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COMPANY NUMBER 00526183

**West Kent Cold Storage Company
Limited**

Report and Financial Statements

Year Ended

31 December 2002



BDO Stoy Hayward
Chartered Accountants

WEST KENT COLD STORAGE COMPANY LIMITED

Annual report and financial statements for the year ended 31 December 2002

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Directors

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Directors

J R E Tinker
J C A Rooth
T Croucher

Secretary and registered office

T Croucher
Arctic House, Rye Lane, Dunton Green, Sevenoaks, Kent TN13 5HB

Company number

00526183

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

WEST KENT COLD STORAGE COMPANY LIMITED

Report of the directors for the year ended 31 December 2002

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors do not recommend a final dividend.

Principal activities, trading review and future developments

The principal activities of the company are the provision of storage warehousing and public cold storage facilities.

The company has changed the way it accounts for deferred tax so as to comply with Financial Reporting Standard 19 "Deferred Tax." This has resulted in a deferred tax liability of £344,258 being recognised in the balance sheet. Further details of the effect this policy change has had on the financial statements are given in note 12.

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Charitable donations

During the year the company made charitable donations totalling £145 (2001: £576).

Market value of land and buildings

The directors are of the opinion that there is no material difference between the market values of the company's freehold land and buildings in their current use and the amounts at which they are shown in the financial statements.

Directors

The directors of the company during the year were:

J R E Tinker
J C A Rooth
T Croucher (appointed 22 November 2002)

No director had any direct interest in the ordinary shares of the company. J R E Tinker, J C A Rooth and T Croucher are also directors of an intermediate parent undertaking, Centurion Properties Limited, and their interests in its share capital are shown in that company's financial statements.

WEST KENT COLD STORAGE COMPANY LIMITED

Report of the directors for the year ended 31 December 2002 (*Continued*)

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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



T Croucher
Secretary

Date: 21 May 2003

WEST KENT COLD STORAGE COMPANY LIMITED

Report of the independent auditors

To the shareholders of West Kent Cold Storage Company Limited

We have audited the financial statements of West Kent Cold Storage Company Limited for the year ended 31 December 2002 on pages 4 to 15 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

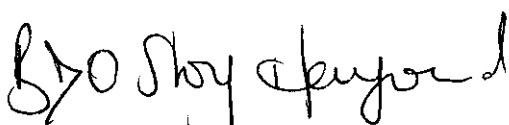
Basis of opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

Chartered Accountants and Registered Auditors

EPSOM

Date: 2 June 2003

WEST KENT COLD STORAGE COMPANY LIMITED**Profit and loss account for the year ended 31 December 2002**

	Note	2002 £	2001 (restated) £
Turnover	2	2,776,613	2,698,994
Cost of sales		(1,497,937)	(1,473,221)
		<hr/>	<hr/>
Gross profit		1,278,676	1,225,773
Administrative expenses		(663,561)	(787,087)
		<hr/>	<hr/>
Operating profit	4	615,115	438,686
Interest receivable		3,002	4,360
Interest payable and similar charges	5	(582,597)	(632,299)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		35,520	(189,253)
Taxation on profit/(loss) from ordinary activities	6	5,746	5,927
		<hr/>	<hr/>
Retained profit/(loss) for the year	14	29,774	(195,180)
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 7 to 15 form part of these financial statements.

WEST KENT COLD STORAGE COMPANY LIMITED

Note of historical cost profits and losses for the year ended 31 December 2002

	2002	2001
	£	(restated)
		£
Note of historical cost profits and losses		
Reported profit/(loss) on ordinary activities before taxation	35,520	(189,253)
Realisation of property revaluation gains of previous years	-	-
Difference between actual and historical cost depreciation	27,352	10,617
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before taxation	62,872	(178,636)
	<hr/>	<hr/>
Retained historical cost profit/(loss) for the year after taxation and dividends	57,126	(184,563)
	<hr/>	<hr/>

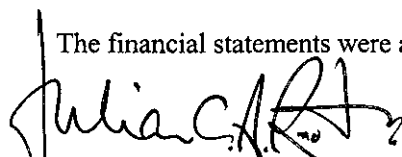
The notes on pages 7 to 15 form part of these financial statements.

WEST KENT COLD STORAGE COMPANY LIMITED

Balance sheet at 31 December 2002

	Note	2002		2001 (restated)	
		£	£	£	£
Fixed assets					
Tangible assets	7		9,035,863		9,212,658
Current assets					
Stocks	8		-		10,250
Debtors	9	3,400,651		3,068,404	
Cash at bank and in hand		326,664		278,134	
		3,727,315		3,356,788	
Creditors: amounts falling due within one year	10	7,731,189		2,269,975	
Net current (liabilities)/assets			(4,003,874)		1,086,813
Total assets less current liabilities			5,031,989		10,299,471
Creditors: amounts falling due after more than one year	11		-		5,300,000
Provision for liabilities and charges	12		344,258		341,514
			4,687,731		4,657,957
Capital and reserves					
Called up share capital	13		309,000		309,000
Revaluation reserve	14		4,632,275		4,632,275
Profit and loss account	14		(253,544)		(283,318)
Equity shareholders' funds	15		4,687,731		4,657,957

The financial statements were approved by the Board on 21 May 2003


J C A Rooth
Director

The notes on pages 7 to 15 form part of these financial statements.

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Revaluation of land and buildings

FRS 15 requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold and long leasehold land and buildings are subject to a full valuation every 5 years with an interim valuation carried out in the third year of this cycle.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum
Equipment, vehicles and furniture	- 5%-25% per annum
Refrigeration equipment	- 10% per annum

Stocks

Stocks consist of consumable stores and are valued at the lower of cost and net realisable value

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

1 Accounting policies (Continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom. Included within turnover is £2,167,511 (2001: £2,083,172) of rentals receivable in respect of operating leases.

3 Employees

No employee costs, including directors emoluments were paid by the company during the year (2001: £nil). The average number of employees, including directors, during the year was 2 (2001: 3).

4 Operating profit

	2002	2001 (restated)
	£	£
This has been arrived at after charging/(crediting):		
Depreciation - tangible owned fixed assets	160,025	182,781
- tangible fixed assets held under finance leases	3,750	3,750
Hire of plant and machinery - operating leases	42,379	42,325
Auditors' remuneration - audit services	12,000	10,000
- non-audit services	25,509	25,600
Profit on sale of fixed assets	-	(2,524)
	<u> </u>	<u> </u>

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

5 Interest payable and similar charges

	2002 £	2001 (restated) £
Intercompany loans repayable within 5 years	570,000	624,000
Finance leases	12,597	8,206
Bank overdrafts	-	93
	<u>582,597</u>	<u>632,299</u>

6 Taxation on profit from ordinary activities

	2002 £	2002 £	2001 (restated) £	2001 (restated) £
<i>Current tax</i>				
UK corporation tax on profits of the year	3,002		-	
Adjustment in respect of previous years	-		(757)	
	<u></u>		<u></u>	
Total current tax		3,002		(757)
<i>Deferred tax</i>				
Movement in deferred tax provision (note 12)	2,744		6,684	
	<u></u>	2,744	<u></u>	6,684
		<u>5,746</u>		<u>5,927</u>
Taxation of profit/(loss) on ordinary activities				

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 (restated) £
Profit/(loss) on ordinary activities before tax	35,520	(189,253)
	<u></u>	<u></u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2001 – 30 %)	10,656	(56,776)
Effects of:		
Expenses not deductible for tax purposes	354	365
Depreciation for year in excess of capital allowances	15,920	12,239
Group relief	(22,194)	44,172
Tax rate adjustment	(1,734)	-
Adjustment to tax charge in respect of previous years	-	(757)
	<u></u>	<u></u>
Current tax charge for year	3,002	(757)

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

7 Tangible assets

	Freehold land and buildings £	Equipment, vehicles and furniture £	Total £
<i>Cost or valuation</i>			
At 1 January 2002	10,337,325	470,568	10,807,893
Additions	7,405	-	7,405
Disposals	(20,425)	-	(20,425)
	<hr/>	<hr/>	<hr/>
At 31 December 2002	10,324,305	470,568	10,794,873
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2002	1,172,556	422,679	1,595,235
Provided for the year	145,826	17,949	163,775
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2002	1,318,382	440,628	1,759,010
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2002	9,005,923	29,940	9,035,863
	<hr/>	<hr/>	<hr/>
At 31 December 2001	9,164,769	47,889	9,212,658
	<hr/>	<hr/>	<hr/>

Refrigeration equipment is included within freehold land and buildings.

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

7 Tangible assets (Continued)

The historical cost net book value of land and buildings is:	2002 £	2001 £
Cost	9,782,473	9,759,176
Accumulated depreciation based on historical cost	(2,848,206)	(2,711,783)
	<u> </u>	<u> </u>
Historical cost net book value	6,934,267	7,047,393
	<u> </u>	<u> </u>

The freehold land and buildings were professionally revalued by Chesterton International Property Consultants on the basis of open market value in October 1998. These valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors Statement of Asset Valuation Practice and Guidance Notes.

An interim internal valuation of the freehold land and buildings was carried out by a director of the company, Julian Rooth, who is a qualified surveyor, in April 2001 on the basis of open market value. The surplus arising of £1,345,282 was credited to the revaluation reserve in 2000. The valuation has not been updated as the directors are not aware of any material change in value of the freehold land and buildings in its current use.

The net book value of tangible fixed assets includes an amount of £1,875 (2001 - £5,625) in respect of assets held under finance leases. The related depreciation charge for the period was £3,750 (2001 - £3,750).

The freehold land and buildings are used to generate rentals receivable in respect of operating leases as well as generating other income. It is not practical to split the net book value of freehold land and buildings between assets generating rentals receivable in respect of operating leases and assets generating other income.

8 Stocks

	2002 £	2001 £
Consumables	-	10,250
	<u> </u>	<u> </u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 *(Continued)*

9 Debtors

	2002 £	2001 £
Trade debtors	478,299	604,580
Amounts owed by group undertakings	1,862,492	1,862,492
Prepayments and accrued income	1,059,860	601,332
	<u>3,400,651</u>	<u>3,068,404</u>

All amounts shown under debtors fall due for payment within one year.

Included within prepayments and accrued income at 31 December 2002 is an amount of £606,667 relating to costs incurred in connection with a planning application. These costs will be capitalised in fixed assets on granting of the consent.

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts due to parent and fellow subsidiary undertakings	1,226,136	875,348
Loans due to parent and fellow subsidiary undertakings	5,300,000	400,000
Trade creditors	410,938	286,870
Other creditors	18,016	8,784
Taxation and social security	81,480	78,554
Corporation tax	3,002	-
Obligations under finance leases	438	2,966
Accruals	218,117	144,800
Deferred income	473,062	472,653
	<u>7,731,189</u>	<u>2,269,975</u>

11 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Loan due to parent and fellow subsidiaries	-	5,300,000

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

11 Creditors: amounts falling due after more than one year (Continued)

	2002 £	2001 £
The loan due to parent and fellow subsidiaries falls due as follows:		
In one year or less	5,300,000	400,000
In more than one year but not more than two years	-	5,300,000
	<u>5,300,000</u>	<u>5,700,000</u>
Obligations due under finance leases fall due as follows:		
Within one year	438	2,966
	<u>438</u>	<u>2,966</u>

12 Provision for liabilities and charges

	Deferred taxation £
Balance at 1 January 2002	
- As previously reported	-
- Prior year adjustment (see below)	341,514
	<u>341,514</u>
- As restated	341,514
Charged to profit and loss account (note 6)	2,744
	<u>344,258</u>
Balance at 31 December 2002	
	<u>344,258</u>
	2002 £
Accelerated capital allowances	344,258
	<u>344,258</u>
	2001 £
	341,514
	<u>341,514</u>

The company has changed its accounting policy in respect of deferred tax following adoption of FRS 19 'Deferred Tax' this year. Under the company's previous accounting policy deferred tax was only recognised to the extent that it was probable that an asset or liability would crystallise. The group's new accounting policy is set out in note 1.

The effect of this accounting policy change has been to increase the taxation charge and reduce profit after tax in the prior year by £6,684. Had the accounting policy remained the same, the taxation charge in the current year would have decreased by £2,744 and profit after tax for the current year would have been £2,744 higher. The deferred tax provision of £344,258 and £341,514 in the current and prior year respectively would not have been recognised in the balance sheet under the previous accounting policy.

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

13 Share capital

	Authorised 2002 £	2001 £
412,000 ordinary shares of £1 each	412,000	412,000
	Allotted, called up and fully paid 2002 £	2001 £
309,000 ordinary shares of £1 each	309,000	309,000

14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2002		
As previously reported	4,632,275	58,196
Prior year adjustment – deferred tax	-	(341,514)
As restated	4,632,275	(283,318)
Profit for year	-	29,774
At 31 December 2002	4,632,275	(253,544)

15 Reconciliation of movements in shareholders' funds

	2002 £	2002 £	2002 (restated) £	2001 (restated) £
Profit for the year		29,774		(195,180)
Opening shareholders' funds				
As previously stated	4,999,471		4,797,607	
Prior year adjustment	(341,514)		(334,830)	
		4,657,957		4,462,777
Closing shareholders' funds		4,687,731		4,657,957

WEST KENT COLD STORAGE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

16 Operating lease commitments

At the year end the company had commitments to make payments during the next year under operating leases which expire as follows:

	Equipment	
	2002	2001
	£	£
Between one and five years	42,113	42,113

17 Contingent liabilities

The company has provided security against bank borrowings of another group company. This security takes the form of a first legal mortgage over the company's freehold land and buildings and a first fixed and floating charge over the company's remaining assets. At 31 December 2002, amounts outstanding in respect of these borrowings were £5,300,000 (2001: £6,250,000).

The company has provided security against loan notes owed by another group company, Centurion Properties Limited, to an intermediate parent undertaking, Electra Property Partners (GP) Limited, in its capacity as General Partner of the ultimate controlling party, Electra Fairmile Property Limited Partnership. At 31 December 2002, amounts outstanding in respect of these borrowings was £2,287,760 (2001: £2,072,598).

18 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions during the year with entities that are included in the consolidated financial statements of its intermediate parent undertaking, Centurion Properties Limited.

During the prior financial year the company entered into a management services contract with West Kent Management Services Limited ("WKMS") under which WKMS provides services for the management of the company's activities. Mr J Rooth is and Mr C Sturman was a shareholder and director of WKMS. The company incurred £512,700 (2001: £594,636) of expenses under the management services contract during the period. As at 31 December 2002 the company owed WKMS £16,310 (2001: £8,784).

19 Ultimate parent company

The company's immediate parent company is Ewart (Southern) Limited, and its intermediate parent company is Centurion Properties Limited.

The ultimate controlling party as at 31 December 2002 was Electra Fairmile Property Partners Limited Partnership.

Copies of the consolidated financial statements of Centurion Properties Limited are available from Companies House.