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Associated Fisheries & Foods Limited

Report and accounts

30th September 1976

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Associated Fisheries & Foods LimitedDirectors

Mark Hellyer - Chairman

J. R. Crook - Managing Director

W. E. McDonald S. J. Pearson

W. H. Alston J. P. Mernagh

Secretary S. J. Pearson-----
Registered office Brighton Street, HullReport of the directors

The directors present to the members their report and accounts for the year ended 30th September, 1976.

Principal activity

The principal activity of the company and its subsidiaries is the processing, merchandising and distribution of fresh and frozen fish and other food products.

Loss for the year

The loss after taxation, is

£404,736
=====

which has been transferred to reserves.

Prospects

Following an increase in turnover and higher margins the result for 1976 is a big improvement on 1975. Trading conditions have improved over the last twelve months and the forecast for 1977 shows a further improvement in profitability assuming the continuity of fish supplies is maintained. The company still has to bear a heavy finance charge on the holding company loan which has accumulated over the past twenty years, and therefore, a net loss may arise but the holding company, Associated Fisheries Limited, has confirmed that adequate finance will be available to support the company through the next trading period.

Fixed assets

In the opinion of the directors the market value of land and buildings is not materially different from the figures at which they are stated in the accounts.

Exports

During the financial year the value of goods exported from the United Kingdom amounted to £5,200 (1975 £134,184).

Directors

Mr. Mark Hellyer is a director of Associated Fisheries Limited and his interests in that company or any associated company are not required to be recorded in the register of directors' interests of this company.

The interests of the other directors in the shares of Associated Fisheries Limited were as follows:

	<u>At 30th September, 1976</u>	<u>At 30th September, 1975</u>
W. E. McDonald: Ordinary shares of 25p each	1,328 =====	1,328 =====
6½% unsecured loan stock 1977/82	£113 ===	£118 ===
S. J. Pearson: Ordinary shares of 25p each	127 ===	127 ===

Mr. D. Porter resigned as a director on 5th November, 1976 and Mr. H. A. Bernard resigned on 30th November, 1976. Mr. J. P. Mernagh was appointed a director on 1st November, 1976.

In accordance with the articles of association, Mr. Mark Hellyer and Mr. W. H. Alston retire by rotation, together with Mr. J.P. Mernagh who was appointed since the last annual general meeting and, being eligible, they offer themselves for re-election.

Auditors

The auditors, Hodgson, Harris & Co., have indicated their willingness to continue in office.

Mark Hellyer

Chairman

6th January, 1977.

	At 30th September, 1976	At 30th September, 1975
W. E. McDonald:		
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Mark Hellyer

Chairman

6th January, 1977.

HODGSON, HARRIS & CO.
CHARTERED ACCOUNTANTS

Report of the auditors to the members of
Associated Fisheries & Foods Limited

In our opinion, the accounts on pages 4 to 12
which have been prepared under the historical cost convention,
give a true and fair view of the state of affairs at 30th
September, 1976 and of the loss for the year ended on
that date and comply with the Companies Acts 1948 and 1967.

Hodgson, Harris & Co.

Hull: 6th January, 1977

Associated Fisheries & Foods LimitedAccounting policiesTurnover

Turnover represents amounts received and receivable for goods and services supplied during the year.

Depreciation

Depreciation is calculated by reference to cost, as reduced by government grants, at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are

Freehold land	nil
Freehold buildings	2% on cost
Leasehold land and buildings	Over period of lease
Plant and equipment	10% on cost
Transport	12½%/20%/25% on cost

Government grants

The grants in respect of capital expenditure are deducted from the cost of the asset.

Stock and work in progress

Stock and work in progress is valued on a basis consistent with that of previous years at the lower of cost, including an addition for production overhead where appropriate, and net realisable value.

Repairs and renewals

All expenditure on repairs and renewals is charged against profits in the year incurred.

Deferred taxation

An amount is set aside using the liability method to recognise the deferment of taxation arising from

- a. claims for relief for the increase in the value of stock and work in progress between 1st October, 1972 and 30th September, 1976
- b. the excess of capital allowances for taxation purposes over the cumulative charge for depreciation on the relevant assets
- c. as reduced by corporation tax losses carried forward

Associated Fisheries & Foods LimitedProfit and loss account for the year
ended 30th September, 1976

	<u>Note</u>	<u>1976</u> <u>£</u>	<u>1975</u> <u>£</u>
Turnover	1	£17,586,627 =====	£15,120,700 =====
Trading loss	2	(922,582)	(1,157,691)
Income received, less interest paid	4	9,753	759
Dividends received and receivable from subsidiary and fellow subsidiary companies		<u>32,292</u>	<u>54</u>
Loss before taxation		(£880,537)	(£1,156,788)
Taxation	5	(464,445)	(598,354)
Loss after taxation		(£416,092)	(£558,434)
Extraordinary items	6	<u>11,356</u>	<u>-</u>
Loss transferred to reserves	11	(£404,735) =====	(£558,434) =====

HOBBS & HARRIS & CO.

Associated Fisheries & Foods LimitedAccounting policiesTurnover

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The annual rates used are

Freehold land	nil
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Leasehold land and buildings	Over period of lease
Floot and equipment	10% on cost
Transport	12½%/20%/25% on cost

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The grants in respect of capital expenditure are deducted from the cost of the asset.

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Stock and work in progress is valued on a basis consistent with that of previous years at the lower of cost, including an addition for production overhead where appropriate, and net realisable value.

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Associated Fisheries & Foods Limited
Balance sheet at 30th September, 1976

	Note	1976	1975
		£	£
<u>Employment of funds</u>			
Fixed assets	8	1,553,869	1,823,904
Investments	7		
Subsidiary companies		196,929	196,929
Fellow subsidiary companies		959	959
Trade (unquoted)		16,740	31,980
<u>Current assets</u>			
Stock and work in progress		2,700,911	2,362,674
Government grants receivable		693	1,423
Debtors		2,407,585	1,895,962
Dividends receivable from subsidiary and fellow subsidiary companies		32,292	54
Cash at bank and in hand		219,531	20,276
		<u>£5,361,012</u>	<u>£4,280,389</u>
		=====	=====
<u>Current liabilities</u>			
Bank overdraft		-	267,951
Creditors		1,218,867	938,934
Current proportion of loans	9	3,500	3,500
Corporation tax group relief		(527,672)	(197,483)
		<u>£694,695</u>	<u>£1,012,902</u>
		=====	=====
Net current assets		4,666,317	3,267,487
		<u>£6,434,814</u>	<u>£5,321,259</u>
<u>Loan and current accounts with subsidiaries and fellow subsidiaries</u>			
	10	(564,581)	(69,200)
		<u>£5,870,233</u>	<u>£5,252,059</u>
		=====	=====

Associated Fisheries & Foods LimitedBalance sheet at 30th September, 1976 (continued)

<u>Source of funds</u>	<u>Note</u>	<u>1976</u>		<u>1975</u>
		<u>Authorised</u>	<u>Issued</u>	<u>Issued</u>
			£	£
Share capital				
327,750 shares of £1 each		£327,750	327,750	327,750
		=====		
Reserves	11		(1,824,627)	(1,419,891)
			(£1,496,877)	(£1,092,141)
Deferred taxation	12		-	1,855
Corporation tax group relief due from fellow subsidiary companies - year ended 30th September, 1976			(497,405)	(528,142)
Loans from White Fish Authority - secured	9		7,000	10,500
Parent company - loan account	13		7,857,515	6,859,987
			£5,870,233	£5,252,059
			=====	=====

Mark Hellyer
S. J. Pearson

)
)
) Directors
)
)

S. J. Pearson

Secretary

We certify that this is a true copy of the balance sheet and all documents required to be annexed thereto as set out in Section 127 of the Companies Act 1948.

W. J. Hellyer (Director)
[Signature] (Secretary)

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended
30th September, 1976

	<u>1976</u> £	<u>1975</u> £
1. Turnover		
Sales to customers outside the group		
U.K.	17,402,045	14,876,887
Export	<u>5,200</u>	<u>134,184</u>
	£17,407,245	£15,011,071
Inter company sales	<u>179,382</u>	<u>109,629</u>
Total turnover	<u>£17,586,627</u>	<u>£15,120,700</u>
	=====	=====
2. Trading loss		
Trading loss is stated after charging		
Depreciation	£180,768	£212,719
	=====	=====
Directors' emoluments		
As executives		
Associated Fisheries Limited	16,350	16,350
Others	56,448	50,002
Compensation for loss of office	<u>-</u>	<u>4,500</u>
	£72,798	£70,852
	=====	=====
Hire of fixed assets	£66,748	£39,415
	=====	=====
Auditors' remuneration	£15,000	£12,750
	=====	=====
3. Emoluments of directors (excluding pension contributions)		
Chairman's emoluments	£4,610	£6,978
	=====	=====
Emoluments of highest paid director	£15,000	£7,187
	=====	=====
Directors' emoluments for the year fall into the following scales		
£	No.	No.
2,501 - 5,000	1	-
5,001 - 7,500	3	8
7,501 - 10,000	2	-
12,500 - 15,000	1	-
4. Income received, less interest paid	£	£
Income received		
Unquoted investments	9,486	1,903
Loans and deposits	<u>1,163</u>	<u>722</u>
	£10,649	£2,625
	=====	=====
Interest paid		
Bank and sundry loans	118	881
Short term loans	<u>778</u>	<u>985</u>
	£896	£1,866
	=====	=====
	£9,753	£759
	=====	=====

Associated Fisheries & Foods LimitedNotes on the accounts for the year ended
30th September, 1976

	<u>1976</u> <u>£</u>	<u>1975</u> <u>£</u>
1. <u>Turnover</u>		
Sales to customers outside the group		
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	£17,407,245	£15,011,071
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Directors' emoluments		
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Associated Fisheries Limited	16,350	16,350
Others	56,448	50,002
Compensation for loss of office	<u>-</u>	<u>4,500</u>
	£72,798	£70,852
	=====	=====
Hire of fixed assets	£66,743	£39,415
	=====	=====
Auditors' remuneration	£15,000	£12,750
	=====	=====
3. <u>Emoluments of directors</u> (excluding pension contributions)		
Chairman's emoluments	£4,610	£6,978
	=====	=====
Emoluments of highest paid director	£15,000	£7,187
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Directors' emoluments for the year fall into the following scales		
£ £	<u>No.</u>	<u>No.</u>
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7,501 - 10,000	2	-
12,500 - 15,000	1	-
4. <u>Income received, less interest paid</u>	<u>£</u>	<u>£</u>
Income received		
Unquoted investments	9,486	1,803
Loans and deposits	<u>1,163</u>	<u>722</u>
	£10,649	£2,625
	=====	=====
Interest paid		
Bank and sundry loans	118	881
Short term loans	<u>778</u>	<u>985</u>
	£896	£1,866
	<u>£9,753</u>	<u>£759</u>
	=====	=====

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th
September, 1976 (continued)

	1976 £	1975 £
5. Taxation		
Corporation tax group relief at 52%	(490,051)	(524,769)
Deferred taxation	25,136	(73,614)
Adjustments for earlier years	470	29
	(£464,445)	(£598,354)
	=====	=====
Taxation is reduced by £648 (last year £681) for past losses, including capital allowances.		
6. Extraordinary items		
Surplus on sale of fixed assets, less taxation	43,396	-
Loss on sale of fixed assets, less taxation	(32,040)	-
	£11,356	£-
	=====	=====
7. Investments		
<u>Subsidiary companies at cost</u>	£196,929	£196,929
	=====	=====
The company holds the following investments in subsidiary companies		
	Class of shares	Held by company
		Held by subsidiaries
Tullis Cold Storage (Aberdeen) Limited	Ordinary 100%	-
The Bernard Master Group of Companies Limited	Ordinary and Preference 100%	-
Bernard Master Freeze Limited	Ordinary 40%	60%
Associated Fisheries & Foods (Scotland) Limited	Ordinary 25%	75%
Master-Freeze Foods (Retail) Limited	Ordinary 25%	75%
In the opinion of the directors, the aggregate value of the company's investment in its subsidiary companies, is not less than the amount at which they are included in the balance sheet.		
<u>Fellow subsidiary companies at cost</u>	£959	£959
	=====	=====
The company owns 900 6% cumulative preference shares in Grimsby Cold Storage Company Limited.		
<u>Trade (unquoted)</u>		
At cost	£16,740	£31,980
	=====	=====
At directors' valuation	£26,877	£48,630
	=====	=====

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th September,
1976 (continued)

	Freehold land and buildings £	Leasehold land and buildings Long lease £	Short lease £	Plant, equipment and transport £	Total £
8. Fixed assets					
Cost					
At 30th September, 1975	320,114	793,879	198,092	1,822,345	3,134,430
Additions	(7,800)	3,404	389	44,520	40,513
Disposals			(115,006)	(105,761)	(220,767)
At 30th September, 1976	£312,314	£797,283	£83,475	£1,761,104	£2,954,176
	=====	=====	=====	=====	=====
Accumulated depreciation					
At 30th September, 1975	34,620	173,424	55,900	1,046,582	1,310,526
Charged for the year	6,048	17,957	3,264	167,175 (a)	194,444
Appropriated on disposals			(28,185)	(76,478)	(104,663)
At 30th September, 1976	£40,668	£191,381	£30,979	£1,137,279	£1,400,307
	=====	=====	=====	=====	=====
Net book value					
At 30th September, 1976	£271,646	£605,902	£52,496	£623,825	£1,553,869
	=====	=====	=====	=====	=====
At 30th September, 1975	£285,494	£620,455	£142,192	£775,763	£1,823,904
	=====	=====	=====	=====	=====
(a) Includes accumulated depreciation on assets transferred from associated companies £13,676					

	1976 £	1975 £
<u>Future capital expenditure (after deducting government grants, as appropriate)</u>		
Contracted for	£7,847	£1,745
	=====	=====
Authorised by directors but not contracted for	£10,078	£3,000
	=====	=====

Associated Fisheries & Foods LimitedNotes on the accounts for the year ended 30th September,
1976 (continued)

	<u>1976</u> <u>£</u>	<u>1975</u> <u>£</u>
9. <u>Loans from White Fish Authority</u>		
Repayable by half yearly instalments of £1,750; 3 years to run at balance sheet date	10,500	14,000
Proportion of loan included in current liabilities	<u>(3,500)</u>	<u>(3,500)</u>
	£7,000	£10,500
	=====	=====
The average rate of interest is 6%.		
10. <u>Loan and current accounts with subsidiaries and fellow subsidiaries</u>		
Due from subsidiaries	625,817	320,443
Due from fellow subsidiaries	<u>13,005</u>	<u>26,834</u>
	£638,822	£347,277
	=====	=====
Due to subsidiaries	113,370	60,353
Due to fellow subsidiaries	<u>1,090,033</u>	<u>356,124</u>
	£1,203,403	£416,477
	=====	=====
	(£564,581)	(£69,200)
	=====	=====
11. <u>Reserves</u>		
At 30th September, 1975	(1,419,891)	(861,457)
Loss for the year	<u>(404,736)</u>	<u>(558,434)</u>
At 30th September, 1976	(£1,824,627)	(£1,419,891)
	=====	=====
12. <u>Deferred taxation</u>		
Corporation tax deferred by		
Relief for increases in trading stock	660,157	-
Other timing differences	<u>223,235</u>	<u>230,788</u>
	£883,392	£230,788
Losses carried forward	<u>(883,392)</u>	<u>(228,933)</u>
	£-	£1,855
	=====	=====
13. <u>Loan from parent company</u>		
The parent company has agreed that the balance on the loan account shall at all times rank in priority of claim after all other indebtedness of the company.		

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th
September, 1976 (continued)

14. Guarantees

During the year the company entered into a cross guarantee with the ultimate holding company and certain fellow subsidiary companies in connection with advances and borrowings from Midland Bank Limited. At 30th September, 1976 the aggregate of these amounts was £3,494,936.

15. Group accounts

Group accounts are not required as the company is a wholly owned subsidiary, the holding company being Associated Fisheries Limited, a company incorporated in the United Kingdom.