

Associated Cold Stores & Transport
Limited
Annual report
for the year ended 2 January 2010

Registered Number 553154



Associated Cold Stores & Transport Limited
Annual report
for the year ended 2 January 2010
Contents

Directors and Advisors for the year ended 2 January 2010	1
Directors' report for the year ended 2 January 2010	2
Independent Auditors' report to the members of Associated Cold Stores and Transport Limited	5
Income Statement for the year ended 2 January 2010	7
Statement of changes in shareholders' equity for the year ended 2 January 2010	8
Balance sheet as at 2 January 2010	9
Cash Flow Statement for the year ended 2 January 2010	10
Accounting policies	11
Notes to the financial statements for the year ended 2 January 2010	16

Associated Cold Stores and Transport Limited

Directors and Advisors for the year ended 2 January 2010

Directors

M Johnstone

C Ames

C Robinson

S Tomlinson

Secretary

M D Conway

Auditors

PricewaterhouseCoopers LLP

2 Humber Quays

Wellington Street

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 and Transport Limited

Directors' report for the year ended 2 January 2010

The directors present their report and the audited financial statements of the company for the year ended 2 January 2010

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 profit and loss account for the year is set out on page 7

Despite difficult trading conditions throughout the year, the results were generally pleasing with improvements in operating profit, balance sheet strength and cash flow compared to 2008. An opportunity was taken to carry out a further reorganisation in 2009 to reduce costs and enhance our competitiveness. Our distribution offering at Wolverhampton was also enhanced. The market remains competitive but management believes the business is agile enough to meet the challenges in 2010.

The company measured its performance for the year ended 2 January 2010 using a series of key performance indicators as follows

Gross margin % 20.6% (2008 21.3%)

Debtor days 46 days (2008 50 days)

Creditor days 46 days (2008 55 days)

Dividends

No dividends have been paid or proposed for the year ended 2 January 2010 (2008 £nil)

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 Camelia PLC, its parent companies.

Associated Cold Stores and Transport Limited

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 bank loan and 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.

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 2 January 2010 was 46 days (2008: 55 days).

Associated Cold Stores and Transport Limited

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 elected to prepare 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,
- 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.

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.

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

By order of the Board



Managing Director

Associated Cold Stores and Transport Limited

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

We have audited the financial statements of Associated Cold Stores & Transport Limited for the year ended 2 January 2010 which comprise the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Balance Sheet, the Cash Flow Statement, 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, 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 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.

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 2 January 2010 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.

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.

Associated Cold Stores and Transport Limited

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



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

30 March 2010

Associated Cold Stores and Transport Limited

Statement of Comprehensive Income for the year ended 2 January 2010

	Note	2 January 2010 £	27 December 2008 £
Revenue	1	23,069,332	24,203,950
Cost of sales		(18,299,225)	(19,040,948)
Gross profit		4,770,107	5,163,002
Administrative expenses		(3,936,033)	(4,380,269)
Operating profit before exceptional costs		1,088,001	803,353
Exceptional reorganisation costs	2a	(253,927)	(20,620)
Operating profit	2	834,074	782,733
Interest receivable		8,781	8,692
Finance costs	5	(99,357)	(189,088)
Profit on ordinary activities before taxation		743,498	602,337
Income tax	6	329,227	198,768
Profit for the year attributable to equity shareholders		1,072,725	801,105
Total comprehensive income for the year		1,072,725	801,105

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

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

Associated Cold Stores and Transport Limited

Statement of changes in shareholders' equity for the year ended 2 January 2010

	Share capital £	Retained earnings £	Total equity £
At 29 December 2007	9,000,000	3,816,941	12,816,941
Profit for the year	-	801,105	801,105
At 29 December 2008	9,000,000	4,618,046	13,618,046
Profit for the year	-	1,072,725	1,072,725
At 2 January 2010	9,000,000	5,690,771	14,690,771

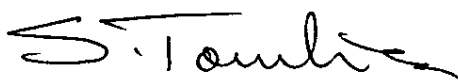
Associated Cold Stores and Transport Limited

Balance sheet as at 2 January 2010

	Note	2 January 2010 £	27 December 2008 £
Non-current assets			
Property, plant and equipment	7	13,516,566	15,054,445
Deferred tax assets	13	687,831	208,604
Total Non-current assets		14,204,397	15,263,049
Current assets			
Inventories	8	162,200	156,654
Trade and other receivables	9	3,937,239	4,474,553
Cash and cash equivalents		789,970	601,024
Total current assets		4,889,409	5,232,231
Current liabilities			
Trade and other payables	10	2,702,936	3,596,096
Financial liabilities borrowings	11	574,497	732,439
Provisions for liabilities	14	150,000	123,599
Total current liabilities		3,427,433	4,452,134
Net current assets		1,461,976	780,097
Total assets less current liabilities		15,666,373	16,043,146
Non current liabilities			
Financial liabilities borrowings	11	545,752	1,120,250
Amounts due to group undertakings	12	429,850	1,304,850
Total non-current liabilities		975,602	2,425,100
Net assets		14,690,771	13,618,046
Equity			
Called up share capital	15	9,000,000	9,000,000
Retained earnings		5,690,771	4,618,046
Total shareholders' equity		14,690,771	13,618,046

The financial statements were approved by the board of directors on
and were signed on its behalf by

30 MARCH 2010



S Tomlinson
Associated Cold Stores & Transport Limited
Registered No 553154

Associated Cold Stores and Transport Limited

Cash Flow Statement for the year ended 2 January 2010

	Note	2 January 2010 £	27 December 2008 £
Cash flows from operating activities			
Cash generated from operations	20	2,978,500	3,993,481
Interest paid		(99,357)	(189,088)
Interest received		8,781	8,692
Net cash flow from operating activities		2,887,924	3,813,085
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,186,438)	(140,897)
Proceeds from sale of property, plant and equipment	20	94,900	85,136
Net cash used in investing activities		(1,091,538)	(55,761)
Cash flows from financing activities			
Net movement in intra group loans		(875,000)	(325,002)
Repayment of borrowings		(732,440)	(941,674)
Net cash used in financing activities		(1,607,440)	(1,266,676)
Net increase in cash and cash equivalents		188,946	2,490,648
Cash and cash equivalents at beginning of period		601,024	(1,889,624)
Cash and cash equivalents at end of period		789,970	601,024

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:

Cash at bank and in hand	789,970	601,024
Bank overdrafts	-	-
	789,970	601,024

Associated Cold Stores and 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 the historical cost basis, where cost includes the deemed cost of property on transition to IFRS.

New standards and interpretations

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

IFRS7 'Financial instruments – Disclosures' (amendment) – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk.

IAS 1 (revised) 'Presentation of financial statements' – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income.

The adopted standards have impacted the disclosures in the financial statements but have had no impact on the results or net assets of the company.

The following standards and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 3 January 2010 or later periods, but the company has not early adopted them:

IFRIC 17 Distribution of non-cash assets to owners - effective on or after 1 July 2009.

The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable. The company will apply IFRIC 17 from 3 January 2010. It is not expected to have a material impact on the company's financial statements.

IAS 27 (revised) Consolidated and separate financial statements - effective from 1 July 2009.

The revisions to this standard require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The company will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 3 January 2010.

Associated Cold Stores and Transport Limited

IFRS 3 (revised) Business combinations - effective from 1 July 2009

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The company will apply IFRS 3 (revised) prospectively to all business combinations from 3 January 2010.

IAS 38 (amendment) Intangible assets

The amendment is part of the IASB's annual improvements project published in April 2009 and the company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the company's financial statements.

IFRS 5 (amendment) Non-current assets held for sale and discontinued operations - effective from 1 January 2010

The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. It is not expected to have a material impact on the company's 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.

Inventories

Inventories are stated at the lower of cost, assessed on a FIFO basis, and net realisable value. Provision has been made for obsolete and slow moving items where necessary.

Associated Cold Stores and Transport Limited

Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less 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 income statement.

Impairment of Assets

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, where the value in use is measured based on the future discounted cash flows ('DCF'). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

A number of significant assumptions and estimates are involved in using DCF models to forecast operating cash flows, for example with respect to factors such as market growth rates, revenue volumes, capital expenditures and working capital requirements. Forecasts of future cash flows are based on the best estimates of future revenues and operating expenses using historical trends, general market conditions and other available information. These assumptions are subject to review by management and the Board of Directors. The cash flow forecasts are adjusted by an appropriate discount rate derived from the Company's cost of capital at the date of the evaluation.

Associated Cold Stores and Transport Limited

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 is 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.

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.

Associated Cold Stores and Transport Limited

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.

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.

Associated Cold Stores and Transport Limited

Notes to the financial statements for the year ended 2 January 2010

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

	2 January 2010 £	27 December 2008 £
Operating profit is stated after including.		
Staff costs	8,082,531	8,190,309
Depreciation of property, plant and equipment		
- Owned	2,111,288	2,079,324
- Finance lease and hire purchase	590,289	722,259
Operating lease charges for the hire of plant and other assets	601,317	728,352
Auditors' remuneration	26,400	24,700
Profit on disposal of tangible fixed assets	(72,160)	(57,688)

2a Reorganisation costs

	2 January 2010 £	27 December 2008 £
Consultancy fees paid to third parties	59,724	20,620
Staff termination costs	194,203	-
	253,927	20,620

Associated Cold Stores and Transport Limited

3 Employees

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

By activity	2 January 2010 Number	27 December 2008 Number
Management	17	17
Administration	58	61
Operations and sales	216	243
	291	321

	2 January 2010 £	27 December 2008 £
Employment costs (including directors' emoluments)		
Wages and salaries	7,102,345	7,149,105
Social security costs	574,570	573,113
Other pension costs	405,616	468,091
	8,082,531	8,190,309

4 Directors' emoluments

	2 January 2010 £	27 December 2008 £
Aggregate emoluments including benefits	306,925	307,483
Defined benefit scheme pension contributions	-	2,347
Defined contribution scheme pension contributions	18,692	16,625

No retirement benefits are accruing to the directors under the defined benefit scheme (2008 Nil)

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

Associated Cold Stores and Transport Limited

4 Directors' emoluments (continued)

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

	2 January 2010	27 December 2008
	£	£
Salary and other emoluments (including benefits in kind)	128,824	131,229
Pension entitlement	7,380	7,378

5 Finance costs

	2 January 2010	27 December 2008
	£	£
Interest payable on bank loans and overdrafts	136	43,358
Interest payable on finance leases	99,221	145,730
Finance costs	99,357	189,088

6 Tax on profit on ordinary activities

(a) Analysis of tax credit for the year

	2 January 2010	27 December 2008
	£	£
Current tax:		
UK Corporation tax at 28%	150,000	-
Deferred tax:		
Reversal of timing differences	(527,100)	(344,102)
Adjustments in respect of previous periods	47,873	145,334
Tax credit on profit on ordinary activities	(329,227)	(198,768)

Associated Cold Stores and Transport Limited

(b) Factors affecting the tax credit for the year

	2 January 2010 £	27 December 2008 £
Profit on ordinary activities before tax	743,498	602,337
Expected tax on ordinary activities at the standard rate of UK corporation tax of 28% (2008 28%)	208,179	168,654
Effects of		
Adjustment to tax in respect of prior years	47,873	145,334
Group relief claimed for no consideration	(730,678)	(659,766)
Permanent differences	145,399	147,010
Total tax credit for the year	(329,227)	(198,768)

Associated Cold Stores and Transport Limited

7 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost or deemed cost				
At 29 December 2007	16,528,109	27,387,654	3,921,084	47,836,847
Additions	4,791	508,342	81,010	594,143
Disposals	-	(635,795)	(8,120)	(643,915)
At 27 December 2008	16,532,900	27,260,201	3,993,974	47,787,075
Additions	85,801	734,144	366,493	1,186,438
Disposals	-	(1,506,680)	(135,602)	(1,642,282)
At 2 January 2010	16,618,701	26,487,665	4,224,865	47,331,231
Depreciation				
At 29 December 2007	9,754,218	18,291,049	2,502,247	30,547,514
Charge for the year	573,074	1,689,461	539,048	2,801,583
Disposals	-	(608,348)	(8,119)	(616,467)
At 27 December 2008	10,327,292	19,372,162	3,033,176	32,732,630
Charge for the year	571,147	1,608,784	521,646	2,701,577
Disposals	-	(1,483,940)	(135,602)	(1,619,542)
At 2 January 2010	10,898,439	19,497,006	3,419,220	33,814,665
Net book amount				
At 2 January 2010	5,720,262	6,990,659	805,645	13,516,566
At 27 December 2008	6,205,608	7,888,039	960,798	15,054,445

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

	2 January 2010	27 December 2008
	£	£
Cost	4,685,002	4,685,002
Accumulated depreciation	(3,096,516)	(2,506,227)
Net book amount	1,588,486	2,178,775

Associated Cold Stores and Transport Limited

8 Inventories

	2 January 2010	27 December 2008
	£	£
Raw materials and consumables	162,200	156,654

The company reported inventories valued at £162,200 at the year-end (2008 £156,654) There were no write-downs of inventory (2008 £Nil)

9 Trade and other receivables

	2 January 2010	27 December 2008
	£	£
Amounts falling due within one year		
Trade receivables	3,462,387	3,892,287
Amounts due from group undertakings	1,301	-
Prepayments and accrued income	473,551	582,266
	3,937,239	4,474,553

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 2 January 2010, trade receivables of £1,276,233 (£1,445,000) 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

	2 January 2010	27 December 2008
	£	£
Up to 3 months	1,276,233	1,445,000
Over 3 months	-	-
	1,276,233	1,445,000

Associated Cold Stores and Transport Limited

10 Trade and other payables

	2 January 2010 £	27 December 2008 £
Trade payables	1,989,514	2,338,896
Accruals and deferred income	303,770	629,253
Amounts due to group undertakings	805	-
Other taxation and social security payable	408,847	627,947
	2,702,936	3,596,096

11 Financial liabilities - borrowings

	2 January 2010 £	27 December 2008 £
Current		
Finance lease obligations	574,497	732,439
	574,497	732,439

	2 January 2010 £	27 December 2008 £
Non current		
Finance lease obligations	545,752	1,120,250
	545,752	1,120,250

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

Associated Cold Stores and Transport Limited

11 Financial liabilities – borrowings (continued)

Finance lease liabilities – minimum lease payments

	2 January 2010	27 December 2008
	£	£
In one year or less	633,732	835,782
Between one and five years	578,678	1,212,411
	1,212,410	2,048,193
Future finance charges on finance leases	(92,161)	(195,504)
	1,120,249	1,852,689

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 nominal amount

Finance lease liabilities – present values

	2 January 2010	27 December 2008
	£	£
In one year or less	574,497	732,439
Between one and five years	545,752	1,120,250
	1,120,249	1,852,689

The rates of interest payable by the Company were

	2 January 2010	27 December 2008
	£	£
Overdrafts	3.1%	6 7%
Bank loans	n/a	n/a

Associated Cold Stores and Transport Limited

12 Related party transactions

	2 January 2010	27 December 2008
	£	£
Current loans from parent company		
At 27 December 2008	-	-
Loans received during the year	-	-
Loans repaid during the year	-	-
At 2 January 2010	-	-

	2 January 2010	27 December 2008
	£	£
Non current loans from parent company		
At 27 December 2008	1,304,850	1,629,852
Loans received during the year	150,000	-
Loans repaid during the year	(1,025,000)	(325,002)
At 2 January 2010	429,850	1,304,850

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

Associated Cold Stores and Transport Limited

13 Deferred tax

	2 January 2010 £	27 December 2008 £
At 27 December 2008	(208,604)	(9,836)
Credited to the income statement	(479,227)	(198,768)
At 2 January 2010	(687,831)	(208,604)

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 27 December 2008	(127,185)	(81,419)	(208,604)
Credited to the income statement	(469,701)	(9,526)	(479,227)
At 2 January 2010	(596,886)	(90,945)	(687,831)

There are no amounts of unprovided deferred tax

14 Provision for liabilities

	2 January 2010 £	27 December 2008 £
At 27 December 2008	123,599	122,500
Utilised in the year	(123,599)	-
Charged to the income statement	150,000	1,099
At 2 January 2010	150,000	123,599

The provision for liabilities of £150,000 (2008 £123,599) is in respect of a provision for an onerous lease

Associated Cold Stores and Transport Limited

15 Share capital

	2 January 2010	27 December 2008
	£	£
Authorised, allotted, called up and fully paid		
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 3

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 is a participating employer. 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 income statement when payable.

The amount of the employers' contributions to the Scheme are 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 the 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.

The company is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme and has consequently accounted for the scheme as if it were a defined contribution scheme, as permitted by IAS19.

At 2 January 2010 the company had accrued unpaid contributions of £34,028 (2008: £58,178).

The company also operates a defined contribution scheme. The charge to the income statement for the year ended 2 January 2010 was £46,555 (2008: £36,750).

Associated Cold Stores and Transport Limited

17 Commitments

	2 January 2010 £	27 December 2008 £
Future capital expenditure		
Contracted but not provided for	147,999	754,701

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

	2 January 2010 £	27 December 2008 £
Not later than 1 year	456,637	59,217
Later than 1 year and not later than 5 years	1,162,148	419,629
Later than 5 years	2,066,855	3,482,855
	3,685,640	3,961,701

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

Associated Cold Stores and Transport Limited

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 11, 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 due 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

	2 January 2010 £	27 December 2008 £
Cash and cash equivalents	789,970	601,024
Trade and other receivables	3,462,387	3,892,287
	4,252,357	4,493,311

Financial Liabilities

	2 January 2010 £	27 December 2008 £
Trade and other payables	1,989,514	3,090,441
Borrowings	1,120,249	1,852,689
Amounts due to group companies – non-current	429,850	1,304,850
	3,539,613	6,247,980

Associated Cold Stores and Transport Limited

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 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 £205.

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 55% of the total trade receivable balance and £1,276,233 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 2 January based upon contractual undiscounted payments.

2 January 2010					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	£	£	£	£	£
Interest bearing borrowings	-	158,433	475,299	578,678	1,212,410
Trade and other payables	-	1,989,514	-	-	1,989,514
	-	2,147,947	475,299	578,678	3,201,924
27 December 2008					
Interest bearing borrowings	-	183,110	549,329	1,120,250	1,852,689
Trade and other payables	-	3,090,411	-	-	3,090,441
	-	3,273,551	549,329	1,120,250	4,943,130

At 2 January 2010, the company had undrawn agreed overdraft facilities of £1,000,000, which are due for review in less than one year from the year end date.

Associated Cold Stores and Transport Limited

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 accounts is Camellia plc, which is registered in England and Wales

Copies of the Camellia plc report and accounts 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

	2 January 2010 £	27 December 2008 £
Profit on ordinary operations before taxation	743,498	602,337
Adjustments for		
Depreciation	2,701,577	2,801,583
Profit on the sale of property, plant and equipment	(72,160)	(57,688)
Interest expense	99,357	189,088
Interest income	(8,781)	(8,692)
Changes in working capital		
Inventories	(5,545)	855
Trade and other receivables	538,615	586,006
Trade and other payables	(1,018,061)	(120,008)
	2,978,500	3,993,481

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

	2 January 2010 £	27 December 2008 £
Cost value of disposals of property, plant and equipment	1,642,282	643,915
Accumulated depreciation of disposals of property, plant and equipment	(1,619,542)	(616,467)
Net book amount	22,740	27,448
Profit on the sale of property, plant and equipment	72,160	57,688
Proceeds from the sale of property, plant and equipment	94,900	85,136