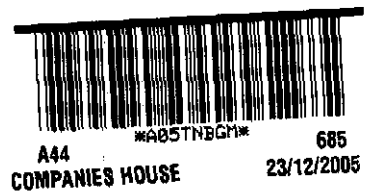


Associated Cold Stores and Transport  
Limited  
Annual report  
for the year ended 31 December 2004

Registered Number 553154



Associated Cold Stores and Transport Limited  
Annual report  
for the year ended 31 December 2004  
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# **Associated Cold Stores and Transport Limited**

## **Directors and Advisors for the year ended 31 December 2004**

### **Directors**

D Bowley (Chairman) – resigned 30 June 2004  
D K W Watt – resigned 17 August 2004  
A P J Dodd – resigned 18 March 2005  
M L Harness – resigned 30 June 2005  
A J P Sharman  
D W Brookes  
C H Codling  
S Prowse  
R Griffin – appointed 1 July 2005

### **Secretary**

M D Conway

### **Auditors**

PricewaterhouseCoopers LLP  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **Bankers**

HSBC Bank plc  
Eastcheap  
London  
EC3M 1ED

### **Registered Office**

Linton Park  
Linton  
Near Maidstone  
Kent  
ME17 4AB

### **Registered Number**

553154

# **Associated Cold Stores and Transport Limited**

## **Directors' report for the year ended 31 December 2004**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

### **Principal activities**

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

### **Review of business and future developments**

The profit and loss account for the year is set out on page 5.

Another difficult year of trading has resulted in poorer results than expected. The company's year end financial position was satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future. Measures have been put in place with a view to returning the Company to profitability within the next 18 months.

### **Dividends**

No dividends have been paid or proposed for the year ended 31 December 2004 (2003: £nil).

### **Directors and their interests**

The directors of the company at 31 December 2004 are listed on page 1.

Mr D Bowley was a director of Linton Park plc and his interest in shares and loan stock of other group companies is shown in the Directors' Report of that company. None of the other directors who held office at the end of the year had any interest in the shares of the company, or other group companies as recorded in the Register of Directors' Interests.

### **Employees**

The company's policy is to consult and discuss with employees on any matters likely to affect their interests.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill and to give them such training as is appropriate. Should any employee become disabled, every practical effort is made to provide continuing employment.

Information on matters of concern to employees is given through regular bulletins, notices and briefings, in order to achieve a common awareness of the financial and economic factors affecting the performance of the company. The company has also achieved certification as an Investor in People partly in recognition of the work done in improving the awareness of its employees.

### **Policy and practice on payment of creditors**

In respect of certain suppliers it is the company's policy to settle the terms of payment when agreeing the terms of the related transaction, to ensure that the suppliers are made aware of the terms and then to abide by those terms.

The company's average creditor payment period at 31 December 2004 was 45 days (2003: 42 days).

# **Associated Cold Stores and Transport Limited**

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004, that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**By order of the Board**



**Company Secretary**

# 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 which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared in accordance with the accounting policies as set out in the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

### Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Leeds

*21 December 2005*

# Associated Cold Stores and Transport Limited

## Profit and loss account for the year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	1	32,037,227	30,330,627
Cost of sales		(27,282,759)	(25,374,034)
Gross profit		4,754,468	4,956,593
Administrative expenses		(4,989,188)	(5,442,993)
<b>Operating loss</b>	2	<b>(234,720)</b>	(486,400)
Interest payable and similar charges	5	(370,020)	(351,773)
<b>Loss on ordinary activities before taxation</b>		<b>(604,740)</b>	(838,173)
Tax on loss on ordinary activities	6	278,276	195,109
<b>Retained loss for the financial year</b>		<b>(326,464)</b>	(643,064)

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

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

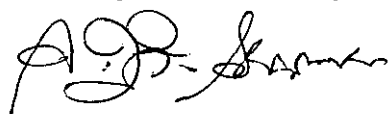
The company has no recognised gains and losses other than the amounts above and therefore no separate statement of total recognised gains and losses has been prepared.

# Associated Cold Stores and Transport Limited

## Balance sheet as at 31 December 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	7	22,239,434	23,133,626
<b>Current assets</b>			
Stocks	8	237,507	243,634
Debtors	9	6,607,054	7,024,340
Cash at bank and in hand		5,559	7,067
		6,850,120	7,275,041
<b>Creditors: amounts falling due within one year</b>	10	(10,210,599)	(9,607,139)
<b>Net current liabilities</b>		(3,360,479)	(2,332,098)
<b>Total assets less current liabilities</b>		18,878,955	20,801,528
<b>Creditors: amounts falling due after more than one year</b>	11	(2,733,784)	(3,569,153)
<b>Provisions for liabilities and charges</b>	12	(2,237,273)	(2,998,013)
<b>Net assets</b>		13,907,898	14,234,362
<b>Capital and reserves</b>			
Called up share capital	14	9,000,000	9,000,000
Profit and loss account	15	4,907,898	5,234,362
<b>Equity shareholders' funds</b>	16	13,907,898	14,234,362

The financial statements on pages 5 to 19 were approved by the board of directors on 21 December 2005 and were signed on its behalf by:




Directors

# Associated Cold Stores and Transport Limited

## Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold and leasehold properties.

### **Cash flow statement**

During the year the company was a wholly owned subsidiary of Linton Park plc which publishes consolidated financial statements. Consequently, the company is exempt under the terms of Financial Reporting Standard Number 1, Cash Flow Statements, from publishing its own cash flow statement.

### **Turnover**

Turnover represents amounts received and receivable for goods and services supplied to customers during the year, excluding value added tax.

### **Tangible fixed assets**

Depreciation of tangible fixed assets is charged on a straight line basis so as to write off the cost or valuation of the assets, less any residual value, over their expected useful lives, which are as follows:

Freehold buildings	10 - 40 years
Long leasehold buildings	period of lease
Short leasehold buildings	period of lease
Plant and equipment	4 - 24 years
Motor vehicles	4 - 10 years

Freehold land is not depreciated.

In previous years the company's land and buildings have been valued periodically by professional valuers on an open market, existing use basis. The company adopted the transitional arrangements of FRS 15 - Tangible Fixed Assets in a previous year such that no future re-valuations will be carried out although existing valuations have been retained.

### **Finance and operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under hire purchase contracts. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under hire purchase contracts are depreciated over the useful lives of equivalent owned assets.

# **Associated Cold Stores and Transport Limited**

## **Stocks**

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision has been made for obsolete and slow moving items.

## **Foreign currency**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Profits and losses on exchange are credited or charged directly to the profit and loss account.

## **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences which are expected to reverse in the future. Deferred tax assets that arise as a result of timing differences are recognised when their future recovery is assessed as being more likely than not. Provision is made at the rate of tax which is expected to be applied when the liability or asset is expected to crystallise. Deferred tax assets and liabilities are not subject to discounting.

## **Pension costs**

The cost of providing pensions is charged to the profit and loss account systematically over the periods benefiting from the employees' services in accordance with Statement of Standard Accounting Practice Number 24. Pension arrangements are detailed in note 13.

# Associated Cold Stores and Transport Limited

## Notes to the financial statements for the year ended 31 December 2004

### 1 Turnover

	2004	2003
	£	£
<b>Geographical segment</b>		
United Kingdom	31,354,732	29,553,600
EU (other than UK)	682,495	777,027
	<b>32,037,227</b>	<b>30,330,627</b>

### 2 Operating loss

	2004	2003
	£	£
<b>Operating loss is stated after crediting:</b>		
Profit on disposal of tangible fixed assets	498,800	10,625
<b>And after charging:</b>		
Depreciation charge for the year:		
Tangible owned fixed assets	2,347,715	2,325,913
Tangible fixed assets held under hire purchase contracts	350,059	265,756
Auditors' remuneration for:		
Audit	24,000	24,000
Hire of plant and machinery - operating leases	339,381	316,764
Hire of other assets - operating leases	1,506,984	1,472,077

# Associated Cold Stores and Transport Limited

## 3 Directors' emoluments

	2004	2003
	£	£
Aggregate emoluments including benefits	567,006	473,254

Retirement benefits are accruing to all of the directors under a defined benefit scheme.

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

	2004	2003
	£	£
Salary and other emoluments (including benefits in kind)	170,377	91,215
Pension entitlement	-	31,012

## 4 Employee information

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

By activity	2004	2003
	Number	Number
Management	26	24
Administration	90	48
Production and sales	394	449
	510	521

	2004	2003
	£	£
<b>Staff costs (for the above persons)</b>		
Wages and salaries	10,336,485	10,045,464
Social security costs	841,904	770,019
Other pension costs	844,458	939,127
	12,022,847	11,754,610

# Associated Cold Stores and Transport Limited

## 5 Interest and similar items

	2004	2003
	£	£
Interest payable on bank loans and overdrafts	304,215	298,483
On hire purchase contracts	65,805	53,290
	370,020	351,773

## 6 Tax on (loss)/profit on ordinary activities

### (a) Analysis of tax charge for the year

	2004	2003
	£	£
<b>UK corporation tax:</b>		
United Kingdom corporation tax at 30% (2003 30%)	482,464	525,499
Adjustment in respect of previous years	-	(38,512)
	482,464	486,987
<b>Deferred tax:</b>		
Reversal of timing differences	(760,740)	(724,491)
Adjustment in respect of prior years	-	42,395
	(760,740)	(682,096)
<b>Tax credit on loss on ordinary activities</b>	<b>(278,276)</b>	<b>(195,109)</b>

# Associated Cold Stores and Transport Limited

## (b) Factors affecting the tax charge for the year

	2004 £	2003 £
Loss on ordinary activities before tax	(604,740)	(838,173)
Expected tax on ordinary activities at the standard rate of UK corporation tax of 30% (2003: 30%)	(181,422)	(251,452)
Effects of:		
Adjustment to tax in respect of prior years	-	(38,512)
Short term timing differences	(8,797)	(11,395)
Shortfall of capital allowances over depreciation	769,537	735,886
Permanent differences	(96,854)	52,460
Current tax charge for the year	482,464	486,987

# Associated Cold Stores and Transport Limited

## 7 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 31 December 2003	16,888,747	28,104,893	4,380,323	49,373,963
Additions	-	1,287,337	583,995	1,871,332
Disposals	(73,480)	(1,478,697)	(925,561)	(2,477,738)
<b>At 31 December 2004</b>	<b>16,815,267</b>	<b>27,913,533</b>	<b>4,038,757</b>	<b>48,767,557</b>
<b>Depreciation</b>				
At 31 December 2003	7,575,325	16,373,587	2,291,425	26,240,337
Charge for the year	633,718	1,549,482	514,574	2,697,774
Disposals	(63,480)	(1,420,947)	(925,561)	(2,409,988)
<b>At 31 December 2004</b>	<b>8,145,563</b>	<b>16,502,122</b>	<b>1,880,438</b>	<b>26,528,123</b>
<b>Net book amount</b>				
<b>At 31 December 2004</b>	<b>8,669,704</b>	<b>11,411,411</b>	<b>2,158,319</b>	<b>22,239,434</b>
At 31 December 2003	9,313,422	11,731,306	2,088,898	23,133,626
<b>Cost or valuation at 31 December 2004 is represented by:</b>				
Valuation in				
1978	3,082,957	-	-	3,082,957
1983	327,000	-	-	327,000
Cost	13,405,310	27,913,533	4,038,757	45,357,600
	<b>16,815,267</b>	<b>27,913,533</b>	<b>4,038,757</b>	<b>48,767,557</b>

Land and buildings were valued at open market value for existing use for the purposes of the 1978 and 1983 financial statements.

# Associated Cold Stores and Transport Limited

Land and buildings at net book value comprise:

	2004	2003
	£	£
Freeholds	8,252,635	8,833,536
Long leaseholds	77,689	88,583
Short leaseholds	339,380	391,303
	8,669,704	9,313,422

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

	2004	2003
	£	£
Cost	17,056,451	17,084,771
Aggregate depreciation based on cost	(8,227,545)	(7,632,434)
	8,828,906	9,452,337

The net book value of plant and equipment includes an amount of £1,471,732 (2003: £834,328) in respect of assets held under hire purchase contracts.

## 8 Stocks

	2004	2003
	£	£
Raw materials and consumables	237,507	243,634

## 9 Debtors

	2004	2003
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	5,773,019	6,428,761
Prepayments and accrued income	834,035	595,579
	6,607,054	7,024,340

# Associated Cold Stores and Transport Limited

## 10 Creditors: amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	3,608,875	3,788,371
Obligations under hire purchase contracts	391,576	215,136
Trade creditors	2,839,388	2,350,885
Amounts owed to parent and fellow subsidiary undertakings	1,265	201,265
Corporation tax payable	1,559,382	1,076,918
Other taxation and social security payable	707,422	737,609
Accruals and deferred income	1,102,691	1,236,955
Dividends payable	-	-
	<b>10,210,599</b>	<b>9,607,139</b>

## 11 Creditors: amounts falling due after more than one year

	2004	2003
	£	£
Bank loans	1,511,380	2,720,500
Obligations under hire purchase contracts	1,029,566	590,678
Accruals	192,838	257,975
	<b>2,733,784</b>	<b>3,569,153</b>

### Bank loans and overdrafts

	2004	2003
	£	£
Repayable as follows:		
In one year or less	3,608,875	3,788,371
Between one and two years	1,209,120	1,209,120
Between two and five years	302,260	1,511,380
	<b>5,120,255</b>	<b>6,508,871</b>

The bank loan of £3,929,620 is repayable by equal quarterly instalments over the period up to January 2007. Interest on the loan is charged at 1% above LIBOR. The bank overdraft is secured on an element on the Wolverhampton property.

# Associated Cold Stores and Transport Limited

## Hire purchase contracts

The net obligations to which the company is committed under hire purchase contracts are as follows:

	2004 £	2003 £
In one year or less	391,576	215,136
Between one and five years	1,029,566	590,678
	<b>1,421,142</b>	<b>805,814</b>

## 12 Provision for liabilities and charges

	Deferred taxation £
At 31 December 2003	2,998,013
Profit and loss account (note 6)	(760,740)
<b>At 31 December 2004</b>	<b>2,237,273</b>

The amount provided in respect of deferred taxation comprises:

	Amount provided	
	2004 £	2003 £
Tax effect of timing differences because of		
Excess of tax allowances over depreciation	2,329,247	3,098,784
Short term timing differences	(91,974)	(100,771)
	<b>2,237,273</b>	<b>2,998,013</b>

Deferred tax is provided on a non-discounted basis at the tax rates expected to apply in the periods in which timing differences arise.

There is no unprovided deferred tax.

# Associated Cold Stores and Transport Limited

## 13 Pensions

Details of the pension cost charge for the year are disclosed as 'other pension costs' in note 4.

Linton Park plc, the immediate holding company of Associated Cold Stores & Transport Limited, operates a funded defined benefit pension scheme. The scheme assets are administered by trustees and are kept separate from those of the group.

The pension cost for the defined benefit scheme is assessed in accordance with the advice of qualified independent actuaries. A full actuarial valuation of the Linton Park Group Pension scheme was last undertaken on the 1 January 2003. The market value of assets was £44.2 million representing 94% of benefits. Full detail of the actuarial valuation of the group scheme is 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 was a defined contribution scheme, as permitted by FRS17.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year in respect of the scheme.

## 14 Called up share capital

	2004 £	2003 £
<b>Authorised, allotted, called up and fully paid</b>		
9,000,000 ordinary shares of £1 each	9,000,000	9,000,000

## 15 Profit and loss account

	£
At 31 December 2003	5,234,362
Loss for the year	(326,464)
<b>At 31 December 2004</b>	<b>4,907,898</b>

# Associated Cold Stores and Transport Limited

## 16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Loss for the financial year	(326,464)	(643,064)
Dividends	-	-
Net reduction to shareholders' funds	(326,464)	(643,064)
Opening shareholders' funds	14,234,362	14,877,426
Closing shareholders' funds	13,907,898	14,234,362

## 17 Capital commitments

	2004 £	2003 £
Future capital expenditure		
Contracted but not provided for	-	9,000

## 18 Contingent liabilities

The company has entered into a cross guarantee with Associated Fisheries Limited and certain fellow group undertakings in respect of advances and borrowings from HSBC Bank plc. At 31 December 2004 the aggregate of these advances and borrowings was £1,773,030 (2003: £1,648,664).

# Associated Cold Stores and Transport Limited

## 19 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	Other	Land and buildings	Other
	2004	2004	2003	2003
	£	£	£	£
Expiring within one year	4,350	372,128	4,634	211,521
Expiring between two and five years	6,400	807,043	-	1,242,033
Expiring in over five years	292,780	-	298,846	-
	303,530	1,179,171	303,480	1,453,554

## 20 Related party transactions

The company has taken the exemption provided under FRS 8 - Related Party Transactions, regarding the non-disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent company.

## 21 Ultimate and immediate parent companies

The directors regard Camellia plc, a company incorporated in Great Britain and registered in England, as the ultimate parent company. The company's immediate parent company is Linton Park Plc, a company registered in England, that being the first company in the hierarchy to produce consolidated financial statements. Copies of the immediate parent company's consolidated financial statements may be obtained from Linton Park, Linton, near Maidstone, Kent, ME17 4AB.h