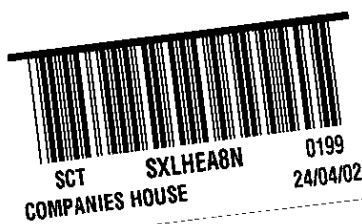


**Abbreviated Financial Statements for the Period 1 December 2000 to
30 June 2001**

for

Skye Salmon Limited



**Contents of the Financial Statements
for the Period 1 December 2000 to 30 June 2001**

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Skye Salmon Limited

Company Information

for the Period 1 December 2000 to 30 June 2001

DIRECTORS:

I S Anderson
R J Kelly
J S Anderson

SECRETARY:

Jacqueline Shona Anderson

REGISTERED OFFICE:

Creagliath
Torrin
ISLE OF SKYE
IV49 9BA

REGISTERED NUMBER:

SC213402

AUDITORS:

Blueprint Scotland
Registered Auditor
10 Ardross Street
Inverness
IV3 5NS

Skye Salmon Limited

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

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

COMMENCEMENT OF TRADING

The company commenced trading on 19 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of fish farming and fish processing.

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 were:

I S Anderson	- appointed 1.12.00
R J Kelly	- appointed 1.12.00
J S Anderson	- appointed 1.12.00

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

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

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.

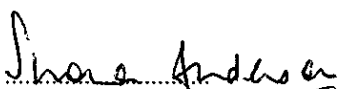
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Blueprint Scotland, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Jacqueline Shona Anderson - SECRETARY

Dated: 18/4/02

Skye Salmon Limited

**Report of the Independent Auditors to
Skye Salmon Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages four to thirteen, together with the full financial statements of the company for the period ended 30 June 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to thirteen are properly prepared in accordance with that provision.

Blueprint Scotland

Blueprint Scotland
Registered Auditor
10 Ardross Street
Inverness
IV3 5NS

Dated: *18 April 2002*

Blueprint Scotland is a trading name of Blueprint Audit Limited, a Registered Auditor.

Skye Salmon Limited

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

	Notes	£
GROSS PROFIT		368,185
Administrative expenses		<u>332,160</u>
OPERATING PROFIT	3	36,025
Loans Written Off	4	<u>1,749,999</u>
		1,786,024
Interest receivable and similar income		<u>516</u>
		1,786,540
Interest payable and similar charges	5	<u>23,551</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,762,989
Tax on profit on ordinary activities	6	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		<u>1,762,989</u>
RETAINED PROFIT CARRIED FORWARD		<u>£1,762,989</u>

CONTINUING OPERATIONS

All the company's activities were acquired during the year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

The notes form part of these financial statements

Skye Salmon Limited

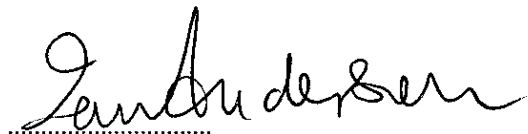
Abbreviated Balance Sheet

30 June 2001

	Notes	£	£
FIXED ASSETS:			
Tangible assets	7		555,048
Investments	8		<u>1</u>
			555,049
CURRENT ASSETS:			
Stocks	9	1,255,515	
Debtors	10	466,299	
Cash in hand		<u>424</u>	
		1,722,238	
CREDITORS: Amounts falling due within one year	11	<u>484,296</u>	
NET CURRENT ASSETS:			<u>1,237,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,792,991
CREDITORS: Amounts falling due after more than one year	12		<u>30,000</u>
			<u><u>£1,762,991</u></u>
CAPITAL AND RESERVES:			
Called up share capital	15		2
Profit and loss account			<u>1,762,989</u>
SHAREHOLDERS' FUNDS:	17		<u><u>£1,762,991</u></u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



I S Anderson - DIRECTOR

Approved by the Board on 18/4/02

The notes form part of these financial statements

Skye Salmon Limited

**Cash Flow Statement
for the Period 1 December 2000 to 30 June 2001**

	Notes	£	£
Net cash outflow from operating activities	1		(1,197,198)
Returns on investments and servicing of finance	2		(23,035)
Capital expenditure and financial investment	2		<u>(600,541)</u>
			(1,820,774)
Financing	2		<u>1,749,999</u>
Decrease in cash in the period			<u>£(70,775)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(70,775)	
Cash inflow from increase in debt and lease financing		<u>(1,819,683)</u>	
Change in net debt resulting from cash flows			(1,890,458)
Loans Written Off			<u>1,749,999</u>
Movement in net debt in the period			(140,459)
Net debt at 1 December			<u>-</u>
Net debt at 30 June			<u>£(140,459)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Period 1 December 2000 to 30 June 2001**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	£
Operating profit	36,025
Depreciation charges	45,492
Share Capital Issued	2
Increase in stocks	(1,255,515)
Increase in debtors	(466,299)
Increase in creditors	<u>443,097</u>
Net cash outflow from operating activities	<u>(1,197,198)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest received	516
Interest paid	(18,949)
Interest element of hire purchase or finance lease rentals payments	<u>(4,602)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(23,035)</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(600,540)
Cash Payments - Investmt Purch	<u>(1)</u>
Net cash outflow for capital expenditure	<u>(600,541)</u>
Financing	
New Loan Taken Out in Year	<u>1,749,999</u>
Net cash inflow from financing	<u>1,749,999</u>

**Notes to the Cash Flow Statement
for the Period 1 December 2000 to 30 June 2001**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.12.00 £	Cash flow £	Other non-cash changes £	At 30.6.01 £
Net cash:				
Cash at bank and in hand	-	424		424
Bank overdraft	-	(71,199)		(71,199)
	-	(70,775)		(70,775)
Debt:				
Hire purchase or finance leases	-	(69,684)	-	(69,684)
Debts falling due after one year	-	(1,749,999)	1,749,999	-
	-	(1,819,683)	1,749,999	(69,684)
Total	-	(1,890,458)	1,749,999	(140,459)
Analysed in Balance Sheet				
Cash at bank and in hand	-			424
Bank overdraft	-			(71,199)
Hire purchase or finance leases				
within one year	-			(39,684)
after one year	-			(30,000)
	-			(140,459)

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

1. ACCOUNTING POLICIES

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

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments on a straight line basis over their expected useful lives. The rates and periods generally applicable are:

Property	- 2% and 5% straight line
Fish farm equipment	- 10% and 20% straight line
Motor vehicles	- 20% and 25% straight line
Fixtures and fittings	- 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Costs comprise 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.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	£
Wages and salaries	377,921
Other pension costs	<u>240</u>
	<u>378,161</u>

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

2. STAFF COSTS - continued

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

Administration	4
Eiseort	9
Slapin	4
Kilmarie	4
Achnacloich	3
Dalcross	<u>40</u>
	<u>64</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Hire of plant and machinery	6,979
Depreciation - owned assets	36,268
Depreciation - assets on hire purchase contracts or finance leases	9,224
Auditors' remuneration	2,500
Equipment hire	<u>7,065</u>
Directors' emoluments	<u>12,500</u>

4. EXCEPTIONAL ITEMS

Loans of £600,000 from the vendor of the business and £1,149,999 from the parent company were written off in the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	£
Bank Interest	782
Alpine admin charge	2,563
Admin charges - Kilmarie	15,604
Hire Purchase	4,573
Leasing	<u>29</u>
	<u>23,551</u>

6. TAXATION

No liability to UK corporation tax arose on ordinary activities for the period.

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

7. TANGIBLE FIXED ASSETS

	<u>Freehold property</u>	<u>Fish Farm Equipment</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£	£	£
COST:					
Additions	<u>228,281</u>	<u>279,380</u>	<u>39,680</u>	<u>53,199</u>	<u>600,540</u>
At 30 June 2001	<u>228,281</u>	<u>279,380</u>	<u>39,680</u>	<u>53,199</u>	<u>600,540</u>
DEPRECIATION:					
Charge for period	<u>10,375</u>	<u>29,711</u>	<u>1,498</u>	<u>3,908</u>	<u>45,492</u>
At 30 June 2001	<u>10,375</u>	<u>29,711</u>	<u>1,498</u>	<u>3,908</u>	<u>45,492</u>
NET BOOK VALUE:					
At 30 June 2001	<u>217,906</u>	<u>249,669</u>	<u>38,182</u>	<u>49,291</u>	<u>555,048</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	<u>Fish Farm Equipment</u>
	£
COST:	
Additions	<u>95,232</u>
At 30 June 2001	<u>95,232</u>
DEPRECIATION:	
Charge for period	<u>9,224</u>
At 30 June 2001	<u>9,224</u>
NET BOOK VALUE:	
At 30 June 2001	<u>86,008</u>

8. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	<u>1</u>
At 30 June 2001	<u>1</u>
NET BOOK VALUE:	
At 30 June 2001	<u>1</u>
Unlisted investments	<u>1</u>

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

8. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

The Salmon Management Company Limited

Nature of business: Production, sales and marketing co-ordinator.

Class of shares:	%
Ordinary	holding 25.00

30.4.01
£
270
6,017

Aggregate capital and reserves
Profit for the year

9. STOCKS

Stock £
1,255,515

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

£

V.A.T.	2,114
Trade Debtors	432,127
Other Debtors	6,341
Prepayments	<u>25,717</u>
	<u>466,299</u>

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

£

Bank loans and overdrafts (see note 13)	71,199
Trade Creditors	315,147
Hire Purchase	39,684
Other Creditors	21,335
Social Security & Other Taxes	18,393
Accrued Expenses	<u>18,538</u>
	<u>484,296</u>

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

£

Hire Purchase	<u>30,000</u>
---------------	---------------

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

13. LOANS AND OVERDRAFTS

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

	£
Amounts falling due within one year or on demand:	
Bank overdrafts	<u><u>71,199</u></u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	£
Bank overdrafts	<u><u>71,199</u></u>

The bank holds a bond and floating charge over the whole assets of the company.

15. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u><u>100</u></u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
2	Ordinary	£1	<u><u>2</u></u>

16. ULTIMATE PARENT COMPANY

The ultimate parent company is The Ian Anderson Group of Companies Limited, a company incorporated in England. Copies of the parent's consolidated financial statements may be obtained from the Registrar of Companies.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	1,762,989
Shares issued in year	<u>2</u>
Net addition to shareholders' funds	1,762,991
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u><u>1,762,991</u></u>
Equity interests	<u><u>1,762,991</u></u>