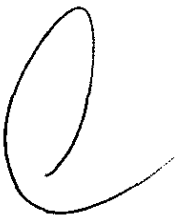
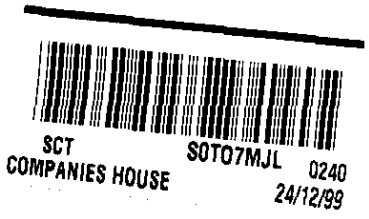
WEYLAND FARMS LIMITED

Financial Statements
for the year ended 31 March 1999

COMPANY NUMBER SC 81663





WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 March 1999.

1. Results

The profit and loss account is set out on page 5 and shows the profit for the year.

2. *Principal Activities*

The company is engaged in the business of farming.

3. Directors and their Interests

The directors and their interests in the share capital of the company were as follows:

	Ordinary Shares of £1 Each	
	31 March 1999	1 April 1998
G T Wylie	-	-
Mrs M Bichan	-	-
Mrs K A Sutherland (Appointed 24.09.97)	-	-
Mrs I N C Clyde (Appointed 24.09.97)	-	-
J Foubister	-	-

The directors who retire by rotation are Mrs M Bichan and J Foubister, who, being eligible, offer themselves for re-election.

4. Directors' Responsibilities

Company law requires the directors to prepare financial statements period. In preparing these accounts, the directors are required to:-

Select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;

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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

5. Year 2000 and Introduction of the Euro

After consideration of all the factors under the company's control, the directors do not consider that either of these issues will have any impact on the company.

6. Auditors

Price & Long have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

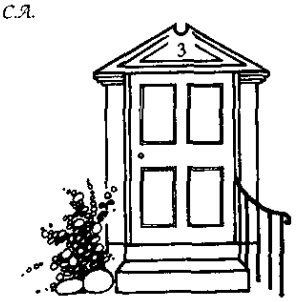
ON BEHALF OF THE BOARD

J Foubister

J Foubister
Director

Date: 8 December 1999

Partners: *Neil A. Price, BSc., C.A., F.P.C.* *Alan E. Long, BSc., F.C.A., A.T.I.I.*
Associates: *Steven J. Sinclair, BA., C.A.* *Doris Hutchison, C.A., A.T.T.*



PRICE & LONG
CHARTERED ACCOUNTANTS

AUDITORS' REPORT
TO THE MEMBERS OF WEYLAND FARMS LIMITED

We have audited the financial statements 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

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 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 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

PRICE & LONG
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Date: 13 December 1999

3 East Road, Kirkwall, Orkney, KW15 1HZ. Tel: (01856) 872804 Fax: (01856) 872288
e-mail: price&long@orkney.com
Registered to carry out audit work and authorised to carry on investment business by
The Institute of Chartered Accountants of Scotland

WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

PROFIT AND LOSS ACCOUNT

1998 £		Note	£
286720	Turnover		254859
(167334)	Cost of Sales		(148878)
119386	GROSS PROFIT		105981
(193326)	Administrative Expenses		(185283)
2880	Other Operating Income		2880
(71060)	Loss on Ordinary Activities Before Taxation		(76422)
-	Tax on Profit on Ordinary Activities	3	-
(71060)	Retained Loss for Year		(76422)

STATEMENT OF ACCUMULATED LOSSES

(73676)	Accumulated Loss at 1 April 1998	(144736)
(71060)	Retained Loss for year	(76422)
(144736)	Accumulated Loss at 31 March 1999	(221158)

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

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

WEYLAND FARMS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

BALANCE SHEET AT 31 MARCH 1999

1998 £		Note	£	£
	FIXED ASSETS			
78007	Tangible Assets	6		73370
937	Investments			1042
78944				74412
	CURRENT ASSETS			
303532	Stock		255947	
29516	Debtors	7	46594	
20695	Cash at Bank and in Hand		-	
353743			302541	
	CREDITORS: Amounts Falling Due			
34732	Within One Year	8	35420	
34732			35420	
319011	NET CURRENT ASSETS			267121
397955	TOTAL ASSETS LESS CURRENT LIABILITIES			341533
	CREDITORS: Amounts Falling Due			
532691	After More Than One Year:	9		552691
(134736)				(211158)
	CAPITAL AND RESERVES			
10000	Called Up Share Capital	10		10000
(144736)	Profit and Loss Account			(221158)
(134736)	Shareholders' Funds	11		(211158)

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 8TH DECEMBER 1999

..... J FOUBISTER (DIRECTOR)

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

The financial statements are prepared under the historical cost convention.

The following accounting policies have been applied:-

a) Cash Flow
The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard I "Cash Flow Statements".

b) Turnover
Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

c) Depreciation
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Heritable Property - Central heating	- 10% per annum on reducing balance
Tenants Improvements	- 10% per annum on reducing balance
Plant and Equipment - Tractor	- 10% per annum on reducing balance
Plant and Equipment - Other	- 10% per annum on cost

No depreciation has been provided on farm cottages during the year.

d) Deferred Taxation
Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

e) Stocks
Stocks are stated at the lower of cost of net realisable value as follows:

Cost of bought stock is the cost actually incurred and for home-bred animals is based on 75% of market value for sheep and 60% of market value for cattle, in accordance with generally accepted principles for farm livestock.

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

f) Pension Scheme
Pension scheme contributions are charged to profit in the financial year in which the contributions are paid.

2. Operating Profit

This is stated after charging:

	1999 £	1998 £
Depreciation	4637	5174
Auditors' Remuneration	1300	950
Hire of Plant and Machinery	25938	35648

3. Tax on Profit on Ordinary Activities

There is no taxation charge for the year due to the trading losses brought forward. (1998: Nil)

4. Related Party Transactions

During the year the company entered into the following related party transactions with its controlling party:

Orkney Islands Council, which holds 99.99% of the Share Capital in Weyland Farms Limited:

		£
INCOME:	Loan Received	20000
EXPENDITURE:		
	Miscellaneous Expenses	363
	Tractor Hire	2745
	Leasing Charges	25938
	Service Charge	7000
	Rent	21000
	Payroll Costs	65574
		122620

The only balance outstanding to Orkney Islands Council at 31 March 1999 is the loan of £552,691, falling due after more than one year.

5. Pension Scheme

The company pays contributions towards a defined benefits pension scheme which is operated by Orkney Islands Council, the company's controlling party.

The assets of the scheme are held separately from those of the company by Orkney Islands Council.

The pension cost represents contributions payable by the company to the fund and amounted to £3133 (1998: £1055).

6. Tangible Fixed Assets

	Heritable Property £	Tenants' Improvements £	Plant and Equipment £	TOTAL £
Cost				
At 1 April 1998	34443	76880	24670	135993
At 31 March 1999	34443	76880	24670	135993
Depreciation				
At 1 April 1998	840	40182	16964	57986
Charge for the Year	160	3670	807	4637
At 31 March 1999	1000	43852	17771	62623
Net Book Value				
At 31 March 1999	33443	33028	6899	73370
At 31 March 1998	33603	36698	7706	78007

Included in Heritable Property is £32,000 for Farm Cottages which are not depreciated.

7. Debtors

	1999 £	1998 £
Amounts Falling Due Within One Year:-		
Other Debtors	46594	29516

8. Creditors

	1999 £	1998 £
Amounts Falling Due Within One Year:-		
Sundry Creditors and Accruals	10053	34732
Bank Overdraft	25367	-
	35420	34732

9. Creditors

	1999 £	1998 £
Amounts Falling Due After More than One Year:-		
Loan from Orkney Islands Council	552691	532691

10. Share Capital

	Authorised		Allotted, Called Up and Fully Paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary Shares of £1 each	10000	10000	10000	10000

11. Reconciliation of Movements in Shareholders' Funds

	1999	1998
	£	£
Loss for the Financial Year after taxation	(76422)	(71060)
Opening Shareholders' Funds	(134736)	(63676)
Closing Shareholders' Funds	(211158)	(134736)

12. Capital Commitments

There were no capital commitments at 31 March 1999 or 31 March 1998.

13. Contingent Liabilities

There were no contingent liabilities at 31 March 1999 or 31 March 1998.