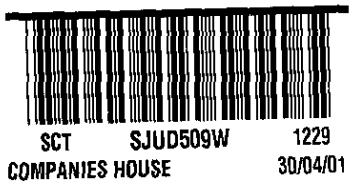
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TRAWLPAC SEAFOODS LIMITED

(Company Number: 185563)

DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS

30 JUNE 2000



Anderson Anderson & Brown

Chartered Accountants

TRAWLPAC SEAFOODS LIMITED
DIRECTORS' REPORT

A^2+B

Directors: S C Chapman
A Chapman
A R Crockford
L Cross

Secretary: S C Chapman

Registered office: 15 Golden Square, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 30 June 2000.

RESULTS AND DIVIDENDS

The loss for the year, amounting to £29,487 (1999 - £67,027), has been dealt with as shown in the profit and loss account. The directors do not propose the payment of a dividend (1999 - £nil).

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company is involved in the processing and sale of white fish products including value added products such as smoked fish and breaded fish.

The directors consider the results for the year to be disappointing but remain hopeful that the company will be profitable in the future.

POST BALANCE SHEET EVENT

On 19 January 2001 36,000 £1 ordinary shares were issued to L Cross for a consideration of £79,920.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 30 June 2000 were as listed above.

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

	Ordinary shares of £1 each 2000 & 1999
S C Chapman	9,000
A Chapman	24,300
A R Crockford	9,000
L Cross	22,500

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board



Secretary

TRAWLPAC SEAFOODS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

(a) select suitable accounting policies and then apply them consistently;

(b) make judgements and estimates that are reasonable and prudent;

(c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,

(d) prepare the accounts 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 which enable them to ensure that the accounts 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.

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ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

AUDITORS' REPORT TO THE SHAREHOLDERS OF TRAWLPAC SEAFOODS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 18 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 2000.

Respective responsibilities of the directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion
We have carried out the procedures we considered necessary to discharge our responsibilities set out above. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Opinion on the abbreviated accounts
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2000 and the abbreviated accounts on pages 5 to 18 have been properly prepared in accordance therewith.

Anderson Anderson Brown

Registered Auditors
Aberdeen

27 April 2001

TRAWLPAC SEAFOODS LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000

A^2+B

	Note	2000 £	1999 £
GROSS PROFIT		249,173	321,049
Operating costs	2	(202,570)	(226,538)
NET OPERATING PROFIT	3	46,603	94,511
Interest payable	6	83,130	108,706
LOSS BEFORE TAXATION		(36,527)	(14,195)
Taxation	7	(7,040)	52,832
LOSS FOR YEAR		£ (29,487)	£ (67,027)

Movements on reserves are set out in Note 18.

ABBREVIATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Loss for year	(29,487)	(67,027)
Unrealised surplus on revaluation of leasehold buildings	112,971	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	£ 83,484	£ (67,027)

TRAWLPAC SEAFOODS LIMITED
ABBREVIATED BALANCE SHEET – 30 JUNE 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible fixed assets	8	1,350,434	1,198,098
CURRENT ASSETS			
Stocks	9	328,884	165,085
Debtors	10	319,383	337,102
Cash at bank and in hand		400	460
		648,667	502,647
CREDITORS: *amounts falling due within one year*	11	1,046,872	1,057,314
NET CURRENT LIABILITIES		(398,205)	(554,667)
TOTAL ASSETS LESS CURRENT LIABILITIES		952,229	643,431
CREDITORS: *amounts falling due after more than one year*	12	642,668	405,755
PROVISION FOR LIABILITIES AND CHARGES	15	45,792	52,832
		£ 263,769	£ 184,844
DEFERRED INCOME	16	107,312	111,871
CAPITAL AND RESERVES			
Called up share capital	17	112,500	112,500
Share premium account	18	27,500	27,500
Revaluation reserve	18	112,971	-
Profit and loss account	18	(96,514)	(67,027)
SHAREHOLDERS' FUNDS		£ 263,769	£ 184,844

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium sized companies.

Signed on behalf of the board of directors

Director – L Cross

28th April 2001 *Date*

TRAWLPAC SEAFOODS LIMITED
ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2000

A^2+B

	Note	2000 £	1999 £
Cash flow from operating activities	19	27,041	373,513
Returns on investments and servicing of finance	20	(83,130)	(108,706)
Capital expenditure and financial investment	20	(90,471)	(70,503)
Acquisitions and disposals	20	-	(729,171)
Cash outflow before financing		(146,560)	(534,867)
Financing	20	115,522	(86,937)
Decrease in cash in year		£ (31,038)	£ (621,804)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2000 £	1999 £
Decrease in cash in year		(31,038)	(621,804)
Cash inflow from increase in debt		(184,415)	(329,551)
Cash outflow from decrease in hire purchase		68,893	87,050
Change in net debt resulting from cashflows		(146,560)	(864,305)
Loans and finance leases acquired		-	(210,379)
New hire purchase		(19,620)	(82,000)
Movement in net debt in year		(166,180)	(1,156,684)
Net debt at 30 June 1999	21	(1,156,684)	-
Net debt at 30 June 2000	21	£ (1,322,864)	£ (1,156,684)

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, modified to include the revaluation of leasehold buildings, and in accordance with applicable accounting standards.

(b) *Depreciation*

The cost or valuation of fixed assets is written off on a straight line basis over their estimated useful lives as follows:

Leasehold buildings	over the lease term
Plant and machinery	10 - 25 years
Office equipment	5 - 30 years
Motor vehicles	4 - 15 years

(c) *Stocks*

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

(d) *Deferred taxation*

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

(e) *Government grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets.

Revenue based grants are credited to the profit and loss account in the year to which they relate.

(f) *Hire purchase contracts*

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged to the profit and loss account over the periods of the hire purchase contracts on a straight line basis.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. OPERATING COSTS

	2000 £	1999 £
Depreciation - on owned assets	49,162	49,397
- on assets held under finance leases and hire purchase contracts	20,814	52,491
Grant amortisation	(4,559)	(10,617)
Other operating charges	137,153	135,267
	£ 202,570	£ 226,538

3. NET OPERATING PROFIT *is stated after charging:*

	2000 £	1999 £
Auditors' remuneration - audit services	4,250	4,000
Operating lease rentals - plant and machinery	3,369	576
- land and buildings	8,783	8,783

4. STAFF NUMBERS

The average number of persons employed by the company during the year, including the directors, was as follows:

	2000 No	1999 No
Administration	3	3
Production, distribution and sales	65	64
	68	67

5. DIRECTORS' REMUNERATION

	2000	1999
Directors' remuneration (including benefits in kind)	£ 55,911	£ 77,764

6. INTEREST PAYABLE

	2000 £	1999 £
Bank overdraft interest	37,538	56,995
Hire purchase interest	11,016	14,927
Loan interest	33,738	30,421
Other interest	838	6,363
	£ 83,130	£ 108,706

7. TAXATION *(credit)/charge for the year comprises:*

	2000	1999
Deferred taxation	£ (7,040)	£ 52,832

The deferred tax charge in 1999 arises from the transfer for tax purposes of fixed assets from the former Trawlpac partnership to Trawlpac Limited at their tax written down values.

8. TANGIBLE ASSETS

	Leasehold buildings £	Plant & machinery £	Office equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 30 June 1999	511,064	653,334	9,581	117,011	1,290,990
Additions	48,433	58,733	7,675	-	114,841
Disposals	-	(11,837)	-	-	(11,837)
Revaluation	97,328	-	-	-	97,328
Reclassification	(6,825)	6,825	-	-	-
At 30 June 2000	650,000	707,055	17,256	117,011	1,491,322
DEPRECIATION					
At 30 June 1999	7,515	60,170	764	24,443	92,892
Charge for the year	8,128	45,310	990	15,548	69,976
Relating to disposals	-	(6,337)	-	-	(6,337)
Revaluation	(15,643)	-	-	-	(15,643)
At 30 June 2000	-	99,143	1,754	39,991	140,888
Net book amounts at:					
30 June 2000	£ 650,000	£ 607,912	£ 15,502	£ 77,020	£ 1,350,434
30 June 1999	£ 503,549	£ 593,164	£ 8,817	£ 92,568	£ 1,198,098

The net book amounts of fixed assets include £219,945 (1999 - £291,727) in respect of assets held under hire purchase contracts.

The leasehold interest in the buildings was revalued by the directors on 30 June 2000 at £650,000 being in their opinion an open market value at that date.

As a result of a review of the useful economic lives of plant and machinery and motor vehicles, the depreciation charge for the year has been reduced by £27,540 compared to the previous year.

8. TANGIBLE ASSETS (continued)

On the historical cost basis, leasehold buildings would have been included as follows:

COST	
At 30 June 1999	£ 511,064
At 30 June 2000	£ 552,672
CUMULATIVE DEPRECIATION BASED ON COST	
At 30 June 1999	£ 7,515
At 30 June 2000	£ 15,643

9. STOCKS

	2000 £	1999 £
Fish	317,922	157,805
Packing materials and consumables	10,962	7,280
	£ 328,884	£ 165,085

10. DEBTORS

	2000 £	1999 £
Trade debtors	288,341	296,818
Other debtors	31,042	33,087
Prepayments	-	7,197
	£ 319,383	£ 337,102

11. CREDITORS: *amounts falling due within one year*

	2000 £	1999 £
Bank overdraft (Note 22)	653,242	622,264
Bank loans (Note 13 and 22)	63,073	45,768
Obligations under hire purchase contracts (Note 14)	59,762	83,357
Trade creditors	209,331	228,530
Directors' loans	30,000	48,630
Other taxes and social security	22,966	21,240
Accruals	8,498	7,525
	£ 1,046,872	£ 1,057,314

12. CREDITORS: *amounts falling due after more than one year*

	2000 £	1999 £
Directors' loans	95,481	-
Bank loans (Note 13)	496,548	329,438
Obligations under hire purchase contracts (Note 14)	50,639	76,317
	£ 642,668	£ 405,755

13. LOANS: *amounts are repayable as follows:*

	2000 £	1999 £
In one year or less, or on demand	63,073	45,768
Between one year and two years	63,073	45,768
Between two years and five years	159,847	115,532
	285,993	207,068
In five years or more	273,628	168,138
	£ 559,621	£ 375,206

One loan of £478,853 is repayable by 144 equal monthly instalments. Interest is calculated thereon at 2% above bank base rate, with a minimum applied of 6%.

The other loan of £80,768 is fully repayable within five years.

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2000 £	1999 £
Amounts payable:		
Within one year	67,814	95,771
Within two to five years	56,657	86,220
	124,471	181,991
Less: finance charges allocated to future periods	(14,070)	(22,317)
	£ 110,401	£ 159,674
Hire purchase contracts are analysed as follows:		
Current obligations (Note 11)	59,762	83,357
Non-current obligations (Note 12)	50,639	76,317
	£ 110,401	£ 159,674

15. PROVISION FOR LIABILITIES AND CHARGES

The movement in deferred tax is as follows:

	2000 £	1999 £
At start of the year	52,832	-
Transfer (to)/from profit and loss account	(7,040)	52,832
At end of the year	£ 45,792	£ 52,832

Deferred tax provided in the accounts and amounts not provided are as follows:

	Provided		Unprovided	
	2000	1999	2000	1999
Capital allowances in advance of depreciation	£ 45,792	£ 52,832	£ 105,000	£ -

No deferred tax has been provided on the leasehold building revalued on 30 June 2000 as there is no intention to sell the buildings in the foreseeable future.

16. DEFERRED INCOME

	Deferred government grants	
	2000	1999
	£	£
Balance at 30 June 1999	111,871	122,488
Released to profit and loss account	(4,559)	(10,617)
Balance at 30 June 2000	£ 107,312	£ 111,871

17. SHARE CAPITAL

	2000 & 1999
Authorised: Ordinary shares of £1 each	£ 150,000
Allotted, called up and fully paid: Ordinary shares of £1 each	£ 112,500

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
Shares issued in the period	112,500	27,500	-	-	140,000
Loss for the period	-	-	-	(67,027)	(67,027)
At 30 June 1999	112,500	27,500	-	(67,027)	72,973
Revaluation surplus	-	-	112,971	-	112,971
Loss for the year	-	-	-	(29,487)	(29,487)
At 30 June 2000	£ 112,500	£ 27,500	£ 112,971	£ (96,514)	£ 156,457

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	46,603	94,511
Depreciation	69,976	101,888
Release of government grants	(4,559)	(10,617)
Increase in stocks	(163,799)	(64,128)
Decrease in debtors	15,320	186,976
Increase in creditors	63,500	70,376
Gain on sale of fixed assets	-	(5,493)
Net cash inflow from operating activities	£ 27,041	£ 373,513

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	83,130	108,706
Net cash outflow from returns on investments and servicing of finance	£ (83,130)	£ (108,706)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(95,221)	(138,467)
Payments to acquire fixed asset investments	(750)	-
Receipts from sales of tangible fixed assets	5,500	67,964
Net cash outflow from capital expenditure and financial investment	£ (90,471)	£ (70,503)
Acquisitions and disposals		
Overdraft acquired with purchase of business	-	(729,171)
Net cash outflow from acquisitions and disposals	£ -	£ (729,171)
Financing		
New long term loans	574,000	-
Loan repayments	(389,585)	113
Hire purchase capital repayments	(68,893)	(87,050)
Net cash inflow/(outflow) from financing	£ 115,522	£ (86,937)

21. ANALYSIS OF NET DEBT

	At 30 June 1999 £	Cash flow £	At 30 June 2000 £
Cash at bank and in hand	460	(60)	400
Bank overdraft	(622,264)	(30,978)	(653,242)
	(621,804)	(31,038)	(652,842)
Loans	(375,206)	(184,415)	(559,621)
Finance leases	(159,674)	49,273	(110,401)
Total	£ (1,156,684)	£ (166,180)	£ (1,322,864)

22. SECURITIES

The Bank of Scotland plc holds a bond and floating charge over the company's assets together with a standard security over the factory and the lease of the land.

23. FUTURE COMMITMENTS

The annual commitments under non-cancellable operating leases were as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Leases expiring:				
Within one to five years	-	-	4,581	987
Over five years	8,783	8,783	-	-
	£ 8,783	£ 8,783	£ 4,581	£ 987

24. CONTINGENT LIABILITIES

Contingent liabilities exist in respect of various grants received from the Financial Instrument for Fisheries Guidance. The grants received and the expiry dates of the grant obligations are as follows:

Grant	*£*	*Expiry date of grant obligations*
Financial Instrument for Fisheries Guidance	121,895	29 August 2008

If the terms of these grants are not complied with, the grants may require to be repaid.

The company's bankers provide a trading guarantee to Aberdeen Fish Salesmen Association for £50,000.

25. RELATED PARTIES

Control

Throughout the year the company was controlled by the directors. Their interests in the company's share capital are stated in the directors' report.

Transactions

During the year the company entered into the following transactions:

Related party	**Details**	**£**	**Balance due at 30 June 2000 £**
Energy Management Associates Limited, a company of which Linda Cross is a director	Purchase of fish at standard commercial price	30,837	30,837
	Purchases of machinery recharged	-	60,000
Linda Cross, director	Loan to Trawlpac Limited	30,000	30,000
Alan Chapman, director	Loan to Trawlpac Limited	-	13,513