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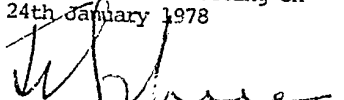
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Associated Fisheries & Foods Limited

Report and accounts

30th September, 1977

Certified true copy of the  
Accounts laid before the  
Annual General Meeting on  
24th January 1978

  
..... Director

  
..... Secretary



Associated Fisheries & Foods Limited

Directors

J. Dunlop - Chairman  
 John Bennett J.P. J.R.J. Lucas F.C.A., F.C.M.A.  
 W.E. McDonald S.J. Pearson

Secretary S.J. Pearson

Registered office Brighton Street, Hull

Report of the directors

The directors present to the members their report and accounts for the year ended 30th September, 1977.

Principal activity

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

Loan stock

In order to repay some of the existing indebtedness of the company, the board have issued for cash on 23rd September, 1977 to the holders of the ordinary shares, £3,277,500 unsecured loan stock, 1997.

Trading results

The profit after taxation is

£192,418

which has been transferred to reserves.

1977 has been better than 1976 mainly due to improved trading conditions and to a reduced finance charge from head office.

As already announced, the major part of the frozen food and fish merchandising business of the company, together with the relative fixed assets, was sold on 25th November, 1977 to Ross Foods Limited and is referred to in note 17 of the accounts.

Exports

During the financial year the value of goods exported from the United Kingdom amounted to £120,964 (1976 £61,187).

Directors

Mr. J. Dunlop, Mr. John Bennett and Mr. J.R.J. Lucas are directors of Associated Fisheries Limited and their interests in that company or any associated company are not required to be recorded in the register of directors' interests of this company.

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

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

Mr. D. Porter resigned as a director on 5th November, 1976, Mr. H.A. Bernard resigned on 30th November, 1976, Mr. Mark Hellyer resigned on 21st March, 1977 and Mr. J.R. Crook and Mr. W.H. Alston resigned on 25th November, 1977.

Mr. J.P. Mernagh was appointed as a director on 1st November, 1976 and resigned on 25th November, 1977.

Mr. J. Dunlop, Mr. John Bennett and Mr. J.R.J. Lucas were appointed as directors on 9th November, 1977.

In accordance with the articles of association Mr. S.J. Pearson retires by rotation, together with Mr. J. Dunlop, Mr. John Bennett and Mr. J.R.J. Lucas who were appointed since the last annual general meeting and, being eligible, they offer themselves for re-election.

#### Auditors

The auditors, Hodgson, Harris & Co., are eligible for re-appointment.

For and on behalf of the board

S. J. Pearson

Secretary

3rd January, 1978

HODGSON, HARRIS & CO.  
CHARTERED ACCOUNTANTS

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

In our opinion the accounts on pages 4 to 13 which have been prepared under the historical cost convention, give a true and fair view of the state of affairs at 30th September, 1977 and of the profit and the source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1967.

Hodgson, Harris & Co.

Hull 3rd January, 1978

Associated Fisheries & Foods Limited

Accounting policies

Turnover

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

Depreciation

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

The annual rates used are

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

Government grants

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

Stock and work in progress

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

Repairs and renewals

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

Deferred taxation

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

- a. claims for relief for the increase in the value of stock and work in progress between 1st October, 1972 and 30th September, 1977
- b. the excess of capital allowances for taxation purposes over the cumulative charge for depreciation on the relevant assets
- c. as reduced by corporation tax losses carried forward

Associated Fisheries & Foods Limited

Profit and loss account for the year  
ended 30th September, 1977

	<u>Note</u>	<u>1977</u> £	<u>1976</u> £
Turnover	1	£20,555,431 =====	£17,586,627 =====
Trading profit (loss)	2	285,698	(922,582)
Income received, less interest paid	4	(353)	9,753
Dividends received and receivable from subsidiary and fellow subsidiary companies		<u>37,990</u>	<u>32,292</u>
Profit (loss) before taxation		323,335	(880,537)
Taxation	5	<u>155,707</u>	<u>(464,445)</u>
Profit (loss) after taxation		167,628	(416,092)
Extraordinary items	6	<u>24,790</u>	<u>11,356</u>
Transferred to reserves	12	£192,418 =====	(£404,736) =====

HODGSON, HARRIS & CO.

Associated Fisheries & Foods LimitedBalance sheet at 30th September, 1977

	Note	£	1977	£	£	1976	£
<u>Employment of funds</u>							
Fixed assets	8		1,422,071			1,553,869	
Investments	7						
Subsidiary companies			196,929			196,929	
Fellow subsidiary companies			959			959	
Trade (unlisted)			10,244			16,740	
Current assets							
Stock and work in progress	9	2,826,144		2,700,911			
Government grants receivable		224		693			
Debtors		2,460,670		2,407,585			
Dividends receivable from subsidiary and fellow subsidiary companies		38,022		32,292			
Cash at bank and in hand		<u>135,055</u>		<u>219,531</u>			
		£5,460,115		£5,361,012			
		=====		=====			
Current liabilities							
Creditors		1,090,758		1,218,867			
Current proportion of loans	10	3,500		3,500			
Corporation tax group relief		<u>(533,630)</u>		<u>(527,672)</u>			
		£560,628		£694,695			
		=====		=====			
Net current assets			<u>4,899,487</u>			<u>4,666,317</u>	
			6,529,690			6,434,814	
Loan and current accounts with subsidiaries and fellow subsidiaries							
	11		<u>(39,879)</u>			<u>(564,581)</u>	
			£6,489,811			£5,870,233	
			=====			=====	

HODGSON, HARRIS &amp; CO.

Associated Fisheries & Foods LimitedBalance sheet at 30th September, 1977 (continued)

<u>Source of funds</u>	<u>Note</u>	<u>1977</u>		<u>1976</u>
		<u>Authorised</u>	<u>Issued</u>	<u>Issued</u>
			£	£
Share capital				
327,750 shares of £1 each		£327,750	327,750	327,750
		=====		
Reserves	12		(1,632,209)	(1,824,627)
			(1,304,459)	(1,496,877)
Unsecured loan stock 1997	13		3,277,500	-
Deferred taxation	14		155,277	-
Corporation tax group relief due from fellow subsidiary companies - year ended 30th September, 1977			-	(497,405)
Loans from White Fish Authority - secured	10		3,500	7,000
Parent company - loan account			<u>4,357,993</u>	<u>7,857,515</u>
			£6,489,811	£5,870,233
			=====	=====

HODGSON, HARRIS &amp; CO.

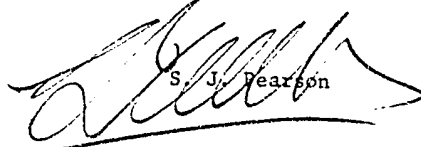


J.R.J. Lucas

S.J. Pearson

) Directors

)



S. J. Pearson

Secretary



Associated Fisheries & Foods Limited

Notes on the accounts for the year ended  
30th September, 1977

	<u>1977</u> £	<u>1976</u> £
1. <u>Turnover</u>		
Sales to customers outside the group		
U.K.	20,195,922	17,346,058
Export	<u>120,964</u>	<u>61,187</u>
Inter company sales	20,316,886	17,407,245
Total turnover	<u>238,545</u>	<u>179,382</u>
	£20,555,431	£17,586,627
	=====	=====
2. <u>Trading profit (loss)</u>		
Trading profit (loss) is stated after charging		
Depreciation	£164,331	£180,768
Directors' emoluments	=====	=====
As executives		
Associated Fisheries Limited	8,455	16,350
Others	62,722	56,448
Compensation for loss of office	<u>27,500</u>	<u>-</u>
	£98,677	£72,798
Hire of fixed assets	=====	=====
	£47,695	£66,748
Auditors' remuneration	=====	=====
	£17,000	£15,000
	=====	=====
3. <u>Emoluments of directors</u> (excluding pension contributions)		
Chairman's emoluments	£2,585	£4,610
	=====	=====
Emoluments of highest paid director	£16,134	£15,000
	=====	=====
Directors' emoluments for the year fall into the following scales		
£            £	No.	No.
0 - 2,500	1	-
2,501 - 5,000	2	1
5,001 - 7,500	-	3
7,501 - 10,000	3	2
12,501 - 15,000	1	1
15,001 - 17,500	1	-
4. <u>Income received, less interest paid</u>		
Income received		
Unlisted investments	4,705	9,486
Loans and deposits	<u>888</u>	<u>1,163</u>
	£5,593	£10,649
	=====	=====
Interest paid		
Bank and sundry loans	-	118
Short term loans	<u>5,946</u>	<u>778</u>
	£5,946	£896
	=====	=====
	(£353)	£9,753
	=====	=====

Associated Fisheries & Foods Limited  
Notes on the accounts for the year ended 30th  
September, 1977 (continued)

	<u>1977</u> £	<u>1976</u> £	
<b>5. <u>Taxation</u></b>			
Corporation tax group relief at 52%	(329)	(463,060)	
Deferred taxation	155,298	(1,855)	
Adjustments for earlier years	-	470	
Tax credit on income from unlisted investments	<u>738</u>	<u>-</u>	
	£155,707	(£464,445)	
	=====	=====	
Taxation is reduced by nil (last year £648) for past losses, including capital allowances			
<b>6. <u>Extraordinary items</u></b>			
Surplus on sale of fixed assets, less taxation	24,790	43,396	
Loss on sale of fixed assets, less taxation	<u>-</u>	<u>(32,040)</u>	
	£24,790	£11,356	
	=====	=====	
<b>7. <u>Investments</u></b>			
<u>Subsidiary companies at cost</u>	£196,929	£196,929	
	=====	=====	
The company holds the following investments in subsidiary companies			
	Class of <u>shares</u>	Held by <u>company</u>	Held by <u>subsidiaries</u>
Tullos Cold Storage (Aberdeen) Limited	Ordinary	100%	-
The Bernard Master-Group of Companies Limited	Ordinary and Preference	100%	-
Bernard Master-Freeze Limited	Ordinary	40%	60%
Associated Fisheries & Foods (Scotland) Limited	Ordinary	25%	75%
Master-Freeze Foods (Retail) Limited	Ordinary	25%	75%
In the opinion of the directors, the aggregate value of the company's investment in its subsidiary companies, is not less than the amount at which they are included in the balance sheet.			
<u>Fellow subsidiary companies at cost</u>	£959	£959	
	=====	=====	
The company owns 900 6% cumulative preference shares in Grimsby Cold Storage Company Limited			
<u>Trade (unlisted)</u>			
At cost	£10,244	£16,740	
	=====	=====	
At directors' valuation	£24,877	£26,877	
	=====	=====	

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th September,  
1977 (continued)

	Freehold land and buildings £	Leasehold land and buildings Long lease £	Short lease £	Plant, equipment and transport £	Total £
<b>8. Fixed assets</b>					
Cost					
At 30th September, 1976	312,314	797,283	83,475	1,761,104	2,954,176
Additions	(1,007)	515	3,250	118,777	121,535
Reclassification	-	(327,557)	327,557	-	-
Disposals	(8,131)	-	(1,255)	(79,754)	(89,140)
At 30th September, 1977	£303,176	£470,241	£413,027	£1,800,127	£2,986,571
Accumulated depreciation					
At 30th September, 1976	40,668	191,381	30,979	1,137,279	1,400,307
Charged for the year	4,972	11,447	10,008	199,253 (a)	225,680
Reclassification	-	(60,171)	60,171	-	-
Appropriated on disposals	(1,935)	-	(495)	(59,057)	(61,487)
At 30th September, 1977	£43,705	£142,657	£100,663	£1,277,475	£1,564,500
Net book value					
At 30th September, 1977	£259,471	£327,584	£312,364	£522,652	£1,422,071
At 30th September, 1976	£271,646	£605,902	£52,496	£623,825	£1,553,869
(a) Includes accumulated depreciation on assets transferred from associated companies £61,349.					
<u>Future capital expenditure (after deducting government grants, as appropriate)</u>				<u>1977</u> £	<u>1976</u> £
Contracted for				£23,215	£7,847
Authorised by directors but not contracted for				£-	£10,078
<b>9. Stock and work in progress</b>					
Raw materials				661,841	427,385
Work in progress				274,219	320,014
Finished products				<u>1,890,084</u>	<u>1,953,512</u>
				£2,826,144	£2,700,911

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th September,  
1977 (continued)

	<u>1977</u> £	<u>1976</u> £
10. <u>Loans from White Fish Authority</u>		
Repayable by half yearly instalments of £1,750; 2 years to run at balance sheet date	7,000	10,500
Proportion of loan included in current liabilities	(3,500)	(3,500)
	£3,500	£ 7,000
	=====	=====
The average rate of interest is 6%.		
11. <u>Loan and current accounts with subsidiaries and fellow subsidiaries</u>		
Due from subsidiaries	568,263	625,817
Due from fellow subsidiaries	47,279	13,005
	£615,542	£638,822
	=====	=====
Due to subsidiaries	142,738	113,370
Due to fellow subsidiaries	512,683	1,090,033
	£655,421	£1,203,403
	=====	=====
	£(39,879)	£(564,581)
	=====	=====
12. <u>Reserves</u>		
At 30th September, 1976	(1,824,627)	(1,419,891)
Profit (loss) for the year	192,418	(404,736)
At 30th September, 1977	£(1,632,209)	£(1,824,627)
	=====	=====
13. <u>Unsecured loan stock, 1997</u>	£3,277,500	£-
	=====	==
The loan stock ranks in priority of claim after all other indebtedness of the company and is repayable at par on 30th September, 1997.		
Interest at 2% over Midland Bank Limited base rate or at a rate of 5%, whichever be the greater.		

Associated Fisheries & Foods Limited

Notes on the accounts for the year ended 30th September,  
1977 (continued)

14. <u>Deferred taxation</u>	<u>1977</u>	<u>1976</u>
	£	£
Corporation tax deferred by		
Relief for increases in trading stock	702,939	660,157
Other timing differences	<u>230,860</u>	<u>223,235</u>
	£933,799	£883,392
Losses not utilised	<u>(778,522)</u>	<u>(883,392)</u>
	£155,277	£-
	=====	=====

15. Guarantees

During the previous financial year the company entered into a cross guarantee with the ultimate holding company and certain fellow subsidiary companies in connection with advances and borrowings from Midland Bank Limited. At 30th September, 1977 the aggregate of these amounts was £1,992,991.

16. Group accounts

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

17. Disposals after 30th September, 1977

Under an agreement dated 11th November, 1977 and completed on 25th November, 1977, a major part of the business and assets of the company was sold to Ross Foods Limited, a subsidiary of the Imperial Group Limited. The agreement provided for the sale of certain fixed assets used in the business and the raw materials and work in progress at 25th November, 1977 on hand relating thereto, for a consideration of £2,510,000 in cash. The agreement also provides that the purchaser will dispose of the stocks of finished goods on hand at that date and will account to Associated Fisheries & Foods Limited for the net book value thereof. Ross Foods Limited will also collect the debtors relative to the area of the business sold and account to Associated Fisheries & Foods Limited. If there should be any finished stocks remaining at 23rd February, 1978, the purchaser will buy these from Associated Fisheries & Foods Limited at net book value. Under the terms of the agreement Associated Fisheries & Foods Limited will settle the trade creditors involved.

The net book value of the assets of the business which was the subject of the agreement were included in the balance sheet at 30th September, 1977 as follows

	£000	£000
Fixed assets		1,135
Stock of raw materials and work in progress		<u>916</u>
		£2,051
Stock of finished goods	1,798	
Debtors	<u>2,064</u>	3,862
		£5,913
<u>Less</u> Creditors		<u>970</u>
		£4,943
		=====

Associated Fisheries & Foods LimitedStatement of source and application of funds for the year ended  
30th September, 1977

	£	1977	£	£	1976	£
<u>Source of funds</u>						
Profit (loss) before taxation and dividends receivable			285,345		(912,829)	
Depreciation			<u>164,331</u>		<u>180,768</u>	
Total funds generated from operations			449,676		(732,061)	
Dividends received			32,260		54	
Issue of loan stock			3,277,500		-	
Trade investment - capital repayment			6,496		15,244	
Corporation tax group relief recovered			<u>491,447</u>		<u>197,483</u>	
			4,257,379		(519,280)	
<u>Application of funds</u>						
Capital expenditure	60,186				26,837	
<u>Less: Disposals</u>	<u>52,751</u>				<u>93,115</u>	
	7,435				(66,278)	
Loan repayments	3,500				3,500	
Tax on franked investment income	738				-	
Purchase of trade investment	-		<u>11,673</u>		<u>4</u>	<u>(62,774)</u>
			<u>£4,245,706</u>		<u>(£456,506)</u>	
			=====		=====	
<u>Working capital increase (decrease)</u>						
Stock and work in progress			125,233		338,237	
Debtors			52,616		510,893	
Creditors			128,109		(279,933)	
Group companies			<u>4,024,224</u>		<u>(1,492,909)</u>	
			4,330,182		(923,712)	
			<u>(84,476)</u>		<u>467,206</u>	
Increase (decrease) on cash and bank			<u>£4,245,706</u>		<u>(£456,506)</u>	
			=====		=====	

HODGSON, HARRIS &amp; CO.