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Company Registration No. 140736 (Scotland)

Moray Holdings Limited
Directors' Report and Financial Statements
For The Period Ended 28 August 2004



MORAY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mrs I E Eckersley C G Eckersley J E Eckersley
Secretary	CLP Secretaries Limited
Company number	140736
Registered office	3-13 Low Street Buckie Banffshire AB56 1UX
Auditors	Johnston Carmichael Commerce House South Street Elgin IV30 1JE
Business address	3-13 Low Street Buckie Banffshire AB56 1UX
Bankers	Bank of Scotland 21 East Church Street Buckie Banffshire AB56 1DN
Solicitors	The Commercial Law Practice Commercial House 2 Rubislaw Terrace Aberdeen AB10 1XE

MORAY HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 11

MORAY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 AUGUST 2004

The directors present their report and financial statements for the period ended 28 August 2004.

Principal activities and review of the business

The principal activity of the company is that of a holding company for its wholly owned subsidiary, Moray Seafoods Limited, whose principal activity is seafood processing.

Results and dividends

The results for the period are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 April 2003:

Mrs I E Eckersley
C G Eckersley
J E Eckersley

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	28 August 2004	1 April 2003
Mrs I E Eckersley	-	-
C G Eckersley	1,012,747	1,012,747
J E Eckersley	1,012,747	1,012,747

Redeemable deferred non-participating ordinary share of £ 1 each

	28 August 2004	1 April 2003
Mrs I E Eckersley	1	1
C G Eckersley	-	-
J E Eckersley	-	-

Mrs Eckersley has an interest in the 1 redeemable deferred non-participating ordinary share as a beneficiary of the trust which holds the share.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Johnston Carmichael be reappointed as auditors of the company will be put to the Annual General Meeting.

MORAY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 AUGUST 2004

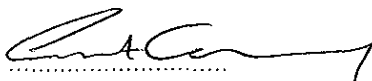
Directors' responsibilities

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.

On behalf of the board



C G Eckersley

Director

25/05/05

MORAY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MORAY HOLDINGS LIMITED

We have audited the financial statements of Moray Holdings Limited on pages 5 to 11 for the period ended 28 August 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

MORAY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF MORAY HOLDINGS LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 August 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Johnston Carmichael

Chartered Accountants
Registered Auditor

27 May 2005
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Commerce House
South Street
Elgin
IV30 1JE

MORAY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 AUGUST 2004

		17 Months ended 28 August 2004 £	Year ended 31 March 2003 £
	Notes		
Loss on ordinary activities before taxation		-	-
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation		-	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

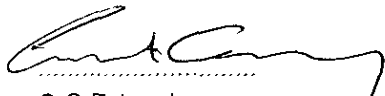
There are no recognised gains and losses other than those passing through the profit and loss account.


MORAY HOLDINGS LIMITED

BALANCE SHEET AS AT 28 AUGUST 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Investments	4	2,174,200		2,174,200	
Current assets					
Debtors	5	1,152		1,152	
Creditors: amounts falling due within one year (including convertible debt)	6	(561,691)		(540,906)	
Net current liabilities		(560,539)		(539,754)	
Total assets less current liabilities		1,613,661		1,634,446	
Creditors: amounts falling due after more than one year	7	(881,212)		(901,997)	
		732,449		732,449	
Capital and reserves					
Called up share capital	8	2,025,495		2,025,495	
Profit and loss account		(1,293,046)		(1,293,046)	
Shareholders' funds	9	732,449		732,449	
Equity interests		732,448		732,448	
Non-equity interests		1		1	
		732,449		732,449	

The financial statements were approved by the Board on 25/05/05


C G Eckersley
Director


J E Eckersley
Director

MORAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 AUGUST 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The creditors of the company, who are all connected parties, have indicated that amounts will only be repaid subject to the cash resources of the business. In view of this the directors believe that the company will be able to continue as a holding company for the foreseeable future and accordingly the accounts have been prepared on the going concern basis.

No cash flow statement has been presented with the financial statements due to the company's dormant status. Net debt at the beginning and end of the year was £533,852.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts. These accounts therefore only contain information about the company and not its group.

2 Operating profit

Auditors' remuneration of £750 has been paid on the company's behalf by its subsidiary undertaking, Moray Seafoods Limited.

3 Taxation

	17 Months ended 28 August 2004 £	Year ended 31 March 2003 £
Current tax charge	-	-

The company has no taxable profits for the period. Accordingly no taxation charge is included in the financial statements.

MORAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 AUGUST 2004

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2003 & at 28 August 2004	2,174,200

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Moray Seafoods Limited	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Moray Seafoods Limited	2,062,058	(509,960)

5 Debtors	2004 £	2003 £
Group relief receivable	1,152	1,152

All debtors included above are due after more than one year.

MORAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 AUGUST 2004

6	Creditors: amounts falling due within one year	2004 £	2003 £
	Amounts owed to group undertaking	27,839	7,054
	Cumulative convertible loan stock	533,852	533,852
		<u>561,691</u>	<u>540,906</u>

Interest is payable quarterly on the loan at a rate of 15% per annum and the loan is secured by a floating charge over the assets of the company.

All interest charged up to 28 August 2004 has been waived.

The stockholders are entitled to convert the loan stock into ordinary shares of £1 each at par fully paid, at any time after 1 November 1996.

7	Creditors: amounts falling due after more than one year	2004 £	2003 £
	Directors loan	<u>881,212</u>	<u>901,997</u>
	Wholly repayable within five years	1,415,064	1,435,849
		<u>1,415,064</u>	<u>1,435,849</u>
	Included in current liabilities	<u>(533,852)</u>	<u>(533,852)</u>
		<u>881,212</u>	<u>901,997</u>
	Loan maturity analysis		
	In more than one year but not more than two years	<u>881,212</u>	<u>901,997</u>

MORAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 AUGUST 2004

8	Share capital	2004 £	2003 £
	Authorised		
	11,999,999 Ordinary shares of £1 each	11,999,999	11,999,999
	1 Redeemable deferred non-participating ordinary share of £1 each	1	1
		<u>12,000,000</u>	<u>12,000,000</u>
	Allotted, called up and fully paid		
	2,025,494 Ordinary shares of £1 each	2,025,494	2,025,494
	1 Redeemable deferred non-participating ordinary share of £1 each	1	1
		<u>2,025,495</u>	<u>2,025,495</u>

The redeemable deferred non-participating ordinary share (redeemable share) was issued to the trustees of the cumulative convertible secured loan stock in order to secure this capital instrument.

The redeemable share is not entitled to any dividends or other distributions. It may be redeemed at any time after 22 days notice is given to the company by the holder requesting to do so, or by the company to the holder provided there is not in existence the cumulative convertible secured loan stock.

On winding up of the company redeemable share is entitled only to the nominal value of the share less the sum unpaid thereon after paying the holders of the ordinary shares the nominal value of the ordinary shares less the sum unpaid thereon.

The holder of the redeemable share shall be entitled to such number of votes as is equal to 110% of the number of ordinary shares in issue from time to time, whether the share is nil paid, partly paid or fully paid.

9	Reconciliation of movements in shareholders' funds	2004 £	2003 £
	Loss for the financial period	-	-
	Opening shareholders' funds	732,449	732,449
		<u>732,449</u>	<u>732,449</u>
	Closing shareholders' funds	732,449	732,449

10 Contingent liabilities

The company has given a guarantee and letter of offset to the group's bank in relation to the borrowings of its subsidiary company, Moray Seafoods Limited. At the period end the liability outstanding under this arrangement was £665,268.

MORAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 AUGUST 2004

11 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	96,344	85,057
Pension contributions	14,195	10,020
	<hr/>	<hr/>
	110,539	95,077
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

The remuneration disclosed above was paid to the directors by the company's wholly owned subsidiary, Moray Seafoods Limited.

12 Transactions with directors

At 28 August 2004 the company owed £881,212 (2003 - £901,997) to the directors of the company. The loans are unsecured, interest free and have no fixed repayment terms although the directors have confirmed that they will not seek repayment within 12 months of the balance sheet date.

13 Employees

Number of employees

There were no employees during the period apart from the directors.

14 Related party transactions

Included within creditors in note 6 is £27,839 (2003 - £7,054) due to Moray Seafoods Limited, the company's subsidiary.