

SHETLAND ISLANDS SMOLTS LIMITED
ABBREVIATED ACCOUNTS
31 JANUARY 2006

THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Registered Auditors
47 Commercial Road
Lerwick
Shetland
ZE1 0NJ



SHETLAND ISLANDS SMOLTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2006

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SHETLAND ISLANDS SMOLTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 7, together with the financial statements of the company for the year ended 31 January 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITOR

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 4 to 7 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 13/9/06 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 2006, and the full text of our audit report is reproduced on pages 2 to 3 of these financial statements.

The A9 Partnership Limited

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13/9/06

SHETLAND ISLANDS SMOLTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHETLAND ISLANDS SMOLTS LIMITED

YEAR ENDED 31 JANUARY 2006

We have audited the financial statements of Shetland Islands Smolts Limited for the year ended 31 January 2006 on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 7 to 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you if, in our opinion, the Director's 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 director's remuneration and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 director 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.

SHETLAND ISLANDS SMOLTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHETLAND ISLANDS SMOLTS LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2006

QUALIFIED OPINION

No adjustments have been made to the carrying value of assets and no additional liabilities have been recorded, in respect of the fact that the company has ceased trading and is insolvent.

In our opinion, the financial statements should reflect the adjustments necessary in light of the fact that the company is no longer a going concern. Furthermore, in our opinion any such adjustments would be material to the financial statements.

In view of the effect of the above, in our opinion, the accounts do not give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its loss for the year then ended. In all other aspects, in our opinion, the accounts have been properly prepared in accordance with the Companies Act 1985.



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13/9/06

SHETLAND ISLANDS SMOLTS LIMITED

ABBREVIATED BALANCE SHEET

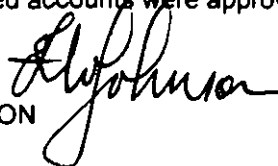
31 JANUARY 2006

	Note	2006 £	£	2005 £	£
FIXED ASSETS	2				
Tangible assets			597,427		739,389
CURRENT ASSETS					
Debtors		131,969		131,071	
Cash at bank and in hand		61		61	
		<u>132,030</u>		<u>131,132</u>	
CREDITORS: Amounts falling due within one year		<u>4,112,623</u>		<u>3,913,501</u>	
NET CURRENT LIABILITIES			(3,980,593)		(3,782,369)
TOTAL ASSETS LESS CURRENT LIABILITIES			(3,383,166)		(3,042,980)
GOVERNMENT GRANTS	3		64,089		77,039
			<u>(3,447,255)</u>		<u>(3,120,019)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		80,000		80,000
Other reserves			28,500		28,500
Profit and loss account			<u>(3,555,755)</u>		<u>(3,228,519)</u>
DEFICIENCY			<u>(3,447,255)</u>		<u>(3,120,019)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on 13th September 2006

.....
MR F W JOHNSON



SHETLAND ISLANDS SMOLTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

No adjustments have been made to reflect the assets of the company at their net realisable value or to record additional liabilities as a result of the company ceasing to trade as a going concern.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 40 years
Plant & Machinery	- 10-20 years
Motor Vehicles	- 5 years

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SHETLAND ISLANDS SMOLTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2006

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 February 2005	1,858,879
Disposals	<u>(10,618)</u>
At 31 January 2006	<u>1,848,261</u>
DEPRECIATION	
At 1 February 2005	1,119,490
Charge for year	140,134
On disposals	<u>(8,790)</u>
At 31 January 2006	<u>1,250,834</u>
NET BOOK VALUE	
At 31 January 2006	<u>597,427</u>
At 31 January 2005	<u>739,389</u>

3. GOVERNMENT GRANTS

	2006 £	2005 £
Received and receivable	138,806	138,806
Amortisation	<u>(74,717)</u>	<u>(61,767)</u>
	<u>64,089</u>	<u>77,039</u>

4. SECURITIES

The company has granted securities to its bankers in terms of a bond and floating charge. The bank also hold cross guarantees in respect of all borrowings of this company, Framgard Limited and Millbrook Fisheries Limited.

SHETLAND ISLANDS SMOLTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2006

5. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

6. ULTIMATE PARENT COMPANY

The company's ultimate holding company is Framgord Limited.

7. CESSATION OF TRADE

The company ceased trading during the year ended 31 January 2003, is in the process of winding up its operations, and potential buyers are actively being sought. The accounts do not include any adjustments to restate assets and liabilities, as required, on the basis that the company is no longer a going concern. While any adjustments required have not been quantified, the director is of the opinion that these would be material to the accounts.