

Registered no: 553154

Associated Cold Stores and Transport Limited
Annual report
for the year ended 31 December 1999



Associated Cold Stores and Transport Limited

Annual report for the year ended 31 December 1999

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Associated Cold Stores and Transport Limited

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Directors and advisers

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 (appointed 1 January 1999)

Registered Auditors

PricewaterhouseCoopers

Benson House

33 Wellington Street

LEEDS

LS1 4JP

Secretary and registered office

G S G Brown

Linton Park

Linton

Near Maidstone

Kent

ME17 4AB

Bankers

Midland Bank plc

Eastcheap

LONDON

EC3M 1ED

Directors' report for the year ended 31 December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

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

Review of business

The profit and loss account for the year is set out on page 6.

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.

Year 2000

The company's operations were not affected by problems associated with the Year 2000 issue and the directors are not aware of any residual risks and uncertainties which remain. The costs involved in planning and preparing for the date change were insignificant in the context of the company's overall expenditure.

Dividends

Dividends totalling £1,535,842 have been paid or proposed for the year ended 31 December 1999 (1998: £1,736,322).

Directors

The directors of the company at 31 December 1999, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

Directors' interests

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 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.

Creditor payment policy

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 1999 was 59 days (1998: 54 days).

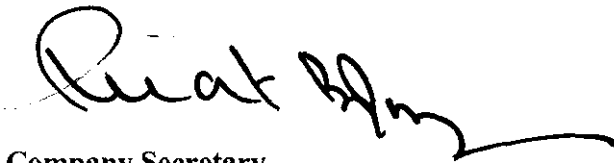
Taxation status

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.

Auditors

Our auditors, PricewaterhouseCoopers have indicated their willingness to continue as auditors and a resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the board



Company Secretary

20 April 2000

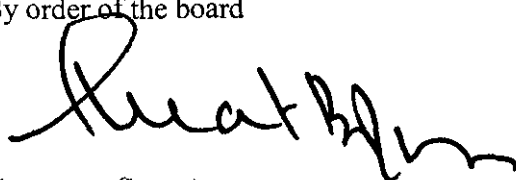
Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm 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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'Ruat Bpin', is written over the printed text 'By order of the board'.

Company Secretary

20 April 2000

Report of the auditors to the members of Associated Cold Stores and Transport Limited

We have audited the financial statements on pages 6 to 16.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistency with the financial statements.

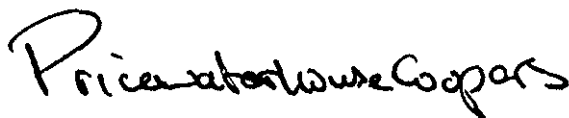
Basis of audit opinion

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 affairs of the company at 31 December 1999 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

20 April 2000

**Profit and loss account
for the year ended 31 December 1999**

	Notes	1999 £	1998 £
Turnover	2	31,110,943	28,468,511
Cost of sales		(22,795,707)	(20,414,246)
Gross profit		8,315,236	8,054,265
Administrative expenses		(4,466,790)	(4,160,452)
Operating profit		3,848,446	3,893,813
Interest receivable		-	45,663
Interest payable and similar charges	5	(695,834)	(778,452)
Profit on ordinary activities before taxation	6	3,152,612	3,161,024
Tax on profit on ordinary activities	7	(850,000)	(557,091)
Profit on ordinary activities after taxation		2,302,612	2,603,933
Dividends	8	(1,535,842)	(1,736,322)
Retained profit for the year		766,770	867,611

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.

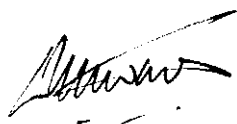
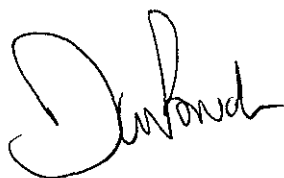
Associated Cold Stores and Transport Limited

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Balance sheet at 31 December 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	9	<u>27,296,709</u>	<u>28,564,393</u>
Current assets			
Stocks	10	273,669	230,522
Debtors	11	5,924,610	6,141,953
Cash at bank and in hand		5,481	5,678
		<u>6,203,760</u>	<u>6,378,153</u>
Creditors: amounts falling due within one year	12	<u>(8,017,876)</u>	<u>(8,947,107)</u>
Net current liabilities		<u>(1,814,116)</u>	<u>(2,568,954)</u>
Total assets less current liabilities		<u>25,482,593</u>	<u>25,995,439</u>
Creditors: amounts falling due after more than one year	13	<u>(7,565,320)</u>	<u>(8,844,936)</u>
Net assets		<u>17,917,273</u>	<u>17,150,503</u>
Capital and reserves			
Called up share capital	16	9,000,000	9,000,000
Profit and loss account	17	8,917,273	8,150,503
Equity shareholders' funds	18	<u>17,917,273</u>	<u>17,150,503</u>

The financial statements on pages 6 to 16 were approved by the board of directors on
14 April 2000 and were signed on its behalf by:

Directors

**Notes to the financial statements
for the year ended 31 December 1999****1 Principal 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 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 - 35 years
Long leasehold buildings	period of lease
Short leasehold buildings	period of lease
Plant and equipment	4 - 25 years
Motor vehicles	4 - 10 years

Freehold land is not depreciated.

1 Principal accounting policies

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.

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 15.

2 Turnover

	1999 £	1998 £
Geographical segment		
United Kingdom	30,821,972	28,274,404
EU (other than UK)	288,971	194,107
	<u>31,110,943</u>	<u>28,468,511</u>

3 Directors' emoluments

	1999 £	1998 £
Salary	<u>352,378</u>	<u>343,700</u>

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:

	1999 £	1998 £
Salary and other emoluments (including benefits in kind)	80,940	74,821
Pension entitlement	<u>22,232</u>	<u>19,501</u>

4 Employee information

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

	1999 Number	1998 Number
By activity		
Management	25	26
Administration	56	47
Production and sales	426	391
	<u>507</u>	<u>464</u>

	1999 £	1998 £
Staff costs (for the above persons)		
Wages and salaries	8,976,826	8,234,430
Social security costs	692,445	645,453
Other pension costs		
Defined benefit schemes	719,523	587,813
Defined contribution schemes	8,556	35,393
	<u>10,397,350</u>	<u>9,503,089</u>

5 Interest payable and similar charges

	1999 £	1998 £
On bank loans and overdrafts:		
Repayable within 5 years, by instalments	71,539	19,107
Repayable wholly or partly in more than 5 years, by instalments	610,875	718,272
	<u>682,414</u>	<u>737,379</u>
On hire purchase contracts	13,420	41,073
	<u>695,834</u>	<u>778,452</u>

6 Profit on ordinary activities before taxation

	1999 £	1998 £
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of tangible fixed assets	34,034	38,962
And after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	2,218,444	1,933,004
Tangible fixed assets held under hire purchase contracts	105,999	222,817
Auditors' remuneration for:		
Audit	23,000	23,000
Hire of plant and machinery - operating leases	295,871	238,343
Hire of other assets - operating leases	1,206,033	919,170

7 Tax on profit on ordinary activities

	1999 £	1998 £
United Kingdom corporation tax:		
Current	850,000	557,091

8 Dividends

	1999 £	1998 £
Dividends on ordinary shares		
Interim	727,300	731,500
Final proposed	808,542	1,004,822
	<u>1,535,842</u>	<u>1,736,322</u>

9 Tangible fixed assets

	Land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 31 December 1998	16,261,802	28,667,637	1,800,509	46,729,948
Additions	268,611	614,004	215,756	1,098,371
Disposals	-	(637,939)	-	(637,939)
At 31 December 1999	16,530,413	28,643,702	2,016,265	47,190,380
Depreciation				
At 31 December 1998	4,780,652	12,357,817	1,027,086	18,165,555
Charge for the year	570,373	1,540,363	213,707	2,324,443
Disposals	-	(596,327)	-	(596,327)
At 31 December 1999	5,351,025	13,301,853	1,240,793	19,893,671
Net book value				
At 31 December 1999	11,179,388	15,341,849	775,472	27,296,709
Net book value				
At 31 December 1998	11,481,150	16,309,820	773,423	28,564,393
Cost or valuation at 31 December 1999 is represented by				
Valuation in				
1978	3,232,957	-	-	3,232,957
1983	327,000	-	-	327,000
Cost	12,970,456	28,643,702	2,016,265	43,630,423
	16,530,413	28,643,702	2,016,265	47,190,380

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:

	1999 £	1998 £
Freeholds	10,466,495	10,720,885
Long leaseholds	159,472	177,862
Short leaseholds	553,421	582,404
	11,179,388	11,481,151

9 Tangible fixed assets

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

	1999 £	1998 £
Cost	16,568,700	16,451,716
Aggregate depreciation based on cost	(5,310,872)	(4,907,493)
	<u>11,257,828</u>	<u>11,544,223</u>

The net book value of plant and equipment includes an amount of £229,319 (1998: £831,046) in respect of assets held under hire purchase contracts.

10 Stocks

	1999 £	1998 £
Raw materials and consumables	<u>273,669</u>	<u>230,522</u>

11 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	5,395,721	5,462,813
Prepayments and accrued income	528,889	679,140
	<u>5,924,610</u>	<u>6,141,953</u>

12 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	1,807,480	2,747,313
Obligations under hire purchase contracts	70,496	167,507
Trade creditors	2,980,567	3,343,377
Amounts owed to parent and fellow subsidiary undertakings	5,437	5,126
Corporation tax payable	638,000	557,091
Other taxation and social security payable	840,066	359,503
Accruals and deferred income	867,288	762,368
Dividends payable	808,542	1,004,822
	<u>8,017,876</u>	<u>8,947,107</u>

13 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Bank loans	7,556,980	8,766,100
Obligations under hire purchase contracts	8,340	78,836
	<u>7,565,320</u>	<u>8,844,936</u>

Bank loans and overdrafts

	1999 £	1998 £
Repayable as follows:		
In one year or less	1,807,480	2,747,313
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	2,720,500	3,929,620
	<u>9,364,460</u>	<u>11,513,413</u>

The bank loan of £8,766,100 is repayable by equal quarterly instalments over the period up to January 2007. 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:

	1999 £	1998 £
In one year or less	70,496	167,507
Between one and two years	8,340	70,496
Between two and five years	-	8,340
	<u>78,836</u>	<u>246,343</u>

14 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	
	1999 £	1998 £	1999 £	1998 £
Tax effect of timing differences because of				
Excess of tax allowances over depreciation	-	-	4,204,670	4,197,060

15 Pensions

In previous years the company participated in both defined benefit and defined contribution pension schemes operated by Associated Fisheries plc and funded by contributions from members and from the company.

During the year the defined contribution scheme ceased as a separate entity and was absorbed into the existing defined benefit scheme. Whilst the defined contribution scheme existed the contributions were charged to the profit and loss account when payable.

Contributions to the defined benefit scheme are based upon pension costs across participating companies in the Associated Fisheries plc group. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of Associated Fisheries plc.

16 Called up share capital

	1999	1998
	£	£
Authorised, allotted, called up and fully paid		
9,000,000 ordinary shares of £1 each	<u>9,000,000</u>	<u>9,000,000</u>

17 Profit and loss account

	£
At 31 December 1998	8,152,503
Retained profit for the year	<u>766,770</u>
At 31 December 1999	<u>8,916,723</u>

18 Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
Profit for the financial year	2,302,612	2,603,933
Dividends	<u>(1,535,842)</u>	<u>(1,736,322)</u>
Net addition to shareholders' funds	766,770	867,611
Opening shareholders' funds	<u>17,150,503</u>	<u>16,282,892</u>
Closing shareholders' funds	<u>17,917,273</u>	<u>17,150,503</u>

19 Capital commitments

	1999	1998
	£	£
Future capital expenditure		
Contracted but not provided for	<u>77,200</u>	<u>329,000</u>

20 Contingent liabilities

The company has entered into a cross guarantee with Associated Fisheries plc and certain fellow group undertakings in respect of advances and borrowings from Midland Bank plc. At 31 December 1999 the aggregate of these advances and borrowings was £866,154 (1998: £NIL).

21 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999		1998	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiring within one year	4,264	10,467	3,500	22,531
Expiring between two and five years inclusive	-	1,003,029	-	576,682
Expiring in over five years	218,108	355,504	118,091	440,771
	<u>222,372</u>	<u>1,369,000</u>	<u>121,591</u>	<u>1,039,984</u>

22 Related party transactions

The company has taken exemption under Financial Reporting Standard No 8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent company.

23 Ultimate and immediate parent companies

The directors regard Camellia Investments plc, a company incorporated in Great Britain and registered in England, as the ultimate parent company. The company's immediate parent company is Associated Fisheries plc, a company registered in England. Copies of the ultimate parent company's consolidated financial statements may be obtained from Linton Park, Linton, Near Maidstone, Kent, ME17 4AB.