Associated Cold Stores & Transport Limited

Annual Report

for the year ended 31 December 2011

Associated Cold Stores & Transport Limited

Annual Report for the year ended 31 December 2011

Contents

Associated Cold Stores & Transport Limited

Directors and Advisors for the year ended 31 December 2011

Directors
M Johnstone
C Ames
C Robinson
S Tomlinson

Company secretary
J Morton (appointed 1 September 2011)
A Mathur (resigned 1 September 2011)

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

Bankers
HSBC Bank plc
Eastcheap
London
EC3M 1ED

Principal Place of Business
Estate Road No 2
South Humberside Industrial Estate
Grimsby
DN31 2TG

Registered Office
Linton Park
Linton
Near Maidstone
Kent
ME17 4AB

Registered Number
553154

Associated Cold Stores & Transport Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011

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 total comprehensive income and expenditure for the year is set out on page 8

The Directors are pleased to report that the business has declared significantly improved results compared to 2010 and is now back to profitability

The strengthened Sales and Commercial function has yielded substantial business wins from both new and existing clients in our Foodservice, retail distribution and factory support sectors

As part of our cost saving initiatives, headcount has been reduced and re-aligned with the business size to enhance competitiveness

Utilisation of space has grown at all locations

There has been considerable capital investment in the business during 2011 as part of our strategy of continual investment to ensure long-term profitable growth and the balance sheet remains strong

The outlook for 2012 appears positive with our Foodservice business expecting to benefit from the London Olympics and the Diamond Jubilee

The balance sheet remains strong and the business continues to be cash-generative allowing ACS&T to continually invest to ensure long-term profitable growth

The company measured its performance for the year ended 31 December 2011 using a series of key performance indicators as follows

Gross margin % 19 4% (1 January 2011 10 9%)
Debtor days 47 days (1 January 2011 46 days)
Creditor days 57 days (1 January 2011 55 days)

Exceptional costs of £114,059 have been recorded These relate predominantly to redundancy costs

Dividends
No dividends have been paid or proposed for the year ended 31 December 2011 (1 January 2011 £nil)

Associated Cold Stores & Transport Limited

Directors' report for the year ended 31 December 2011 (continued)

Financial risk management
The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest 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 and by Linton Park plc and Camellia plc, its parent companies

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made The amount of exposure to any individual warehouse customer is limited by the warehouse keeper's lien

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 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

Directors
The current directors of the company are listed on page 1

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

Associated Cold Stores & Transport Limited

Directors' report for the year ended 31 December 2011 (continued)

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 2011 was 57 days (1 January 2011 55 days)

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the directors must not approve the financial statements unless they are satisfied that they 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 In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Associated Cold Stores & Transport Limited

Directors' report for the year ended 31 December 2011 (continued)

Independent 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

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office In the absence of any notice proposing to terminate their appointment, PricewaterhouseCoopers LLP will be deemed to be reappointed for the next financial year

By order of the Board

Managing Director

Associated Cold Stores & Transport Limited

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

We have audited the financial statements of Associated Cold Stores & Transport Limited for the year ended 31 December 2011 which comprise the Statement of Comprehensive Income, the Statement of changes in equity, the Balance sheet, the Cash Flow statement the Accounting policies and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, 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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Associated Cold Stores & Transport Limited

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Steve Simpson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull

20 April 2012

Associated Cold Stores & Transport Limited

Statement of Comprehensive Income for the year ended 31 December 2011

	Note	31 December 2011	1 January 2011
		£	£
Revenue	1	**18,703,766**	16,390,284
Cost of sales		**(15,077,502)**	(14,597,664)
Gross profit		**3,626,264**	1,792,620
Administrative expenses		**(3,353,595)**	(2,710,463)
Operating profit / (loss) before exceptional costs		**272,669**	(917,843)
Exceptional reorganisation costs	3	**(114,059)**	(113,818)
Operating Profit / (Loss)	2	**158,610**	(1,031,661)
Interest receivable		**7,994**	10,158
Finance costs	6	**(23,701)**	(55,223)
Profit / (Loss) on ordinary activities before taxation		**142,903**	(1,076,726)
Income tax	7	**289,317**	367,912
Profit / (Loss) for the year attributable to owners		**432,220**	(708,814)
Total comprehensive income/ (expense) for the year		**432,220**	(708,814)

All of the operations included in the statement of comprehensive income above relate to continuing operations

There is no material difference between the profit/ (loss) on ordinary activities before taxation and the (profit)/loss for the year stated above, and their historical cost equivalents

Associated Cold Stores & Transport Limited

Statement of changes in equity for the year ended 31 December 2011

	Share capital	Retained earnings	Total equity
	£	£	£
At 2 January 2010	9,000,000	5,690,771	14,690,771
Loss for the year	-	(708,814)	(708,814)
At 1 January 2011	9,000,000	4,981,957	13,981,957
Profit for the year	-	432,220	432,220
At 31 December 2011	**9,000,000**	**5,414,177**	**14,414,177**

Associated Cold Stores & Transport Limited

Balance sheet as at 31 December 2011

	Note	31 December 2011 £	1 January 2011 £
Non-current assets			
Property, plant and equipment	8	**10,642,263**	11,546,767
Deferred tax assets	14	**1,345,060**	1,055,743
Total Non-current assets		**11,987,323**	12,602,510
Current assets			
Inventories	9	**153,179**	159,978
Trade and other receivables	10	**3,854,223**	3,282,806
Cash and cash equivalents		**2,526,304**	1,612,398
Total current assets		**6,533,706**	5,055,182
Current liabilities			
Trade and other payables	11	**3,170,333**	2,915,633
Financial liabilities borrowings	12	**256,546**	435,083
Total current liabilities		**3,426,879**	3,350,716
Net current assets		**3,106,827**	1,704,466
Total assets less current liabilities		**15,094,150**	14,306,976
Non current liabilities			
Financial liabilities borrowings	12	**15,123**	160,169
Amounts due to group undertakings	13	**664,850**	164,850
Total non-current liabilities		**679,973**	325,019
Net assets		**14,414,177**	13,981,957
Equity			
Called up share capital	15	**9,000,000**	9,000,000
Retained earnings		**5,414,177**	4,981,957
Total shareholders' equity		**14,414,177**	13,981,957

The financial statements were approved by the board of directors on 16th April 2011 and were signed on its behalf by S. Tomlinson

S Tomlinson, Director
Associated Cold Stores & Transport Limited
Registered No 553154

Associated Cold Stores & Transport Limited

Cash Flow Statement for the year ended 31 December 2011

	Note	31 December 2011	1 January 2011
		£	£
Cash flows from operating activities			
Cash generated from operations	20	**1,675,999**	1,451,822
Interest paid		**(23,701)**	(55,223)
Interest received		**7,994**	10,158
Net cash flow from operating activities		**1,660,293**	1,406,757
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,009,310)**	(249,932)
Proceeds from sale of property, plant and equipment	20	**86,506**	455,600
Net cash flow from investing activities		**(922,804)**	205,668
Cash flows from financing activities			
Net movement in intra group loans		**500,000**	(265,000)
Repayment of borrowings		**(385,583)**	(574,497)
Net cash flow from financing activities		**114,417**	(839,497)
Net increase in cash and cash equivalents		**851,906**	772,928
Cash and cash equivalents at beginning of the year		**1,562,898**	789,970
Cash and cash equivalents at end of the year		**2,414,804**	1,562,898

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

	31 December 2011	1 January 2011
	£	£
Cash at bank and in hand	**2,526,304**	1,612,398
Bank overdrafts	**(111,500)**	(49,500)
	2,414,804	1,562,898

Associated Cold Stores & 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 financial statements have been prepared on a going concern and a historical cost basis, where cost includes the deemed cost of property on transition to IFRS

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future The company therefore continues to adopt the going concern basis in preparing it financial statements

New standards and interpretations

The following standards and amendments to existing standards have been published and adopted in the current financial year

IAS 19, 'Employee benefits' was amended in June 2011 The impact on the group will be as follows to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur, to immediately recognise all past service costs, and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset) The group is yet to assess the full impact of the amendments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities IFRS 9 was issued in November 2009 and October 2010 It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments IFRS 9 requires financial assets to be classified into two measurement categories those measured as at fair value and those measured at amortised cost The determination is made at initial recognition The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument For financial liabilities, the standard retains most of the IAS 39 requirements The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 10, Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company The standard provides additional guidance to assist in the determination of control where this is difficult to assess The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles

The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

Associated Cold Stores & Transport Limited

Accounting policies (continued)

New standards and interpretations (continued)

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP The group is yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2012, subject to endorsement by the EU

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material 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 presentational currency Transactions in currencies other than 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 and the differences recognised in the statement of comprehensive income

Inventories

Inventories are stated at the lower of cost and net realisable value Cost is determined using the first –in, first out (FIFO) method Provision has been made for obsolete and slow moving items where necessary

Associated Cold Stores & Transport Limited

Accounting policies (continued)

Property, plant and equipment
All property, plant and equipment is shown at cost less subsequent depreciation and impairment Cost includes expenditure that is directly attributable to the acquisition of these assets 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 statement of comprehensive income during the financial period in which they are incurred

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	3 - 24 years
Motor vehicles	4 - 10 years
Fixtures & Fittings	3 - 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 statement of comprehensive income

Associated Cold Stores & Transport Limited

Accounting policies (continued)

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 statement of comprehensive income

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

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 statement of comprehensive income 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 are 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 statement of comprehensive income 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 in the statement of comprehensive income 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

Associated Cold Stores & Transport Limited

Accounting policies (continued)

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 adjusted to take account of losses surrendered by group companies Taxable profit differs from net profit as reported in the statement of comprehensive income 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

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 substantively 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 participating employer of a final salary scheme That scheme was closed to new entrants on 1 November 2006 and employees who have joined the company since then are eligible to join the Linton Park Group Personal Pension Plan

In respect of the final salary scheme 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 final salary scheme for future service are assessed by the scheme actuary and set out in the Schedule of Contributions and reflect the future service cost of providing pensions across all participating group companies These costs are charged to the statement of comprehensive income in the period in which they become payable

The company contributions to the Linton Park Group Personal Pension Plan are recognised as an expense in the statement of comprehensive income as incurred

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker The chief operating decision maker, who is responsible for allocating resources and assessing performance, has been identified as the board of directors

Associated Cold Stores & Transport Limited

Accounting policies (continued)

Provisions
Provisions for onerous leases are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably established Provisions are not recognised for future operating losses

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation The increase in the provision due to the passage of time is recognised as an interest expense

Exceptional items
Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group They are material items of income or expense that have been shown separately due to the significance of their nature or amount

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011

1 Revenue and segmental reporting

The directors consider that the operations of the company fall into one operating segment, being temperature controlled storage and distribution and dry goods warehousing All turnover, arising from the one operating segment, has been generated in the United Kingdom

2 Operating profit / (loss)

	31 December 2011 £	1 January 2011 £
Operating profit / (loss) is stated after charging / (crediting)		
Staff costs (note 4)	**4,424,920**	5,706,106
Depreciation of property, plant and equipment		
- Owned	**1,788,510**	1,748,561
- Finance lease and hire purchase	**124,876**	424,556
Operating lease charges for the hire of plant and other assets	**417,073**	501,125
Auditors' remuneration	**28,225**	26,848
Loss / (profit) on disposal of tangible fixed assets	**(86,079)**	(408,987)

3 Reorganisation costs

	31 December 2011 £	1 January 2010 £
Consultancy fees paid to third parties	-	35,223
Staff termination costs	**114,059**	78,595
	114,059	113,818

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

4 Employees

The average monthly number of persons (ıncludıng executıve dırectors) employed by the company durıng the year was

By activity	31 December 2011 Number	1 January 2011 Number
Productıon	**99**	143
Management admınıstratıon	**48**	63
Sales and dıstrıbutıon	**3**	4
	150	210

	31 December 2011 £	1 January 2011 £
Employment costs (ıncluding directors' emoluments)		
Wages and salarıes	**3,903,678**	4,976,645
Socıal securıty costs	**344,207**	440,646
Other pensıon costs	**177,035**	288,815
	4,424,920	5,706,106

On 01 July 2011, 76 employees were transferred to Lınton Park Servıces Ltd Consequently, the average number of persons employed by the company durıng the year and employment costs have reduced

5 Directors' emoluments

	31 December 2011 £	1 January 2011 £
Aggregate emoluments ıncludıng benefits	**338,027**	306,679
Defined contrıbutıon scheme pensıon contrıbutıons	**19,666**	18,848

No retırement benefits are accruıng to the dırectors under the defined benefit scheme (1 January 2011 Nıl)

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

5 Directors' emoluments (continued)

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

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

	31 December 2011 £	1 January 2011 £
Salary and other emoluments (including benefits in kind)	**139,422**	123,461
Post employment benefits	**7,764**	7,442

6 Finance costs

	31 December 2011 £	1 January 2011 £
Interest payable on overdrafts	-	4
Interest payable on finance leases	**23,701**	55,219
Finance costs	**23,701**	55,223

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Income tax

(a) Analysis of tax credit for the year

	31 December 2011	1 January 2011
	£	£
Current tax		
UK Corporation tax at 26 5%	-	-
Total current tax	-	-
Deferred tax (note 14)		
Reversal of timing differences	(343,119)	(367,912)
Impact of change in tax rate	53,802	-
Adjustments in respect of previous periods	-	-
Total deferred tax	(289,317)	(367,912)
Income tax credit for the year	(289,317)	(367,912)

(b) Factors affecting the tax credit for the year

	31 December 2011	1 January 2011
	£	£
Profit / (loss) on ordinary activities before tax	142,904	(1,076,726)
Expected tax on ordinary activities at the standard rate of UK corporation tax of 26 5% being the average rate of corporation tax in the year (1 January 2011 28%)	37,870	(301,483)
Effects of		
Group relief claimed for no consideration	(485,773)	(112,364)
Permanent differences	105,500	45,935
Fixed asset timing differences	352,532	-
Short term timing differences	(10,129)	-
Remeasurement of deferred tax-change in UK tax rate	53,802	-
Accelerated capital allowances and other timing differences	(343,119)	-
Total tax credit for the year	(289,317)	(367,912)

Notes to the financial statements for the year ended 31 December 2011 (continued)

7 Income tax (continued)

(c) Factors that may affect future tax charges

In addition to the changes in rates of Corporation tax disclosed a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement Further reductions to the main rate are proposed to reduce the rate to 24% from 1 April 2012, by a further 1% to 23% from 1 April 2013 and by a further 1% to 22% from 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

The proposed reductions of the main rate of corporation tax are expected to be enacted separately each year The overall effect of the further changes from 25% to 22%, if these applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by £161,407

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost or deemed cost				
At 2 January 2010	**16,618,701**	**26,487,665**	**4,224,865**	**47,331,231**
Additions	12,919	102,035	134,978	249,932
Disposals	(309,268)	(731,164)	(32,080)	(1,072,512)
Transfer between categories	11,716,982	(11,714,532)	(2,450)	-
At 1 January 2011	**28,039,334**	**14,144,004**	**4,325,313**	**46,508,651**
Additions	88,826	885,819	34,666	1,009,311
Disposals	-	(543,640)	-	(543,640)
Transfer between categories	-	6,278	(6,278)	-
At 31 December 2011	**28,128,160**	**14,492,461**	**4,353,701**	**46,974,322**
Accumulated depreciation				
At 2 January 2010	**10,898,439**	**19,497,006**	**3,419,220**	**33,814,665**
Charge for the year	938,091	952,088	282,938	2,173,117
Disposals	(280,133)	(713,685)	(32,080)	(1,025,898)
Transfer between categories	8,793,944	(8,793,944)	-	-
At 1 January 2011	**20,350,341**	**10,941,465**	**3,670,078**	**34,961,884**
Charge for the year	402,110	1,259,545	251,732	1,913,387
Disposals	-	(543,212)	-	(543,212)
Transfer between categories	-	86	(86)	-
At 31 December 2011	**20,752,451**	**11,657,884**	**3,921,724**	**36,332,059**
Net book amount				
At 31 December 2011	**7,375,709**	**2,834,577**	**431,977**	**10,642,263**
At 1 January 2011	7,688,993	3,202,539	655,235	11,546,767

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Property, plant and equipment (continued)

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

	31 December 2011	1 January 2011
	£	£
Cost	**802,746**	2,157,213
Accumulated depreciation	**(430,175)**	(1,376,458)
Net book amount	**372,571**	780,755

9 Inventories

	31 December 2011	1 January 2011
	£	£
Raw materials and consumables	**153,179**	159,978

The cost of inventories recognised as expense and included in 'cost of sales' amounted to £1,978,982 (1 January 2011 £1,962,011)

The company reported inventories valued at £153,179 at the year-end (1 January 2011 £159,978) There were no write-downs of inventory (1 January 2011 £nil)

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

10 Trade and other receivables

	31 December 2011 £	1 January 2011 £
Amounts falling due within one year		
Trade receivables	**3,229,126**	2,737,361
Amounts owed by group undertakings	**-**	7,726
Prepayments and accrued income	**625,097**	537,719
	3,854,223	3,282,806

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

As of 31 December 2011, trade receivables of £691,782 (1 January 2011 £446,590) were past due but not impaired These relate to a number of independent customers for whom there is no recent history of default The ageing analysis of these trade receivables is as follows

	31 December 2011 £	1 January 2011 £
Up to 3 months	**691,782**	446,590
Over 3 months	**-**	-
	691,782	446,590

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Trade and other payables

	31 December 2011 £	1 January 2011 £
Trade payables	**2,321,585**	2,227,225
Accruals and deferred income	**141,917**	86,054
Amounts owed to group undertakings	**192,351**	-
Other taxation and social security payable	**514,480**	602,354
	3,170,333	2,915,633

12 Financial liabilities - borrowings

	31 December 2011 £	1 January 2011 £
Current		
Finance lease obligations	**145,046**	385,583
Bank overdraft	**111,500**	49,500
	256,546	435,083

	31 December 2011 £	1 January 2011 £
Non current		
Finance lease obligations	**15,123**	160,169
	15,123	160,169

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

Notes to the financial statements for the year ended 31 December 2011 (continued)

12 Financial liabilities – borrowings (continued)

Finance lease liabilities – minimum lease payments

	31 December 2011	1 January 2011
	£	£
In one year or less	151,757	411,444
Between one and five years	15,477	167,234
	167,234	578,678
Future finance charges on finance leases	(7,065)	(32,926)
	160,169	545,752

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 a nominal amount

Finance lease liabilities – present values

	31 December 2011	1 January 2011
	£	£
In one year or less	145,046	385,583
Between one and five years	15,123	160,169
	160,169	545,752

The rates of interest payable by the Company were

	31 December 2011	1 January 2011
	£	£
Overdrafts	3.2%	3 1%
Bank loans	n/a	n/a
Finance leases	7.4%	6 1%

Notes to the financial statements for the year ended 31 December 2011 (continued)

13 Related party transactions

	31 December 2011	1 January 2011
	£	£
Non current loans from parent company		
At 1 January 2011	**164,850**	429,850
Loans received during the year	**500,000**	-
Loans repaid during the year	-	(265,000)
At 31 December 2011	**664,850**	164,850

Non current loans from the parent company are interest free, unsecured and are not repayable within 12 months

14 Deferred tax asset

	31 December 2011	1 January 2011
	£	£
At 1 January 2011	**1,055,743**	687,831
Credited to the statement of comprehensive income	**289,317**	367,912
At 31 December 2011	**1,345,060**	1,055,743

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

	Timing differences on capital allowances £	Other £	Total £
Deferred tax asset			
At 1 January 2011	1,044,959	10,784	1,055,743
Credited to the statement of comprehensive	352,532	(9,413)	343,119
Rate change		(52,802)	(52,802)
At 31 December 2011	**1,397,491**	**(51,431)**	**1,345,060**

There are no amounts of unprovided deferred tax

Notes to the financial statements for the year ended 31 December 2011 (continued)

15 Share capital

	31 December 2011	1 January 2011
	£	£
Authorised, allotted, called up and fully paid		
9,000,000 (2010 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 4

Linton Park plc, the immediate holding company of Associated Cold Stores & Transport Limited, operates a group personal pension plan and The Linton Park Group Pension Scheme ("the Scheme"), a funded final salary pension scheme of which Associated Cold Stores & Transport Limited was a participating employer until 30 June 2011 The Scheme's assets are administered by trustees and are kept separate from those of the group Contributions to the group personal pension plan are charged to the statement of comprehensive income when payable

The amount of the employers' contributions to the Scheme is assessed by the scheme's actuary and agreed by the trustees and Linton Park Plc, the principal employer of the scheme A full actuarial valuation of the Scheme was last undertaken as at 1 January 2006, updated in March 2008 and showed a deficit of £1,120,000 Full details of the actuarial valuation of the group scheme are contained in the notes to the financial statements of Linton Park plc

Notes to the financial statements for the year ended 31 December 2011 (continued)

16 Pensions (continued)

At 31 December 2011 the company had accrued unpaid contributions of £5,276 (1 January 2011 £34,066)

The company also operates a defined contribution scheme The charge to the statement of comprehensive income for the year ended 31 December 2011 was £177,035 (1 January 2011 £49,211)

17 Commitments

	31 December 2011	1 January 2011
	£	£
Future capital expenditure		
Contracted but not provided for	**155,021**	11,610

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

	31 December 2011	1 January 2011
	£	£
Not later than 1 year	**399,934**	473,066
Later than 1 year and not later than 5 years	**1,201,126**	1,184,047
Later than 5 years	**1,843,848**	1,568,355
	3,444,908	3,225,468

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

Notes to the financial statements for the year ended 31 December 2011 (continued)

18 Financial Instruments

Capital risk management
The company manages its capital to ensure that the company will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its debt and equity balance The capital structure of the company consists of debt, which includes the borrowings disclosed in note 12 and note 13, cash and cash equivalents and equity comprising issued capital and retained earnings

Categories of financial instruments
The company's principal financial liabilities comprise bank overdrafts, amounts owed to fellow subsidiary companies and trade payables The main purpose of these financial liabilities is to provide working capital for the company The company's financial assets consist of trade and other receivables and cash and cash equivalents

Financial Assets

	31 December 2011 £	1 January 2011 £
Cash and cash equivalents	**2,526,304**	1,612,398
Trade and other receivables	**3,229,126**	2,737,361
	5,755,430	4,349,759

Financial Liabilities

	31 December 2011 £	1 January 2011 £
Trade and other payables	**2,321,586**	2,227,225
Borrowings	**271,669**	595,252
Amounts due to group companies – non-current	**664,850**	164,850
	3,258,105	2,987,327

Associated Cold Stores & Transport Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

18 Financial Instruments (continued)

Financial risk management objectives
The main risks arising from the company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk The Board of Directors reviews and agrees policies for managing each of these risks, which is summarised below

Interest rate risk
The company's exposure to the risk of changes in market interest rates relates to the company's overdrafts at floating interest rates

A 0 1% change in interest rates, using the company's average overdraft balance during the year would increase/reduce the company's profit before tax by £nil

Credit risk
The company has implemented policies that require appropriate credit checks on potential customers before sales are made The amount of exposure to any individual warehouse customer is limited by the warehouse keeper's lien At the year end five customers accounted for 58% of the total trade receivable balance and £691,782 was past due but not impaired

Liquidity Risk
The company manages its liquidity risk through the preparation of cash flow projections and the monitoring of accounts receivable and payable It has access to banking facilities and inter-company funding so as to ensure that it has sufficient funds available to operate

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based upon contractual undiscounted payments

31 December 2011	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	£	£	£	£	£
Interest bearing borrowings		37,939	113,818	15,477	167,234
Trade and other payables	-	2,321,586	-	-	2,321,586
		2,359,525	**113,818**	**15,477**	**2,488,820**
1 January 2011					
Interest bearing borrowings	-	102,861	308,583	167,234	578,678
Trade and other payables	-	2,227,225	-	-	2,227,225
		2,330,086	308,583	167,234	2,805,903

At 31 December 2011, the company had undrawn agreed overdraft facilities of £500,000, which are due for review in less than one year from the year end date

Notes to the financial statements for the year ended 31 December 2011 (continued)

19 Ultimate and immediate parent companies

The parent company is Linton Park plc, which is registered in England and Wales and the senior parent company that produces consolidated financial statements is Camellia plc, which is registered in England and Wales

Copies of the Camellia plc report and financial statements prepared in accordance with International Financial Reporting Standards can be obtained from Linton Park, Linton, near Maidstone, Kent, ME17 4AB

The ultimate controlling party is the Camellia Foundation, a Bermudian Trust

20 Cash generated from operations

	31 December 2011	1 January 2011
	£	£
Profit / (loss) on ordinary operations before taxation	**142,903**	(1,076,726)
Adjustments for		
Depreciation	**1,913,386**	2,173,117
Profit on the sale of property, plant and equipment	**(86,079)**	(408,987)
Interest expense	**23,701**	55,223
Interest income	**(7,994)**	(10,158)
Changes in working capital		
Inventories	**6,799**	2,222
Trade and other receivables	**(579,143)**	654,433
Trade and other payables	**62,349**	62,698
Intra group balances	**200,077**	-
	1,675,999	1,451,822

Notes to the financial statements for the year ended 31 December 2011 (continued)

20 Cash generated from operations (continued)

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

	31 December 2011 £	1 January 2011 £
Cost value of disposals of property, plant and equipment	**543,640**	1,072,511
Accumulated depreciation of disposals of property, plant and equipment	**(543,213)**	(1,025,898)
Net book amount	**427**	46,613
Profit on the sale of property, plant and equipment	**86,079**	408,987
Proceeds from the sale of property, plant and equipment	**86,506**	455,600