

SHETLAND ISLANDS SMOLTS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 JANUARY 2007



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 2007

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SHETLAND ISLANDS SMOLTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO SHETLAND ISLANDS SMOLTS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of Shetland Islands Smolts Limited for the year ended 31 January 2007 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

OTHER INFORMATION

On 28/11/07 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 2007, and the full text of the company audit report is reproduced on pages 2 to 3 of these financial statements.

The A9 Partnership Limited

47 Commercial Road
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Shetland
ZE1 0NJ

28/11/07

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

SHETLAND ISLANDS SMOLTS LIMITED

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

YEAR ENDED 31 JANUARY 2007

We have audited the financial statements of Shetland Islands Smolts Limited for the year ended 31 January 2007 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 page 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 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

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2007

ADVERSE OPINION

No adjustments have been made to the carrying value of fixed assets, 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 2007 and of its profit 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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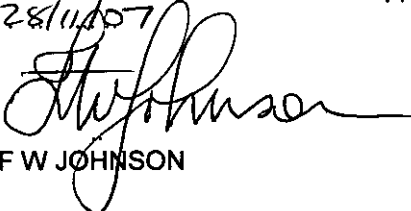
ABBREVIATED BALANCE SHEET

31 JANUARY 2007

	Note	2007 £	£	2006 £	£
FIXED ASSETS	2				
Tangible assets			498,895		597,427
CURRENT ASSETS					
Debtors		1,585		131,969	
Cash at bank and in hand				61	
		<u>1,585</u>		<u>132,030</u>	
CREDITORS: Amounts falling due within one year		<u>3,142,943</u>		<u>4,112,623</u>	
NET CURRENT LIABILITIES			(3,141,358)		(3,980,593)
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,642,463)		(3,383,166)
GOVERNMENT GRANTS	3		(51,139)		(64,089)
			<u>(2,693,602)</u>		<u>(3,447,255)</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>(2,802,102)</u>		<u>(3,555,755)</u>
DEFICIT			<u>(2,693,602)</u>		<u>(3,447,255)</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 and authorised for issue on

28/11/07

 MR F W JOHNSON

SHETLAND ISLANDS SMOLTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

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 and 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

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

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 2006 and 31 January 2007	<u>1,848,261</u>
DEPRECIATION	
At 1 February 2006	1,250,834
Charge for year	98,532
At 31 January 2007	<u>1,349,366</u>

SHETLAND ISLANDS SMOLTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

2. FIXED ASSETS *(continued)*

NET BOOK VALUE

At 31 January 2007

498,895

At 31 January 2006

597,427

3. GOVERNMENT GRANTS

	2007 £	2006 £
Received and receivable	138,806	138,806
Amortisation	(87,667)	(74,717)
	<u>51,139</u>	<u>64,089</u>

4. SECURITIES

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

5. SHARE CAPITAL

Authorised share capital:

	2007 £	2006 £
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>

Allotted, called up and fully paid:

	2007		2006	
	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.