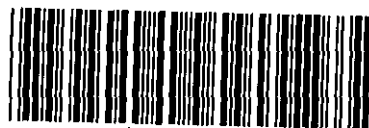


Associated Cold Stores and Transport
Limited
Annual report
for the year ended 31 December 2005

Registered Number 553154

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Associated Cold Stores and Transport Limited

Annual report

for the year ended 31 December 2005

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Associated Cold Stores and Transport Limited

Directors and Advisors for the year ended 31 December 2005

Directors

A P J Dodd – resigned 18 March 2005

M L Harness – resigned 30 June 2005

A J P Sharman

D W Brookes

C H Codling

S Prowse

R Griffin – appointed 1 July 2005

Secretary

M D Conway

Auditors

PricewaterhouseCoopers LLP

Queen Victoria House

Guildhall Road

Hull

HU1 1HH

Bankers

HSBC Bank plc

Eastcheap

London

EC3M 1ED

Registered Office

Linton Park

Linton

Near Maidstone

Kent

ME17 4AB

Registered Number

553154

Associated Cold Stores and Transport Limited

Directors' report for the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

Principal activities

The principal activities of the company are temperature controlled storage and distribution and dry goods warehousing.

The company is a limited company, domiciled and incorporated in the United Kingdom. The principal place of business is situated in Grimsby, Lincolnshire, which is different to the registered office with the address as set out on the previous page.

Review of business and future developments

The profit and loss account for the year is set out on page 7.

Another difficult year of trading has resulted in poorer results than expected. The company's year-end financial position was satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future. Measures have been put in place with a view to returning the Company to profitability within the next 18 months.

Dividends

No dividends have been paid or proposed for the year ended 31 December 2005 (2004: £nil).

Financial risk management

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The company has in place a risk management programme that seeks to limit adverse affects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of the directors.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risks as it holds no listed or other equity investments.

Credit risk

The company retains the benefit of a general lien over the stock of its customers in its possession, which serves to limit its credit risk. Credit checks on potential customers are also made, if considered appropriate, before sales are made.

Associated Cold Stores and Transport Limited

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. The company also has access to longer term funding from its ultimate parent undertaking, if required.

Interest rate cash flow risk

The company has interest bearing liabilities. Interest bearing liabilities include bank loan and overdraft balances, all of which bear interest at a floating rate. Interest bearing liabilities also include hire purchase contracts that bear interest at fixed rates. The company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Foreign exchange currency rate risk

The company has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency.

Directors and their interests

The directors of the company at 31 December 2005 are listed on page 1.

None of the directors who held office at the end of the year had any interest in the shares of the company, or other group companies, as recorded in the Register of Directors' Interests.

Employees

The company's policy is to consult and discuss with employees on any matters likely to affect their interests.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill and to give them such training as is appropriate. Should any employee become disabled, every practical effort is made to provide continuing employment.

Information on matters of concern to employees is given through regular bulletins, notices and briefings, in order to achieve a common awareness of the financial and economic factors affecting the performance of the company. The company has also achieved certification as an Investor in People partly in recognition of the work done in improving the awareness of its employees.

Policy and practice on payment of creditors

In respect of all suppliers it is the company's policy to settle the terms of payment when agreeing the terms of the related transaction, to ensure that the suppliers are made aware of the terms and then to abide by those terms.

The company's average creditor payment period at 31 December 2005 was 42 days (2004: 45 days).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Associated Cold Stores and Transport Limited

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005, that applicable accounting standards have been followed, that the financial statements have been prepared on the going concern basis and that the financial statements comply with IFRS as adopted for use in the European Union.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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 and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's Auditors in connection with preparing their report) of which the Company's Auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

PricewaterhouseCoopers LLP will not be seeking re-appointment as auditors. Moore Stephens LLP has expressed its willingness to act as auditor and therefore, special notice having been received, an appropriate resolution will be proposed at the forthcoming annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'WDC', followed by a long horizontal flourish.

Company Secretary

Associated Cold Stores and Transport Limited

Independent Auditors' report to the members of Associated Cold Stores and Transport Limited

We have audited the financial statements of Associated Cost Stores and Transport Limited for the year ended 31 December 2005, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

Associated Cold Stores and Transport Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the company's affairs as at 31 December 2005 and of its loss and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Hull

21 December 2006

Associated Cold Stores and Transport Limited

Income Statement for the year ended 31 December 2005

| | Note | 2005 £ | 2004 £ |
|---|------|--------------|--------------|
| Revenue | 1 | 28,606,019 | 32,037,227 |
| Cost of sales | | (24,551,283) | (27,282,759) |
| Gross profit | | 4,054,736 | 4,754,468 |
| Administrative expenses | | (5,114,464) | (4,989,188) |
| Operating loss | 2 | (1,059,728) | (234,720) |
| Finance costs | 5 | (333,236) | (370,020) |
| Loss on ordinary activities before taxation | | (1,392,964) | (604,740) |
| Taxation | 6 | 543,292 | 278,276 |
| Loss for the period attributable to equity shareholders | | (849,672) | (326,464) |

All of the operations included in the profit and loss account above relate to continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

The company has no recognised income and expense other than the amounts above and therefore no separate statement of recognised income and expense has been prepared.

Associated Cold Stores and Transport Limited

Statement of changes in shareholders' equity for the year ended 31 December 2005

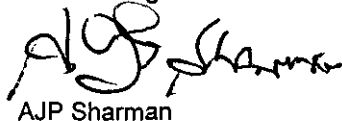
| | Share capital | Retained earnings | Total equity |
|----------------------------|----------------------|--------------------------|---------------------|
| | £ | £ | £ |
| At 1 January 2004 | 9,000,000 | 5,234,362 | 14,234,362 |
| Net loss for the year | - | (326,464) | (326,464) |
| At 31 December 2004 | 9,000,000 | 4,907,898 | 13,907,898 |
| Net loss for the year | - | (849,672) | (849,672) |
| At 31 December 2005 | 9,000,000 | 4,058,226 | 13,058,226 |

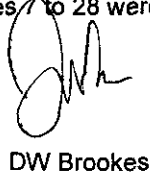
Associated Cold Stores and Transport Limited

Balance sheet as at 31 December 2005

| | Note | 2005 £ | 2004 £ |
|--|------|--------------------|--------------------|
| Non-current assets | | | |
| Property, plant and equipment | 7 | 20,587,006 | 22,239,434 |
| Current assets | | | |
| Inventories | 8 | 208,752 | 237,507 |
| Trade and other receivables | 9 | 5,259,102 | 6,607,054 |
| Cash and cash equivalents | | 4,690 | 5,559 |
| Total current assets | | 5,472,544 | 6,850,120 |
| Current liabilities | | | |
| Trade and other payables | 10 | 4,124,534 | 4,649,501 |
| Current income tax liabilities | | 1,629,852 | 1,559,382 |
| Financial liabilities: borrowings | 11 | 3,734,877 | 4,000,451 |
| Amounts due to group undertakings | 12 | 100,587 | 1,265 |
| Total current liabilities | | 9,589,850 | 10,210,599 |
| Net current liabilities | | (4,117,306) | (3,360,479) |
| Total assets less current liabilities | | 16,469,700 | 18,878,955 |
| Non current liabilities | | | |
| Financial liabilities: borrowings | 11 | 1,597,498 | 2,540,946 |
| Deferred income tax liabilities | 13 | 1,623,513 | 2,237,273 |
| Provisions | 14 | 190,463 | 192,838 |
| Total non-current liabilities | | 3,411,474 | 4,971,057 |
| Net assets | | 13,058,226 | 13,907,898 |
| Equity | | | |
| Called up share capital | 15 | 9,000,000 | 9,000,000 |
| Retained earnings | | 4,058,226 | 4,907,898 |
| Total shareholders' equity | | 13,058,226 | 13,907,898 |

The financial statements on pages 7 to 28 were approved by the board of directors on 21 December 2006 and were signed on its behalf by:


AJP Sharman


DW Brookes

Associated Cold Stores and Transport Limited

Cash Flow Statement for the year ended 31 December 2005

| | Note | 2005 £ | 2004 £ |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 20 | 2,534,639 | 2,646,582 |
| Interest paid | | (333,236) | (370,020) |
| Net movement in intra group balances | | 99,323 | (200,000) |
| Net cash flow from operating activities | | 2,300,726 | 2,076,562 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (263,606) | (947,935) |
| Proceeds from sale of property, plant and equipment | 20 | 85,320 | 566,550 |
| Net cash used in investing activities | | (178,286) | (381,385) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | (1,688,079) | (1,517,189) |
| Net cash used in financing activities | | (1,688,079) | (1,517,189) |
| Net increase in cash and cash equivalents | | 434,361 | 177,988 |
| Cash and cash equivalents at beginning of period | | (2,394,196) | (2,572,184) |
| Cash and cash equivalents at end of period | | (1,959,835) | (2,394,196) |

For the purposes of the cash flow statement, cash and cash equivalents are included net of overdrafts repayable on demand. These overdrafts are excluded from the definition of cash and cash equivalents disclosed on the balance sheet. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

| | | |
|--|--------------------|--------------------|
| Cash at bank and in hand | 4,690 | 5,559 |
| Bank overdrafts | (1,964,525) | (2,399,755) |
| Net cash flow from operating activities | (1,959,835) | (2,394,196) |

Associated Cold Stores and Transport Limited

Accounting policies

The principal accounting policies in the presentation of these financial statements are set out below. These policies have been consistently applied to all years, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the EU. The company has adopted early the amendment to IAS 19 (Employee Benefits) published in December 2004.

Transition to IFRS

Associated Cold Stores and Transport Limited's transition date is 1 January 2004. The company prepared its opening IFRS balance sheet at that date and the company's IFRS adoption date is 1 January 2005. The company has applied IFRS 1 in preparing these financial statements.

In preparing these financial statements in accordance with IFRS 1, the company has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of IFRS.

Associated Cold Stores and Transport Limited has elected to apply the following optional exemptions from full retrospective application: -

Fair value or revaluation as deemed cost exemption

The Company has elected to use the previous UK GAAP revaluation of property as the deemed cost.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in note 21.

The financial statements have been prepared on the historical cost basis, where cost includes the deemed cost of property on transition.

The following standards or interpretations to existing standards have been published but are only mandatory for accounting periods beginning after 1 January 2005 and consequently have not been adopted by the company for the year ended 31 December 2005:

- Amendment to IAS 21 'Net Investment in a Foreign Operation'.
- Amendment to IAS 39 'Cash Flow Hedge Accounting of Forecast Intragroup Transactions'.
- Amendment to IAS 39 'The Fair Value Option'.
- Amendments to IAS 39 and IFRS 4 'Financial Guarantee Contracts'.
- Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards' and IFRS 6 'Exploration for and Evaluation of Mineral Resources'.
- IFRS 6 'Exploration for and Evaluation of Mineral Resources'.
- IFRS 7 'Financial Instruments: Disclosures' and the complementary Amendment to IAS 1 'Capital Disclosures'.
- IFRIC 4 'Determining whether an Arrangement contains a Lease'.
- IFRIC 5 'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.

Associated Cold Stores and Transport Limited

- IFRIC 6 'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
- IFRIC 7 'Applying the Restatement Approach under IAS29 Financial Reporting in Hyperinflationary Economies'.
- IFRIC 8 'Scope of IFRS 2'.
- IFRIC 9 'Reassessment of Embedded Derivatives'.
- IFRIC 10 'Interim Financial Reporting and Impairment'.
- IFRS 11 'IFRS 2 – Group and Treasury Share Transactions'.

None of the above standards or interpretations are expected to have a significant impact on the financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes.

Revenue, other than for handling goods, is recognised at the point of raising an invoice in respect of that activity. Revenue for handling is recognised at the point that the goods are actually handled.

Foreign currency translation

The financial statements are presented in Sterling which is the company's functional and presentation currency. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Translation differences on non-monetary items carried at fair value are reported as part of fair value gain or loss. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

Inventories

Inventories are stated at the lower of cost, assessed on a FIFO basis, and net realisable value. Provision has been made for obsolete and slow moving items where necessary

Property, plant and equipment

All property, plant and equipment (PPE), is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

On transition to IFRS, the company has followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Associated Cold Stores and Transport Limited

No depreciation is provided on freehold land. Depreciation of other fixed assets is calculated to write off their cost less residual value on a straight-line basis over their expected useful lives, which are as follows:

Land & Buildings: -

| | |
|---------------------------|-----------------|
| Freehold buildings | 10 - 40 years |
| Long leasehold buildings | period of lease |
| Short leasehold buildings | period of lease |

Plant & Machinery: -

| | |
|-----------------------------|--------------|
| General Plant and machinery | 4 - 24 years |
| Motor vehicles | 4 - 10 years |

| | |
|---------------------|--------------|
| Fixtures & Fittings | 4 - 24 years |
|---------------------|--------------|

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the income statement.

Impairment of Assets

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, where the value in use is measured based on the future discounted cash-flows ('DCF'). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

A number of significant assumptions and estimates are involved in using DCF models to forecast operating cash flows, for example with respect to factors such as market growth rates, revenue volumes, capital expenditures and working capital requirements. Forecasts of future cash flows are based on the best estimates of future revenues and operating expenses using historical trends, general market conditions and other available information. These assumptions are subject to review by management and the Board of Directors. The cash flow forecasts are adjusted by an appropriate discount rate derived from the Company's cost of capital at the date of the evaluation.

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and other bank and cash balances. For the purposes of the cash flow statement cash equivalents include bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

Associated Cold Stores and Transport Limited

Finance and operating leases

Leases of property, plant and equipment, where the company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in Financial liabilities: borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the useful lives of equivalent owned assets.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Pension costs

The company is a member of a group defined contribution scheme and group defined benefit schemes.

Associated Cold Stores and Transport Limited

In respect of the defined benefit pension schemes it is not possible to identify this company's share of the underlying assets and liabilities on a consistent and reliable basis. Contributions to the group's defined benefit schemes are assessed by a qualified actuary based on the cost of providing pensions across all participating group companies. These costs are attributed to individual group operating undertakings and contributions are charged to the profit and loss account in the period in which they become payable.

The contributions to defined contribution schemes are recognised as an expense in the income statement as incurred.

Associated Cold Stores and Transport Limited

Notes to the financial statements for the year ended 31 December 2005

1 Revenue

The directors consider that the operations of the company fall into one business class, being temperature controlled storage and distribution and dry goods warehousing.

| | 2005 £ | 2004 £ |
|-----------------------------|-------------------|-------------------|
| Geographical segment | | |
| United Kingdom | 28,082,320 | 31,354,732 |
| EU (other than UK) | 518,628 | 682,495 |
| USA | 5,071 | - |
| | 28,606,019 | 32,037,227 |

2 Operating loss

| | 2005 £ | 2004 £ |
|--|------------|------------|
| Operating loss is stated after including: | | |
| Staff costs | 10,947,976 | 12,022,847 |
| Depreciation of property, plant and equipment | 2,755,698 | 2,697,774 |
| Operating lease charges for the hire of plant and other assets | 1,515,950 | 1,846,365 |
| Auditor remuneration | 24,000 | 24,000 |
| Profit on disposal of tangible fixed assets | (10,697) | (498,800) |

Associated Cold Stores and Transport Limited

3 Employees

The average monthly number of persons (including executive directors) employed by the company during the year was:

| By activity | 2005 Number | 2004 Number |
|----------------------|----------------|----------------|
| Management | 22 | 26 |
| Administration | 83 | 90 |
| Operations and sales | 368 | 394 |
| | 473 | 510 |

| | 2005 £ | 2004 £ |
|---|------------|------------|
| Employment costs (including directors' emoluments) | | |
| Wages and salaries | 9,417,085 | 10,336,485 |
| Social security costs | 757,102 | 841,904 |
| Other pension costs | 773,789 | 844,458 |
| | 10,947,976 | 12,022,847 |

4 Directors' emoluments

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| Aggregate emoluments including benefits | 441,570 | 567,006 |

Included in the aggregate emoluments are £65,974 (2004: £104,352) in respect of compensation for loss of office.

Retirement benefits are accruing to all of the directors under a defined benefit scheme.

The key management of the company is deemed to be the Board of Directors.

Associated Cold Stores and Transport Limited

4 Directors' emoluments (continued)

The above emoluments include amounts paid to the highest paid director as follows:

| | 2005 £ | 2004 £ |
|--|-----------|-----------|
| Salary and other emoluments (including benefits in kind) | 87,642 | 170,377 |
| Pension entitlement | - | - |

5 Finance costs

| | 2005 £ | 2004 £ |
|---|------------------|------------------|
| Interest payable on bank loans and overdrafts | (234,915) | (304,215) |
| Interest payable on finance leases | (98,321) | (65,805) |
| Finance costs | (333,236) | (370,020) |

6 Tax on loss on ordinary activities

(a) Analysis of tax credit for the year

| | 2005 £ | 2004 £ |
|--|-----------------|------------------|
| UK corporation tax: | | |
| United Kingdom corporation tax at 30% (2004 30%) | (70,363) | (482,464) |
| Adjustment in respect of previous years | (105) | - |
| | (70,468) | (482,464) |
| Deferred tax: | | |
| Reversal of timing differences | 618,499 | 760,740 |
| Other timing differences | (4,739) | - |
| | 613,760 | 760,740 |
| Tax credit on loss on ordinary activities | 543,292 | 278,276 |

Associated Cold Stores and Transport Limited

(b) Factors affecting the tax credit for the year

| | 2005 £ | 2004 £ |
|---|-------------|-----------|
| Loss on ordinary activities before tax | (1,392,964) | (604,740) |
| Expected tax on ordinary activities at the standard rate of UK corporation tax of 30% (2004: 30%) | (417,889) | (181,422) |
| Effects of: | | |
| Group relief claimed for no consideration | (175,372) | - |
| Permanent differences | 49,969 | (96,854) |
| Total tax credit for the year | (543,292) | (278,276) |

Associated Cold Stores and Transport Limited

7 Property, plant and equipment

| | Land and buildings | Plant and machinery | Fixtures and fittings | Total |
|----------------------------|-----------------------|------------------------|-----------------------------|-------------------|
| | £ | £ | £ | £ |
| Cost or deemed cost | | | | |
| As 1 January 2004 | 16,888,757 | 28,104,893 | 4,380,323 | 49,373,973 |
| Additions | - | 1,287,337 | 583,995 | 1,871,332 |
| Disposals | (73,490) | (1,478,697) | (925,561) | (2,477,748) |
| At 31 December 2004 | 16,815,267 | 27,913,533 | 4,038,757 | 48,767,557 |
| Additions | - | 1,006,497 | 171,396 | 1,177,893 |
| Disposals | - | (379,001) | (76,303) | (455,304) |
| At 31 December 2005 | 16,815,267 | 28,541,029 | 4,133,850 | 49,490,146 |
| Depreciation | | | | |
| As 1 January 2004 | 7,575,325 | 16,373,587 | 2,291,425 | 26,240,337 |
| Charge for the year | 633,718 | 1,549,482 | 514,574 | 2,697,774 |
| Disposals | (63,480) | (1,420,947) | (925,561) | (2,409,988) |
| At 31 December 2004 | 8,145,563 | 16,502,122 | 1,880,438 | 26,528,123 |
| Charge for the year | 620,296 | 1,637,057 | 498,345 | 2,755,698 |
| Disposals | - | (340,710) | (39,971) | (380,681) |
| At 31 December 2005 | 8,765,859 | 17,798,469 | 2,338,812 | 28,903,140 |
| Net book amount | | | | |
| At 31 December 2005 | 8,049,408 | 10,742,560 | 1,795,038 | 20,587,006 |
| At 31 December 2004 | 8,669,704 | 11,411,411 | 2,158,319 | 22,239,434 |

Plant and machinery includes the following amounts where the Company is a lessee under a finance lease:

| | 2005 £ | 2004 £ |
|--------------------------|-----------|-----------|
| Cost | 2,924,585 | 2,057,543 |
| Accumulated depreciation | (992,505) | (585,811) |
| Net book amount | 1,932,080 | 1,471,732 |

Associated Cold Stores and Transport Limited

Impairment of assets

As a result of consecutive operating losses, a possible risk of impairment was indicated in the property, plant and equipment of both the Humberside and the Wolverhampton operations. The impairment tests we performed were based upon the level of cash generated by each of these operations. To identify the recoverable amounts, which are the values in use, the impairment tests have been conducted using the discounted cash-flow method. By using the current budgets and assumptions, as approved by the Directors, the value in use of these cash generating units was determined using a pre-tax discount rate of 12.2% and an assumed revenue growth rate of 2.25%. Based on these tests, the value in use of the reviewed operations exceeded the carrying value of their attributable property, plant and equipment by £793,000 and £591,000 for the Humberside and Wolverhampton operations respectively. As a result no impairment charge has been recognised in the year ended 31 December 2005.

8 Inventories

| | 2005 £ | 2004 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 208,752 | 237,507 |

The company consumed £237,507 (2004: £243,634) of inventories during the year. There were no write-downs of inventory (2004: £Nil).

9 Trade and other receivables

| | 2005 £ | 2004 £ |
|--|------------------|------------------|
| Amounts falling due within one year | | |
| Trade receivables | 4,448,895 | 5,773,019 |
| Prepayments and accrued income | 810,207 | 834,035 |
| | 5,259,102 | 6,607,054 |

The company retains the benefit of a general lien over most of the stock of its customers in its possession, which serves to limit its credit risk. Credit checks on potential customers are also made, if considered appropriate, before sales are made.

During the year £34,739 (2004: £63,634) was recognised in the income statement in respect of impairment losses on trade receivables.

Associated Cold Stores and Transport Limited

10 Trade and other payables

| | 2005 £ | 2004 £ |
|--|------------------|------------------|
| Trade payables | 2,436,522 | 2,839,388 |
| Accruals and deferred income | 1,047,024 | 1,102,691 |
| Other taxation and social security payable | 640,988 | 707,422 |
| | 4,124,534 | 4,649,501 |

11 Financial liabilities - borrowings

| | 2005 £ | 2004 £ |
|---------------------------|------------------|------------------|
| Current | | |
| Bank loans and overdrafts | 3,173,645 | 3,608,875 |
| Finance lease obligations | 561,232 | 391,576 |
| | 3,734,877 | 4,000,451 |

| | 2005 £ | 2004 £ |
|---------------------------|------------------|------------------|
| Non current | | |
| Bank loans | 302,260 | 1,511,380 |
| Finance lease obligations | 1,295,238 | 1,029,566 |
| | 1,597,498 | 2,540,946 |

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

The repayment of non current bank loans is as follows:

| | 2005 £ | 2004 £ |
|----------------------------|----------------|------------------|
| Between one and two years | 302,260 | 1,209,120 |
| Between two and five years | - | 302,260 |
| | 302,260 | 1,511,380 |

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Bank loans and overdrafts are secured by a floating charge over all assets of the Company. Overdrafts can be recalled by the lender on demand.

Finance lease liabilities – minimum lease payments

| | 2005 £ | 2004 £ |
|--|-----------|-----------|
| In one year or less | 669,539 | 475,557 |
| Between one and five years | 1,428,709 | 1,141,038 |
| | 2,098,248 | 1,616,595 |
| Future finance charges on finance leases | (241,778) | (195,453) |
| | 1,856,470 | 1,421,142 |

Finance charges on finance leases are fixed at the inception of the lease and are generally in line with borrowing rates on bank loans.

All finance leases include an option to purchase the relevant asset at the end of the term of the lease at nominal amount.

Finance lease liabilities – present values

| | 2005 £ | 2004 £ |
|----------------------------|-----------|-----------|
| In one year or less | 561,232 | 391,576 |
| Between one and five years | 1,295,238 | 1,029,566 |
| | 1,856,470 | 1,421,142 |

The rates of interest payable by the Company ranged between:

| | 2005 £ | 2004 £ |
|------------|-----------|-----------|
| Overdrafts | 4.5% | 4.8% |
| Bank loans | 5.5% | 5.8% |

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12 Related party transactions

| | 2005 £ | 2004 £ |
|--|----------------|--------------|
| Total loans from parent company | | |
| At 1 January | 1,265 | 201,265 |
| Loans received during the year | 550,000 | 373,800 |
| Loans repaid during the year | (450,678) | (573,800) |
| At 31 December | 100,587 | 1,265 |

Loans from the parent company are unsecured and the repayment terms are agreed at the inception of the loan. For the periods covered by this report all loans were repayable within 12 months.

13 Deferred tax

| | 2005 £ | 2004 £ |
|----------------------------------|------------------|------------------|
| At 1 January | 2,237,273 | 2,998,013 |
| Credited to the income statement | (613,760) | (760,740) |
| At 31 December 2005 | 1,623,513 | 2,237,273 |

The movement in deferred tax assets and liabilities during the year is set out below:

| | Accelerated capital allowances £ | Other £ | Total £ |
|--|---|-----------------|------------------|
| Deferred tax liabilities | | | |
| At 1 January | 2,329,247 | (91,974) | 2,237,273 |
| (Credited)/charged to the income statement | (618,499) | 4,739 | (613,760) |
| At 31 December 2005 | 1,710,748 | (87,235) | 1,623,513 |

There is no unprovided deferred tax.

Associated Cold Stores and Transport Limited

14 Provisions for other liabilities and charges

| | 2005 £ | 2004 £ |
|----------------------------------|----------------|----------------|
| At 1 January | 192,838 | 257,975 |
| Credited to the income statement | (2,375) | (65,137) |
| At 31 December | 190,463 | 192,838 |

The provision for other liabilities and charges is in respect of holiday pay earned but not yet paid.

15 Share capital

| | 2005 £ | 2004 £ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid | | |
| 9,000,000 ordinary shares of £1 each | 9,000,000 | 9,000,000 |

16 Pensions

The pension cost charge for the year is disclosed as 'other pension costs' in note 3.

Linton Park plc, the immediate holding company of Associated Cold Stores & Transport Limited, operates a defined contribution and funded defined benefit pension scheme. The scheme's assets are administered by trustees and are kept separate from those of the group. Contributions to the defined contribution scheme are charged to the income statement when payable.

The pension costs for the defined benefit scheme are assessed in accordance with the advice of qualified independent actuaries. A full actuarial valuation of the Linton Park Group Pension scheme was last undertaken on the 31 December 2005, though the results of this review are not yet known. At the time of the previous full actuarial valuation, undertaken on 1 January 2004, the market value of assets was £44.2 million representing 94% of benefits. Full details of the actuarial valuation of the group scheme are contained in the notes to the financial statements of Linton Park plc.

The company is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme and has consequently accounted for the scheme as if it were a defined contribution scheme, as permitted by the early adoption of the amendment to IAS19.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year in respect of the scheme.

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17 Commitments

| | 2005 | 2004 |
|-----------------------------------|---------|------|
| | £ | £ |
| Future capital expenditure | | |
| Contracted but not provided for | 152,000 | - |

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

| | 2005 | 2004 |
|--|-----------|-----------|
| | £ | £ |
| Not later than 1 year | 268,963 | 376,478 |
| Later than 1 year and not later than 5 years | 1,483,492 | 2,048,881 |
| Later than 5 years | 5,412,554 | 5,642,644 |
| | 7,165,009 | 8,068,003 |

The lease arrangements for plant and machinery have various terms, escalation clauses and renewal rights.

18 Contingencies

The company has entered into a cross guarantee with Associated Fisheries Limited in respect of advances and borrowings from HSBC Bank plc. At 31 December 2005 there were no liabilities in respect of this agreement. At 31 December 2004 this cross guarantee also encompassed certain other fellow group undertakings and the aggregate of these advances and borrowings was £1,773,030.

19 Ultimate and immediate parent companies

The directors regard Camellia plc, a company incorporated in Great Britain and registered in England, as the ultimate parent company and controlling party. The company's immediate parent company is Linton Park plc, a company registered in England, being the first company in the hierarchy to produce consolidated financial statements. Copies of the ultimate parent company's consolidated financial statements may be obtained from Linton Park, Linton, near Maidstone, Kent, ME17 4AB.

Associated Cold Stores and Transport Limited

20 Cash generated from operations

| | 2005 £ | 2004 £ |
|---|-------------|-----------|
| Loss on ordinary operations before taxation | (1,392,964) | (604,740) |
| Adjustments for: | | |
| Depreciation | 2,755,698 | 2,697,774 |
| Profit on the sale of property, plant and equipment | (10,697) | (498,790) |
| Interest expense | 333,236 | 370,020 |
| Changes in working capital: | | |
| Inventories | 28,755 | 6,127 |
| Trade and other receivables | 1,347,952 | 417,286 |
| Trade and other payables | (527,341) | 258,905 |
| At 31 December | 2,534,639 | 2,646,582 |

In the cash flow statement, proceeds from the sale of property, plant and equipment comprise:

| | 2005 £ | 2004 £ |
|--|-----------|-------------|
| Cost value of disposals of property, plant and equipment | 455,304 | 2,477,748 |
| Accumulated depreciation of disposals of property, plant and equipment | (380,681) | (2,409,988) |
| Net book amount | 74,623 | 67,760 |
| Profit on the sale of property, plant and equipment | 10,697 | 498,790 |
| Proceeds from the sale of property, plant and equipment | 85,320 | 566,550 |

Associated Cold Stores and Transport Limited

21 Reconciliation of net assets and profit under UK GAAP to IFRS

The Company reported under UK GAAP in its previously published statements for the year ended 31 December 2004. The analysis below shows a reconciliation of net assets and profit as reported under UK GAAP as at 31 December 2004 to the net assets and profit under IFRS as reported in these financial statements. In addition, there is a reconciliation of net assets under UK GAAP to IFRS at the transition date for the Company, being 1 January 2004.

| | |
|--|-------------|
| Reconciliation of loss for the year | 2004 |
| | £ |
| Loss for the year reported under UK GAAP | (326,464) |
| Loss for the year reported under IFRS | (326,464) |

| | |
|---|------------|
| Reconciliation of shareholders' equity at 31 December 2004 | £ |
| Shareholders' equity reported under UK GAAP | 13,907,898 |
| Shareholders' equity reported under IFRS | 13,907,898 |

| | |
|--|------------|
| Reconciliation of shareholders' equity at 1 January 2004 (date of transition to IFRS) | £ |
| Shareholders' equity reported under UK GAAP | 14,234,362 |
| Shareholders' equity reported under IFRS | 14,234,362 |

No cash flow statement was required and published under UK GAAP, hence other than required disclosure there is no transitional impact due to IFRS.