

Associated Cold Stores and Transport Limited
Annual report
for the year ended 31 December 2000

Registered Number 553154



Associated Cold Stores and Transport Limited

Annual report

for the year ended 31 December 2000

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Associated Cold Stores and Transport Limited

Directors and Advisors for the year ended 31 December 2000

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 (appointed 1 January 2000)

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 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

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 £1,577,439 have been paid or proposed for the year ended 31 December 2000 (1999: £1,535,842).

Directors and their interests

The directors of the company at 31 December 2000, 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 2000 was 57 days (1999: 59 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.

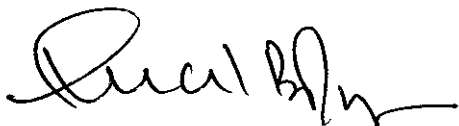
The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on pages 7 and 8 under 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000, 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

16 AUGUST 2001

Associated Cold Stores and Transport Limited

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

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the 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 inconsistencies 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 the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Hull

21 August 2001

Associated Cold Stores and Transport Limited

Profit and loss account for the year ended 31 December 2000

	Note	2000 £	1999 £
Turnover	1	32,071,260	31,110,943
Cost of sales		(23,573,650)	(22,795,707)
Gross profit		8,497,610	8,315,236
Administrative expenses		(4,713,054)	(4,466,790)
Operating profit		3,784,556	3,848,446
Interest receivable		8,236	-
Interest payable and similar charges	4	(594,273)	(695,834)
Profit on ordinary activities before taxation	5	3,198,519	3,152,612
Tax on profit on ordinary activities	6	(970,549)	(850,000)
Profit on ordinary activities after taxation		2,227,970	2,302,612
Dividends	7	(1,577,439)	(1,535,842)
Retained profit for the financial year		650,531	766,770

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 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	8	25,713,619	27,296,709
Current assets			
Stock	9	293,374	273,669
Debtors	10	6,203,414	5,924,610
Cash at bank and in hand		374,973	5,481
		6,871,761	6,203,760
Creditors: amounts falling due within one year	11	(7,275,118)	(8,017,876)
Net current liabilities		(403,357)	(1,814,116)
Total assets less current liabilities		25,310,262	25,482,593
Creditors : amounts falling due after more than one year	12	(6,742,458)	(7,565,320)
Net assets		18,567,804	17,917,273
Capital and reserves			
Called up share capital	15	9,000,000	9,000,000
Profit and loss account	16	9,567,804	8,917,273
Equity shareholders' funds	17	18,567,804	17,917,273

The financial statements on pages 5 to 18 were approved by the board of directors on 16 August 2001 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 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.

Previously, the company's land and buildings have been valued periodically by professional valuers on an open market, existing use basis. No future valuations will be carried out although existing valuations will be retained. Note 8 contains further details.

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 2000

1 Turnover

	2000	1999
	£	£
Geographical segment		
United Kingdom	31,800,677	30,821,972
EU (other than UK)	196,173	288,971
North America	74,410	-
	32,071,260	31,110,943

2 Directors' emoluments

	2000	1999
	£	£
Salary	413,750	352,378

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:

	2000	1999
	£	£
Salary and other emoluments (including benefits in kind)	83,945	80,940
Pension entitlement	24,210	22,232

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	2000 Number	1999 Number
Management	25	25
Administration	55	56
Production and sales	392	426
	472	507

	2000 £	1999 £
Staff costs (for the above persons)		
Wages and salaries	9,652,068	8,976,826
Social security costs	719,934	692,445
Other pension costs		
Defined benefit schemes	800,159	719,523
Defined contribution schemes	-	8,556
	11,172,161	10,397,350

4 Interest and similar items

	2000 £	1999 £
Interest payable on bank loans and overdrafts		
Repayable within 5 years, by instalment	10,686	71,539
Repayable wholly or partly in more than 5 years, by instalment	575,799	610,875
	586,485	682,414
On hire purchase contracts	7,788	13,420
	594,273	695,834

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5 Profit on ordinary activities before taxation

	2000	1999
	£	£
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of tangible fixed assets	-	34,034
Release of rates accrual and receipt of rates rebate	289,251	-
And after charging:		
Loss on disposal of tangible fixed assets	48,328	-
Depreciation charge for the year:		
Tangible owned fixed assets	2,292,805	2,218,444
Tangible fixed assets held under hire purchase contracts	45,351	105,999
Auditors' remuneration for:		
Audit	24,000	23,000
Hire of plant and machinery - operating leases	350,157	295,871
Hire of other assets - operating leases	1,323,381	1,206,033

6 Tax on profit on ordinary activities

	2000	1999
	£	£
United Kingdom corporation tax on profit on ordinary activities	1,018,394	850,000
Adjustment in respect of previous years	(47,845)	-
	970,549	850,000

7 Dividends

	2000	1999
	£	£
Dividends on ordinary shares		
Interim	828,268	727,300
Final proposed	749,171	808,542
	1,577,439	1,535,842

Associated Cold Stores and Transport Limited

8 Tangible assets

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 31 December 1999	16,530,413	28,643,702	2,016,265	47,190,380
Additions	44,976	484,694	324,061	853,731
Disposals	(160,851)	(1,340,695)	-	(1,501,546)
At 31 December 2000	16,414,538	27,787,701	2,340,326	46,542,565
Depreciation				
At 31 December 1999	5,351,025	13,301,853	1,240,793	19,893,671
Charge for the year	575,838	1,511,673	250,645	2,338,156
Disposals	(142,058)	(1,260,823)	-	(1,402,881)
At 31 December 2000	5,784,805	13,552,703	1,491,438	20,828,946
Net book amount				
At 31 December 2000	10,629,733	14,234,998	848,888	25,713,619
At 31 December 1999	11,179,388	15,341,849	775,472	27,296,709
Cost or valuation at 31 December 2000 is represented by:				
Valuation in				
1978	3,152,957	-	-	3,152,957
1983	327,000	-	-	327,000
Cost	12,934,581	27,787,701	2,340,326	43,062,608
	16,414,538	27,787,701	2,340,326	46,542,565

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:

	2000	1999
	£	£
Freeholds	9,994,999	10,466,495
Long leaseholds	122,289	159,472
Short leaseholds	512,445	553,421
	10,629,733	11,179,388

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

	2000	1999
	£	£
Cost	16,612,617	16,568,700
Aggregate depreciation based on cost	(5,868,521)	(5,310,872)
	10,744,096	11,257,828

The net book value of plant and equipment includes an amount of £148,836 (1999: £229,319) in respect of assets held under hire purchase contracts.

The company has adopted the transitional provisions of Financial Reporting Standard 15, Tangible Fixed Assets, which apply to the company's financial statements for the first time this year. As a result, no further revaluations will be carried out and previous revaluations will be retained.

9 Stock

	2000	1999
	£	£
Raw materials and consumables	293,374	273,669

Associated Cold Stores and Transport Limited

10 Debtors

	2000	1999
	£	£
Amounts falling due within one year		
Trade debtors	5,469,732	5,395,721
Prepayments and accrued income	733,682	528,889
	6,203,414	5,924,610

11 Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	1,209,120	1,807,480
Obligations under hire purchase contracts	8,340	70,496
Trade creditors	2,881,284	2,980,567
Amounts owed to parent and fellow subsidiary undertakings	6,227	5,437
Corporation tax payable	632,439	638,000
Other taxation and social security payable	705,248	840,066
Accruals and deferred income	1,083,289	867,288
Dividends payable	749,171	808,542
	7,275,118	8,017,876

Associated Cold Stores and Transport Limited

12 Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Bank loans	6,347,860	7,556,980
Obligations under hire purchase contracts	-	8,340
Accruals	394,598	-
	6,742,458	7,565,320

Bank loans and overdrafts

	2000	1999
	£	£
Repayable as follows:		
In one year or less	1,209,120	1,807,480
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	1,511,380	2,720,500
	7,556,980	9,364,460

The bank loan of £7,556,980 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:

	2000	1999
	£	£
In one year or less	8,340	70,496
Between one and two years	-	8,340
Between two and five years	-	-
	8,340	78,836

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	
	2000	1999	2000	1999
	£	£	£	£
Tax effect of timing differences because of				
Excess of tax allowances over depreciation	-	-	4,409,538	4,204,670
Short term timing differences	-	-	(137,762)	-
	-	-	4,271,776	4,204,670

14 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 prior 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

15 Called up share capital

	2000	1999
	£	£
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 1999	8,917,273
Retained profit for the year	650,531
At 31 December 2000	9,567,804

17 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	2,227,970	2,302,612
Dividends	(1,577,439)	(1,535,842)
Net addition to shareholders' funds	650,531	766,770
Opening shareholders' funds	17,917,273	17,150,503
Closing shareholders' funds	18,567,804	17,917,273

18 Capital commitments

	2000 £	1999 £
Future capital expenditure		
Contracted but not provided for	7,500	77,200

19 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 HSBC Bank plc. At 31 December 2000 the aggregate of these advances and borrowings was £2,971,838 (1999: £866,154).

Associated Cold Stores and Transport Limited

20 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	Other	Land and buildings	Other
	2000	2000	1999	1999
	£	£	£	£
Expiring within one year	4,250	86,415	4,264	10,467
Expiring between two and five years inclusive	-	647,529	-	1,003,029
Expiring in over five years	218,637	808,402	218,108	355,504
	222,887	1,542,346	222,372	1,369,000

21 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.

22 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 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.