet at 30 December 2001 would have been approximately £580,000 and the net book value of freehold property would have been approximately £1,237,000. The net book value of other categories of tangible fixed asset would have been unaffected.

Aquascot Group Limited

**Notes to the Financial Statements
for the Period 1 July 2000 to 30 December 2001**

24. RESERVES

**Profit and
loss account**

	£
At 1 July 2000 as previously reported	1,857,595
Prior year adjustment (note 23)	<u>(588,550)</u>
As restated	<u>1,269,045</u>
Cost of redemption of share capital	(1,000)
Retained loss for the financial period	<u>(2,022,290)</u>
At 30 December 2001	<u>(754,245)</u>

25. CAPITAL REDEMPTION RESERVE

	2001	2000
	£	£
Redemption of share capital	<u>1,000</u>	<u>-</u>