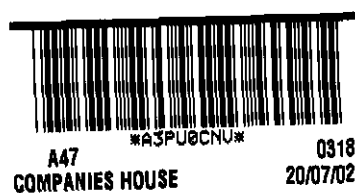


Associated Cold Stores and Transport Limited  
Annual report  
for the year ended 31 December 2001

Registered Number 553154



# Associated Cold Stores and Transport Limited

## Annual report

for the year ended 31 December 2001

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# **Associated Cold Stores and Transport Limited**

## **Directors and Advisors for the year ended 31 December 2001**

### **Directors**

D Bowley (Chairman)

D K W Watt

A P J Dodd

M L Harness

A R Maconachie

A J P Sharman

D W Brookes

C H Codling

### **Secretary**

G S G Brown

### **Auditors**

PricewaterhouseCoopers

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **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 2001**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

### **Principal activities**

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

### **Review of business and future developments**

The profit and loss account for the year is set out on page 5.

The directors are pleased to report a satisfactory year's trading. 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.

### **Dividends**

Dividends totalling £1,141,219 have been paid or proposed for the year ended 31 December 2001 (2000: £1,577,439).

### **Directors and their interests**

The directors of the company at 31 December 2001, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

Mr D Bowley is a director of Linton Park plc and his interest in shares and loan stock of other group companies is shown in the Directors' Report of that company. None of the other 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 certain 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 2001 was 47 days (2000: 57 days).

# Associated Cold Stores and Transport Limited

## **Taxation status**

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

## **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.

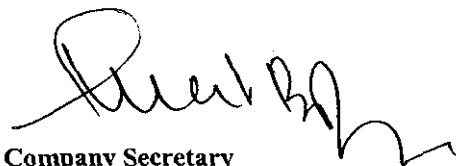
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001, that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

## **By order of the Board**



Company Secretary

2 JULY 2002

# **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 which comprise the profit and loss account, the balance sheet and the related notes which have been prepared in accordance with the accounting policies as set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board.

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 is not disclosed.

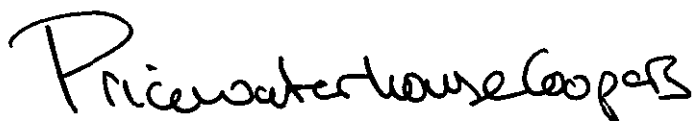
### **Basis of audit opinion**

We conducted our audit in accordance with 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 at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Leeds

9 July 2002.

# Associated Cold Stores and Transport Limited

## Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover	1	31,576,123	32,071,260
Cost of sales		(23,603,468)	(23,573,650)
Gross profit		7,972,655	8,497,610
Administrative expenses		(4,939,202)	(4,713,054)
Operating profit		3,033,453	3,784,556
Interest receivable		4,969	8,236
Interest payable and similar charges	4	(433,872)	(594,273)
Profit on ordinary activities before taxation	5	2,604,550	3,198,519
Tax on profit on ordinary activities	6	(892,722)	(970,549)
Profit on ordinary activities after taxation		1,711,828	2,227,970
Dividends	7	(1,141,219)	(1,577,439)
Retained profit for the financial year		570,609	650,531

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

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

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

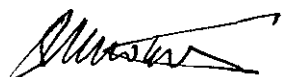
# Associated Cold Stores and Transport Limited

## Balance sheet as at 31 December 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	8	24,260,397	25,713,619
<b>Current assets</b>			
Stock	9	293,899	293,374
Debtors	10	6,558,355	6,203,414
Cash at bank and in hand		325,268	374,973
		7,177,522	6,871,761
<b>Creditors: amounts falling due within one year</b>	11	(6,611,162)	(7,275,118)
<b>Net current assets/(liabilities)</b>		566,360	(403,357)
<b>Total assets less current liabilities</b>		24,826,757	25,310,262
<b>Creditors: amounts falling due after more than one year</b>	12	(5,688,344)	(6,742,458)
<b>Net assets</b>		19,138,413	18,567,804
<b>Capital and reserves</b>			
Called up share capital	15	9,000,000	9,000,000
Profit and loss account	16	10,138,413	9,567,804
<b>Equity shareholders' funds</b>	17	19,138,413	18,567,804

The financial statements on pages 5 to 18 were approved by the board of directors on 2 JULY 2002 and were signed on its behalf by:

Directors






# Associated Cold Stores and Transport Limited

## Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold and leasehold properties.

### Cash flow statement

During the year the company was a wholly owned sub-subsidiary of Linton Park plc which publishes consolidated financial statements. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1, Cash Flow Statements, from publishing its own cash flow statement.

### Turnover

Turnover represents amounts received and receivable for goods and services supplied to customers during the year, excluding value added tax.

### Tangible fixed assets

Depreciation of tangible fixed assets is charged on a straight line basis so as to write off the cost or valuation of the assets, less any residual value, over their expected useful lives, which are as follows:

Freehold buildings	10 - 40 years
Long leasehold buildings	period of lease
Short leasehold buildings	period of lease
Plant and equipment	4 - 24 years
Motor vehicles	4 - 10 years

Freehold land is not depreciated.

In previous years the company's land and buildings have been valued periodically by professional valuers on an open market, existing use basis. The company adopted the transitional arrangements of FRS 15 - Tangible Fixed Assets in a previous year such that no future re-valuations will be carried out although existing valuations have been retained.

### Finance and operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under hire purchase contracts. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under hire purchase contracts are depreciated over the useful lives of equivalent owned assets.

# **Associated Cold Stores and Transport Limited**

## **Stocks**

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision has been made for obsolete and slow moving items.

## **Foreign currency**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Profits and losses on exchange are credited or charged directly to the profit and loss account.

## **Deferred taxation**

Deferred taxation is provided, using the liability method, on all timing differences arising from the treatment of certain items for accounting and taxation purposes. Provision is only made where these differences are expected to reverse in the foreseeable future.

## **Pension costs**

The cost of providing pensions is charged to the profit and loss account systematically over the periods benefiting from the employees' services in accordance with Statement of Standard Accounting Practice Number 24. Pension arrangements are detailed in note 14.

# Associated Cold Stores and Transport Limited

## Notes to the financial statements for the year ended 31 December 2001

### 1 Turnover

	2001	2000
	£	£
<b>Geographical segment</b>		
United Kingdom	31,367,901	31,800,677
EU (other than UK)	179,708	196,173
North America	28,514	74,410
	<b>31,576,123</b>	<b>32,071,260</b>

### 2 Directors' emoluments

	2001	2000
	£	£
Salary	443,486	413,750

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

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

	2001	2000
	£	£
Salary and other emoluments (including benefits in kind)	87,597	83,945
Pension entitlement	26,541	24,210

# Associated Cold Stores and Transport Limited

## 3 Employee information

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

By activity	2001	2000
	Number	Number
Management	23	25
Administration	66	55
Production and sales	371	392
	460	472
	2001	2000
	£	£
Staff costs (for the above persons)		
Wages and salaries	9,293,384	9,652,068
Social security costs	687,780	719,934
Other pension costs	915,321	800,159
	10,896,485	11,172,161

## 4 Interest and similar items

	2001	2000
	£	£
Interest payable on bank loans and overdrafts		
Repayable within five years, by instalment	724	10,686
Repayable wholly or partly in more than five years, by instalment	428,474	575,799
	429,198	586,485
On hire purchase contracts	4,674	7,788
	433,872	594,273

# Associated Cold Stores and Transport Limited

## 5 Profit on ordinary activities before taxation

	2001	2000
	£	£
<b>Profit on ordinary activities before taxation is stated after crediting:</b>		
Profit on disposal of tangible fixed assets	11,734	-
Release of rates accrual and receipt of rates rebate	-	289,251
<b>And after charging:</b>		
Loss on disposal of tangible fixed assets	-	48,328
Depreciation charge for the year:		
Tangible owned fixed assets	2,220,841	2,292,805
Tangible fixed assets held under hire purchase contracts	67,238	45,351
Auditors' remuneration for:		
Audit	24,000	24,000
Hire of plant and machinery - operating leases	356,802	350,157
Hire of other assets - operating leases	1,523,035	1,323,381

## 6 Tax on profit on ordinary activities

	2001	2000
	£	£
United Kingdom corporation tax on profit on ordinary activities	846,879	1,018,394
Adjustment in respect of previous years	45,843	(47,845)
	892,722	970,549

## 7 Dividends

	2001	2000
	£	£
Dividends on ordinary shares		
Interim	605,200	828,268
Final proposed	536,019	749,171
	1,141,219	1,577,439

# Associated Cold Stores and Transport Limited

## 8 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 31 December 2000	16,414,538	27,787,701	2,340,326	46,542,565
Additions	54,145	724,120	119,089	897,354
Disposals	-	(951,540)	(191,171)	(1,142,711)
<b>At 31 December 2001</b>	<b>16,468,683</b>	<b>27,560,281</b>	<b>2,268,244</b>	<b>46,297,208</b>
<b>Depreciation</b>				
At 31 December 2000	5,784,805	13,552,703	1,491,438	20,828,946
Charge for the year	573,738	1,425,611	288,730	2,288,079
Disposals	-	(889,451)	(190,763)	(1,080,214)
<b>At 31 December 2001</b>	<b>6,358,543</b>	<b>14,088,863</b>	<b>1,589,405</b>	<b>22,036,811</b>
<b>Net book amount</b>				
<b>At 31 December 2001</b>	<b>10,110,140</b>	<b>13,471,418</b>	<b>678,839</b>	<b>24,260,397</b>
At 31 December 2000	10,629,733	14,234,998	848,888	25,713,619
<b>Cost or valuation at 31 December 2001 is represented by:</b>				
Valuation in				
1978	3,152,957	-	-	3,152,957
1983	327,000	-	-	327,000
Cost	12,988,726	27,560,280	2,268,245	42,817,251
	16,468,683	27,560,280	2,268,245	46,297,208

## Associated Cold Stores and Transport Limited

Land and buildings were valued at open market value for existing use for the purposes of the 1978 and 1983 financial statements.

Land and buildings at net book value comprise:

	2001 £	2000 £
Freeholds	9,528,270	9,994,999
Long leaseholds	110,400	122,289
Short leaseholds	471,470	512,445
	10,110,140	10,629,733

If land and buildings had not been revalued they would have been included at the following amounts:

	2001 £	2000 £
Cost	16,664,707	16,612,617
Aggregate depreciation based on cost	(6,433,201)	(5,868,521)
	10,231,506	10,744,096

The net book value of plant and equipment includes an amount of £206,160 (2000: £148,836) in respect of assets held under hire purchase contracts.

## 9 Stock

	2001 £	2000 £
Raw materials and consumables	293,899	293,374

# Associated Cold Stores and Transport Limited

## 10 Debtors

	2001	2000
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	5,951,545	5,469,732
Prepayments and accrued income	606,810	733,682
	6,558,355	6,203,414

## 11 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	1,209,120	1,209,120
Obligations under hire purchase contracts	38,017	8,340
Trade creditors	2,450,847	2,881,284
Amounts owed to parent and fellow subsidiary undertakings	1,265	6,227
Corporation tax payable	629,499	632,439
Other taxation and social security payable	800,780	705,248
Accruals and deferred income	945,615	1,083,289
Dividends payable	536,019	749,171
	6,611,162	7,275,118



# Associated Cold Stores and Transport Limited

## 12 Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Bank loans	5,138,740	6,347,860
Obligations under hire purchase contracts	159,939	-
Accruals	389,665	394,598
	5,688,344	6,742,458

### Bank loans and overdrafts

	2001	2000
	£	£
Repayable as follows:		
In one year or less	1,209,120	1,209,120
Between one and two years	1,209,120	1,209,120
Between two and five years	3,627,360	3,627,360
In five years or more	302,260	1,511,380
	6,347,860	7,556,980

The bank loan of £6,347,860 is repayable by equal quarterly instalments over the period up to January 2007. Interest on the loan is charged at 1% above LIBOR. This loan is secured with a fixed and floating charge over the assets of the company.

### Hire purchase contracts

The net obligations to which the company is committed under hire purchase contracts are as follows:

	2001	2000
	£	£
In one year or less	38,017	8,340
Between one and two years	40,486	-
Between two and five years	119,453	-
	197,956	8,340

# Associated Cold Stores and Transport Limited

## 13 Deferred taxation

Deferred taxation provided in the financial statements, and the amount unprovided of the total potential liability, are as follows:

	Amount provided		Amount unprovided	
	2001	2000	2001	2000
	£	£	£	£
Tax effect of timing differences because of				
Excess of tax allowances over depreciation	-	-	4,445,506	4,409,538
Short term timing differences	-	-	(134,988)	(137,762)
	-	-	4,310,518	4,271,776

## 14 Pensions

In previous years the company participated in both defined benefit and defined contribution pension schemes operated by Associated Fisheries Limited and funded by contributions from members and from the company. Two years ago the defined contribution scheme ceased as a separate entity and was absorbed into the existing Associated Fisheries Limited defined benefit scheme. Scheme assets are administered by trustees and are kept separate from those of the company, Associated Fisheries Limited and other companies in the Linton Park plc group.

The Associated Fisheries Limited defined benefit pension scheme is funded by contributions that are based on pension costs across those participating companies in the Linton Park plc group. The scheme is treated as a defined contribution scheme for the purposes of FRS 17 - Retirement Benefits, as the company is unable to identify its share of underlying assets and liabilities. At the date of the latest actuarial valuation of the Associated Fisheries Limited pension scheme, which was on 1 January 2000, the market value of the assets of the scheme was £56.3 million, representing 166% of the benefits accrued to members allowing for future increases in earnings. The actuarial value of the scheme's assets represented 100% of benefits accrued to members. Further details in relation to the assumptions made in the actuarial valuation can be found in the financial statements of Linton Park plc.

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

## 15 Called up share capital

	2001	2000
	£	£
Authorised, allotted, called up and fully paid		
9,000,000 ordinary shares of £1 each	9,000,000	9,000,000

# Associated Cold Stores and Transport Limited

## 16 Profit and loss account

	£
At 31 December 2000	9,567,804
Retained profit for the year	570,609
At 31 December 2001	10,138,413

## 17 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	1,711,828	2,227,970
Dividends	(1,141,219)	(1,577,439)
Net addition to shareholders' funds	570,609	650,531
Opening shareholders' funds	18,567,804	17,917,273
Closing shareholders' funds	19,138,413	18,567,804

## 18 Capital commitments

	2001 £	2000 £
Future capital expenditure		
Contracted but not provided for	693,740	7,500

## 19 Contingent liabilities

The company has entered into a cross guarantee with Associated Fisheries Limited and certain fellow group undertakings in respect of advances and borrowings from HSBC Bank plc. At 31 December 2001 the aggregate of these advances and borrowings was £613,603 (2000: £2,971,838).

# Associated Cold Stores and Transport Limited

## 20 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	Other	Land and buildings	Other
	2001	2001	2000	2000
	£	£	£	£
Expiring within one year	4,250	88,922	4,250	86,415
Expiring between two and five years inclusive	-	993,817	-	647,529
Expiring in over five years	249,737	376,540	218,637	808,402
	253,987	1,459,279	222,887	1,542,346

## 21 Related party transactions

The company has taken the exemption provided under FRS 8 - Related Party Transactions, regarding the non-disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent company.

## 22 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. The company's immediate parent company is Linton Park plc, a company registered in England, that 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.