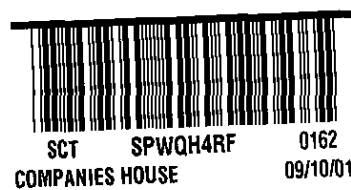


CAWOODS (FISHCURERS) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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CAWOODS (FISHCURERS) LIMITED

DIRECTORS AND OFFICERS

Directors	A D W Allan J C Shaw R J Turner
Secretary	G A Hanson
Registered office	18 Woodside Crescent GLASGOW G3 7UL
Auditors	Arthur Andersen 191 West George Street GLASGOW G2 2LB

CAWOODS (FISHCURERS) LIMITED

DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 2000.

Results and dividends

The loss for the year after taxation was £311,045 (1999 - £135,637) and has been dealt with as shown in the profit and loss account.

The Directors do not recommend a dividend for the year ended 31 December 2000 (1999 - £Nil).

Principal activity and review of the business

The principal activities of the company consist of the curing and merchanting of fish.

Continued fish shortages and consequent high prices impacted on turnover and margins during the year.

Directors and their interests

The Directors who served during the year are as listed on page 2.

No Director at any time owned shares in the company.

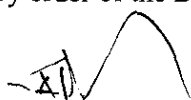
Statement of Directors' Responsibilities

The Directors of Cawoods (Fishcurers) Limited are required by UK company law to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of the profit or loss for the year. They are also responsible for ensuring that proper and adequate accounting records have been maintained, and that reasonable procedures have been followed for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Appropriate accounting policies, which follow generally accepted accounting practice and are explained in the notes to the accounts, have been applied consistently. In addition, reasonable and prudent judgements and estimates have been used in the preparation of the accounts.

Close company provisions

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By order of the Board on 27 April 2001.



G A HANSON
Secretary

CAWOODS (FISHCURERS) LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF CAWOODS (FISHCURERS) LIMITED

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and auditors

As described on page 3, the company's Directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

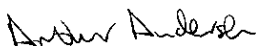
Basis of opinion

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 affairs of the company as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

191 West George Street
GLASGOW
G2 2LB

27 April 2001

CAWOODS (FISHCURERS) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	Note	2000 £	1999 £
TURNOVER	2	3,248,787	3,856,014
Cost of sales		<u>(3,214,747)</u>	<u>(3,527,904)</u>
GROSS PROFIT		34,040	328,110
Distribution costs		(103,626)	(111,592)
Administrative expenses		<u>(362,527)</u>	<u>(372,374)</u>
OPERATING LOSS	3	(432,113)	(155,856)
Gain/(loss) on disposal of fixed assets		8,600	(29,000)
Net financial income	5	<u>3,598</u>	<u>4,731</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(419,915)	(180,125)
Tax on loss on ordinary activities	6	<u>108,870</u>	<u>44,488</u>
LOSS FOR THE FINANCIAL YEAR	13	<u><u>(311,045)</u></u>	<u><u>(135,637)</u></u>

Statement of total recognised gains and losses

for the year ended 31 December 2000

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £311,045 in the year ended 31 December 2000 and of £135,637 in the year ended 31 December 1999.

The notes on pages 7 to 11 form part of these accounts.

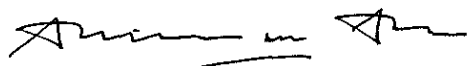
CAWOODS (FISHCURERS) LIMITED

BALANCE SHEET

at 31 December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	<u>1,526,202</u>	<u>1,833,800</u>
CURRENT ASSETS			
Stocks	8	545,017	850,995
Debtors	9	832,980	765,388
Cash at bank and in hand		<u>60,945</u>	<u>166,175</u>
		1,438,942	1,782,558
CREDITORS			
Amounts falling due within one year	10	<u>(306,163)</u>	<u>(586,685)</u>
NET CURRENT ASSETS		<u>1,132,779</u>	<u>1,195,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,658,981	3,029,673
CREDITORS			
Amounts falling due after more than one year	10	(1,899,697)	(1,908,169)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	<u>(99,677)</u>	<u>(150,852)</u>
NET ASSETS		<u><u>659,607</u></u>	<u><u>970,652</u></u>
CAPITAL AND RESERVES			
Called up equity share capital	12	100,000	100,000
Profit and loss account	13	<u>559,607</u>	<u>870,652</u>
TOTAL SHAREHOLDERS' FUNDS	13	<u><u>659,607</u></u>	<u><u>970,652</u></u>

Approved by the Board on 27 April 2001.



A D W ALLAN
Director

The notes on page 7 to 11 form part of these accounts.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

1 ACCOUNTING POLICIES

(a) **Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) **Depreciation**

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their expected useful lives as follows:

Freehold buildings - 50 years

Commercial vehicles - 6.7 years

Motor vehicles - 4 years

Plant & Machinery - 10 years

(c) **Stocks**

Stocks and work-in-progress are valued at the lower of cost and net realisable value.

Cost of raw materials represents purchase price. Cost of processed stock comprises purchase cost of fish plus labour and salt.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(d) **Taxation**

Corporation tax payable is provided on taxable profits at the current rate. Where tax losses are surrendered to fellow Group undertakings they are paid for in full.

Provision is made for deferred taxation, using the liability method on timing differences, to the extent that it is probable that the liability will crystallise.

(e) **Pension contributions**

Employees of J. & J. Denholm Limited and the majority of its subsidiary undertakings in the United Kingdom are entered into either a defined benefit or defined contribution pension scheme.

Pension benefits in the case of the defined benefit schemes are funded by payments to a Trustee administered fund. The company's contributions are based on the most recent valuation of the fund and amounts charged to the profit and loss account represent the regular cost of pensions. All variations to regular cost are dealt with in the accounts of J. & J. Denholm Limited.

In respect of defined contribution pension schemes, contributions are charged to the profit and loss account as incurred.

(f) **Cash flow statement**

The company is exempt from the requirements of FRS1 to include a cash flow statement as part of its accounts as it is a wholly-owned subsidiary of an EU-registered parent whose consolidated accounts include a cash flow statement.

(g) **Leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

(h) **Grants**

Capital based government grants are credited to trading profit over the estimated economic lives of the assets to which they relate. The grants shown on the balance sheet under accruals and deferred income comprise the total grants received to date, less amounts credited to profits.

2 TURNOVER

Turnover is stated exclusive of value added tax and represents amounts invoiced in respect of the value of sales arising from one continuing activity, the sale of fish.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

2 TURNOVER - cont'd

Turnover is analysed by market below:

	2000	1999
	£	£
United Kingdom	2,261,829	2,682,405
Overseas	986,958	1,173,609
	<u>3,248,787</u>	<u>3,856,014</u>

3 OPERATING LOSS

The operating loss is arrived at after charging/(crediting)

	2000	1999
	£	£
Auditors' remuneration	5,500	5,300
Depreciation	358,973	126,463
Grants	(8,472)	(8,472)
Payments under operating leases:		
Plant and machinery	<u>21,437</u>	<u>21,494</u>

4 EMPLOYEES

(i) The average monthly number of employees including executive Directors, by activity was:

	2000	1999
	Number	Number
Management	1	1
Administration	3	3
Production	49	51
	<u>53</u>	<u>55</u>

(ii) The costs of employment of staff comprise the following:

	2000	1999
	£	£
Wages and salaries	505,204	519,836
Social security contributions	34,862	36,579
Pension contributions	20,609	18,443
	<u>560,675</u>	<u>574,858</u>

(iii) Directors Remuneration

The remuneration of Directors was as follows:

	2000	1999
	£	£
Emoluments	<u>64,272</u>	<u>62,911</u>
Pensions		

The number of Directors who were members of The Denholm Pension Scheme (Defined Benefit) during 2000 was 3 (1999 - 3).

No Director received any emoluments from the company during the year (1999 - £Nil).
All Directors' emoluments are paid by the immediate parent undertaking, Denholm Seafoods Limited.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

5 NET FINANCIAL INCOME	2000	1999
Interest receivable:	£	£
Interest on short-term deposits	3,808	4,731
Interest payable:		
Interest on short-term loans	(210)	-
	<u>3,598</u>	<u>4,731</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Current tax:		
UK corporation tax on profits of the period	(57,581)	(51,028)
Adjustment in respect of prior periods	(114)	-
	<u>(57,695)</u>	<u>(51,028)</u>
Deferred tax:		
Deferred tax in respect of timing differences arising in the period	(51,214)	6,540
Adjustment in respect of prior periods	39	-
	<u>(51,175)</u>	<u>6,540</u>
	<u>(108,870)</u>	<u>(44,488)</u>

7 TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment and motor vehicles £	Total £
Cost:			
At 1 January 2000	1,663,564	962,202	2,625,766
Additions	-	51,375	51,375
Disposals	-	(48,378)	(48,378)
At 31 December 2000	<u>1,663,564</u>	<u>965,199</u>	<u>2,628,763</u>
Depreciation:			
At 1 January 2000	173,124	618,842	791,966
Charge for year	251,934	107,039	358,973
Disposals	-	(48,378)	(48,378)
At 31 December 2000	<u>425,058</u>	<u>677,503</u>	<u>1,102,561</u>
Net book value:			
At 31 December 2000	<u>1,238,506</u>	<u>287,696</u>	<u>1,526,202</u>
At 31 December 1999	<u>1,490,440</u>	<u>343,360</u>	<u>1,833,800</u>

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

8 STOCKS	2000	1999
	£	£
Raw material	530,341	834,531
Packaging stocks	14,676	16,464
	<u>545,017</u>	<u>850,995</u>

9 DEBTORS	2000	1999
	£	£
Amounts falling due within one year:		
Trade debtors	670,031	682,227
Amounts owed by a group undertaking	18,422	-
Prepayments and accrued income	28,881	24,854
Group relief	108,724	51,029
Other debtors	6,922	7,278
	<u>832,980</u>	<u>765,388</u>

10 CREDITORS	2000		1999	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Trade creditors	41,337	-	31,570	-
Amounts owed to a group undertaking	-	1,600,000	357,717	1,600,000
Other tax and social security contributions	6,867	-	8,986	-
Accruals and deferred income	68,273	299,697	39,229	308,169
Other creditors	189,686	-	149,183	-
	<u>306,163</u>	<u>1,899,697</u>	<u>586,685</u>	<u>1,908,169</u>

The amount due to a group undertaking after one year is in respect of a loan from the immediate parent undertaking which is interest free and has no fixed term of repayment.

11 DEFERRED TAXATION	2000	1999
	£	£
At 1 January	150,852	144,312
Charge for year	(51,214)	6,540
Adjustment in respect of prior years	39	-
At 31 December	<u>99,677</u>	<u>150,852</u>
The deferred tax provision comprises:		
Excess of capital allowances over depreciation	<u>99,677</u>	<u>150,852</u>

There is no unprovided deferred tax at 31 December 2000 and 31 December 1999.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2000

12 EQUITY SHARE CAPITAL	'A' Ordinary £1 shares Number	'B' Ordinary £1 shares Number	Total £
Authorised, issued and fully paid:			
At 1 January and 31 December 2000	<u>2,000</u>	<u>98,000</u>	<u>100,000</u>

The 'B' ordinary shares rank pari passu with the 'A' ordinary shares in all respects except voting rights where 5 'B' ordinary shares carry the same rights as 1 'A' ordinary share.

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Equity Share Capital £	Profit & Loss Reserve £	2000 Total £	1999 Total £
At 1 January	100,000	870,652	970,652	1,106,289
Loss for the year	-	(311,045)	(311,045)	(135,637)
At 31 December	<u>100,000</u>	<u>559,607</u>	<u>659,607</u>	<u>970,652</u>

14 FINANCIAL COMMITMENTS	2000 £	1999 £
Annual commitments under non-cancellable operating leases amounted to:		
Plant and machinery:		
Lease expiring:		
Within one year	<u>15,200</u>	<u>15,200</u>

15 PENSIONS

(i) Defined benefit:

The Group operates a funded defined benefit pension scheme. Pension fund liabilities are assessed by professionally qualified actuaries at triennial valuations. The latest actuarial assessment of the scheme was at 1 July 2000 and the information in respect of the valuation as required by SSAP 24 "Accounting for Pension Costs", is detailed in the accounts of J. & J. Denholm Limited.

(ii) Defined contribution:

The Group operates several defined contribution schemes for which the pension cost charge in the company for the year amounted to £ 6,985 (1999 - £7,361).

16 RELATED PARTY TRANSACTIONS

Transactions with entities in which the J. & J. Denholm Limited Group of companies has control of 90% or more of the voting rights are not disclosed as permitted by Financial Reporting Standard No. 8 - "Related Party Transactions".

17 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is J. & J. Denholm Limited, a company controlled by the Denholm family. Copies of the accounts of J. & J. Denholm Limited may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.