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**KAMES FISH FARMING
LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

29 FEBRUARY 2000



**REPORT OF THE AUDITORS TO KAMES FISH FARMING LIMITED UNDER
SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 6 together with the full financial statements of Kames Fish Farming Limited prepared under section 226 of the Companies Act 1985 for the year ended 29 February 2000.

Respective responsibilities of directors and auditors

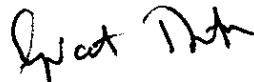
The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver to the registrar of companies abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act and whether 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 confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. 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 financial statements.

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 on pages 2 to 6 have been properly prepared in accordance with those provisions.



**REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

GLASGOW
13 July 2000

KAMES FISH FARMING LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a small-sized group under s248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

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 over their expected useful lives. The rates generally applicable are:

Freehold buildings	2%
Cottage alterations	10%
Hatchery leasehold improvements	over the period of the lease
Plant, machinery and fixtures	20%
Motor vehicles	20%
Fish cages	20%
Mussel equipment	20%

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 by equal annual instalments over the expected useful lives of the relevant assets.

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

INVESTMENTS

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

KAMES FISH FARMING LIMITED

PRINCIPAL ACCOUNTING POLICIES

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

KAMES FISH FARMING LIMITED

ABBREVIATED BALANCE SHEET AT 29 FEBRUARY 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	1		446,794		521,297
Investments	1		1,171,652		1,128,389
			<u>1,618,446</u>		<u>1,649,686</u>
Current assets					
Stocks		473,570		676,535	
Debtors	2	617,907		453,373	
Cash at bank and in hand		-		23	
		<u>1,091,477</u>		<u>1,129,931</u>	
Creditors: amounts falling due within one year	3	(876,043)		(992,552)	
Net current assets			<u>215,434</u>		<u>137,379</u>
Total assets less current liabilities			<u>1,833,880</u>		<u>1,787,065</u>
Creditors: amounts falling due after more than one year	3		(87,972)		(88,271)
			<u>1,745,908</u>		<u>1,698,794</u>
Capital and reserves					
Called up share capital	4		26,267		26,267
Share premium account			27,715		27,714
Capital redemption reserve			74,495		74,495
Profit and loss account			1,617,431		1,570,318
			<u>1,745,908</u>		<u>1,698,794</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board of Directors on 13 July 2000.

Director

Director

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

KAMES FISH FARMING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 29 February 2000

1 FIXED ASSETS

	Tangible fixed assets £	Investments £	Total £
Cost			
At 1 March 1999	1,662,279	1,128,389	2,790,668
Additions	58,549	216,683	275,232
	1,720,828	1,345,072	3,065,900
Disposals	(25,000)	(173,420)	(198,420)
At 29 February 2000	1,695,828	1,171,652	2,867,480
Depreciation			
At 1 March 1999	1,140,979	-	1,140,979
Charge for the year	113,655	-	113,655
	1,254,634	-	1,254,634
Eliminated on disposals	(5,600)	-	(5,600)
At 29 February 2000	1,249,034	-	1,249,034
Net book amount at 29 February 2000	446,794	1,171,652	1,618,446
Net book amount at 28 February 1999	521,300	1,128,389	1,649,689

Included in fixed asset investments are the following :

	Country of incorporation	Class of share capital held	Proportion held	Share capital and reserves £	Profit for the financial year £
Subsidiary undertakings					
	Greece				
Anemoessa SA	31 Dec 1999	Ordinary	99%	£1,013,431	£2,230
	Scotland				
Kames Marine Fish Farming Ltd	29 Feb 2000	Ordinary	67%	£62,038	£(137,692)
Other undertakings					
	Chile				
Fusion Marine Chile SA	31 Dec 1999	Ordinary	45%	£960,224	£193,168
	U.S.A.				
Maine Aquaculture Equipment LLC	31 Dec 1999	Unit	25%	-	-

KAMES FISH FARMING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 29 February 2000

2 DEBTORS

Included in debtors are total debtors of £170,972 (1999: £144,072) which fall due after more than one year from the balance sheet date.

3 CREDITORS

Creditors amounting to £243,312 (1999 £448,553) are secured by a bond and floating charge over all of the company's assets, by a standard security over certain land and buildings and under cross-guarantee with a subsidiary company, Kames Marine Fish Farming Limited.

Creditors amounting to £62,310 (1999 - £113,613) are secured on the underlying assets.

4 SHARE CAPITAL

	2000 £	1999 £
Authorised Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid 26,267 ordinary shares of £1 each	26,267	26,267