Associated Cold Stores & Transport Limited

Annual report and financial statements for the period ended 29 December 2012

Registered Number: 553154

Associated Cold Stores & Transport Limited
Annual Report for the period ended 29 December 2012
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Associated Cold Stores & Transport Limited

Directors and Advisors for the period ended 29 December 2012

Directors
M Johnstone
C Ames
C Robinson (resigned 17 August 2012)
S Tomlinson
M Rice (appointed 17 September 2012)

Company secretary
J Morton

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
Maidstone
Kent
ME17 4AB

Registered Number
553154

Associated Cold Stores & Transport Limited

Directors' report for the period ended 29 December 2012

The directors present their report and the audited financial statements of the company for the period ended 29 December 2012

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 period is set out on page 8

The Directors are pleased to report that the business has declared significantly improved results compared to 2011, showing an operating profit before exceptional costs of £1 1m (2011 £0 3m)

There have been significant business wins from both new and existing clients in our foodservice, retail distribution and factory support sectors As anticipated, the foodservice business has benefited considerably from the London Olympics and the Diamond Jubilee The overall increase in utilisation of warehouse space was pleasing, with growth at the majority of locations

There has been considerable capital investment during 2012 in IT equipment, our properties and our commercial vehicle fleet, as part of our strategy of continued investment to ensure long-term profitable growth

Continual staff training is key to ensuring excellent customer service and operational excellence In 2012, all warehousing staff participated in the pilot of the FSDF (Food Storage and Distribution Federation) QCF logistics training program

The company measured its performance for the period ended 29 December 2012 using a series of key performance indicators as follows

Gross margin %	21 5% (2011 19 4%)
Debtor days	34 days (2011 47 days)
Creditor days	55 days (2011 57 days)

Exceptional costs of £494,350 have been recorded (2011 £114,059) These relate predominantly to property impairment charges, an onerous lease provision and a property dilapidations provision (2011 staff termination costs)

Looking towards the future, 2013 started with higher than expected warehouse utilisation The sales team has been further strengthened and we hope to build on this promising start to sustain the improvement in performance

Dividends
No dividends have been paid or proposed for the period ended 29 December 2012 (31 December 2011 £nil)

Directors' report for the period ended 29 December 2012 (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 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 generates available finance from continuing operations to provide it with 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, being 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 directors who served during the period and up to the date of signing the financial statements are given below

M Johnstone
C Ames
C Robinson (resigned 17 August 2012)
S Tomlinson
M Rice (appointed 17 September 2012)

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

Associated Cold Stores & Transport Limited

Directors' report for the period ended 29 December 2012 (continued)

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 29 December 2012 was 55 days (31 December 2011 57 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 period 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

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Directors' report for the period ended 29 December 2012 (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 period

By order of the Board

S Tomlinson

Director

21 May 2013

Associated Cold Stores & Transport Limited

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

We have audited the financial statements of Associated Cold Stores & Transport Limited for the period ended 29 December 2012 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 Statement of Directors' Responsibilities 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 29 December 2012 and of its profit and cash flows for the period 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

Independent Auditors' report to the members of Associated Cold Stores & 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 period 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
21 May 2013

Associated Cold Stores & Transport Limited

Statement of Comprehensive Income for the period ended 29 December 2012

	Note	29 December 2012 £	31 December 2011 £
Revenue	1	**20,473,934**	18,703,766
Cost of sales		**(16,070,292)**	(15,077,502)
Gross profit		**4,403,642**	3,626,264
Administrative expenses		**(3,297,285)**	(3,353,595)
Operating profit before exceptional costs		**1,106,357**	272,669
Exceptional costs	3	**(494,350)**	(114,059)
Operating profit	2	**612,007**	158,610
Finance income		**45,441**	7,994
Finance costs	6	**(6,199)**	(23,701)
Profit on ordinary activities before taxation		**651,249**	142,903
Income tax	7	**188,198**	289,317
Profit for the period		**839,447**	432,220
Total comprehensive income for the period		**839,447**	432,220

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

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

Associated Cold Stores & Transport Limited

Statement of changes in equity for the period ended 29 December 2012

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2011	9,000,000	4,981,957	13,981,957
Profit for the period	-	432,220	432,220
At 31 December 2011	9,000,000	5,414,177	14,414,177
Profit for the period	-	839,447	839,447
At 29 December 2012	**9,000,000**	**6,253,624**	**15,253,624**

Associated Cold Stores & Transport Limited

Balance sheet as at 29 December 2012

	Note	29 December 2012 £	31 December 2011 £
Non-current assets			
Property, plant and equipment	8	**10,291,141**	10,642,263
Deferred tax assets	15	**1,533,258**	1,345,060
Total non-current assets		**11,824,399**	11,987,323
Current assets			
Inventories	9	**166,532**	153,179
Trade and other receivables	10	**5,876,001**	3,854,223
Cash and cash equivalents		**2,225,127**	2,526,304
Total current assets		**8,267,660**	6,533,706
Current liabilities			
Trade and other payables	11	**3,912,453**	3,170,333
Borrowings	12	**16,026**	256,546
Provisions for other liabilities and charges	14	**35,696**	-
Total current liabilities		**3,964,175**	3,426,879
Net current assets		**4,303,485**	3,106,827
Non current liabilities			
Borrowings	12	**-**	15,123
Trade and other payables	13	**664,850**	664,850
Provisions for other liabilities and charges	14	**209,410**	-
Total non-current liabilities		**874,260**	679,973
Net assets		**15,253,624**	14,414,177
Equity			
Called up share capital	16	**9,000,000**	9,000,000
Retained earnings		**6,253,624**	5,414,177
Total equity		**15,253,624**	14,414,177

The financial statements on page 8 to 31 were approved by the board of directors on 21 May 2013 and were signed on its behalf by

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

Associated Cold Stores & Transport Limited

Cash Flow Statement for the period ended 29 December 2012

	Note	29 December 2012	31 December 2011
		£	£
Cash flows from operating activities			
Cash generated from operations	21	**3,987,506**	1,675,999
Interest paid		**(6,199)**	(23,700)
Interest received		**45,441**	7,994
Net cash generated from operating activities		**4,026,748**	1,660,293
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,650,282)**	(1,009,310)
Proceeds from sale of property, plant and equipment	21	**78,000**	86,506
Net cash used in investing activities		**(1,572,282)**	(922,804)
Cash flows from financing activities			
Net movement in intra group loans		**(2,500,000)**	500,000
Repayment of borrowings		**(144,143)**	(385,583)
Net cash used in financing activities		**(2,644,143)**	114,417
Net (decrease)/increase in cash and cash equivalents		**(189,677)**	851,906
Cash and cash equivalents at beginning of the period		**2,414,804**	1,562,898
Cash and cash equivalents at end of the period		**2,225,127**	2,414,804

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

	29 December 2012	31 December 2011
	£	£
Cash at bank and in hand	**2,225,127**	2,526,304
Bank overdrafts	-	(111,500)
	2,225,127	2,414,804

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 periods, unless otherwise stated

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS, and IFRIC interpretations

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 the financial statements

New standards and interpretations
The following standards and amendments to existing standards have been published and adopted in the current financial period

(a) Standards effective for annual periods beginning on or after 1 January 2012

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2012 or later and which are not expected to have a material effect on the company financial statements

Standard or interpretation	Content	Applicable for financial years beginning on or after
Amendment IFRS 7	Disclosures—Transfers of Financial Assets	1 July 2011

(b) New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for annual periods beginning on or after 1 January 2013 or later and which the company has not early adopted

While adoption of IFRS 9 is mandatory from 1 January 2015, earlier adoption is permitted

The following new standards, amendments to standards or interpretations are not yet effective but are not expected to have a material effect on the company financial statements

Standard or interpretation	Content	Applicable for financial years beginning on or after
IFRS 9	Financial Instruments Classification and Measurement	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in other entities	1 January 2014
IFRS 13	Fair value measurement	1 January 2013
IAS 27	Separate Financial Statements	1 January 2014

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Accounting policies (continued)

Standard or interpretation	Content	Applicable for financial years beginning on or after
IAS 28	Associates and Joint Ventures	1 January 2014
Amendments IAS 1	Presentation of Financial Statements	1 July 2012
Amended IAS 19	Employee Benefits	1 January 2013
Amendments IFRS 7	Financial Instruments Disclosures	1 January 2013
Amendments IAS 32	Financial Instruments Presentation	1 January 2014
Amendments to IFRS 1	Improvements to International Financial Reporting Standards	1 January 2013
Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities	1 January 2013
Amendments to IFRS 1	First-time adoption	1 January 2013
IFRIC 20	Stripping Costs in the production phase of a surface mine	1 January 2013

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

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

Accounting policies (continued)

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

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 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

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 period adjusted to take account of losses surrendered by /

Associated Cold Stores & Transport Limited

Accounting policies (continued)

Taxation (continued)
to 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 periods 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

Provisions
Provisions 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 discount 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 company 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 period ended 29 December 2012

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

	29 December 2012	31 December 2011
	£	£
Operating profit is stated after charging / (crediting)		
Staff costs (note 4)	**3,399,400**	4,424,920
Depreciation of property, plant and equipment		
- Owned	**1,969,274**	1,788,510
- Finance lease and hire purchase	**30,985**	124,876
Operating lease charges for the hire of plant and other assets	**487,850**	417,073
Auditors' remuneration - Fees payable for the audit	**29,000**	28,225
Profit on disposal of tangible fixed assets	**(76,855)**	(86,079)

3 Exceptional costs

	29 December 2012	31 December 2011
	£	£
Property related costs	**494,350**	-
Staff termination costs	-	114,059
	494,350	114,059

The property related costs include impairment charges via accelerated depreciation, onerous lease and dilapidation provisions and professional fees

Notes to the financial statements for the period ended 29 December 2012 (continued)

4 Employees

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

By activity	29 December 2012 Number	31 December 2011 Number
Production	88	99
Management administration	31	48
Sales and distribution	2	3
	121	150

	29 December 2012 £	31 December 2011 £
Employment costs (including directors' emoluments)		
Wages and salaries	3,043,815	3,903,678
Social security costs	293,982	344,207
Other pension costs	61,603	177,035
	3,399,400	4,424,920

5 Directors' emoluments

	29 December 2012 £	31 December 2011 £
Aggregate emoluments including benefits	350,947	338,027
Defined contribution scheme pension contributions	17,892	19,666

No retirement benefits are accruing to the directors under the defined benefit scheme (31 December 2011 Nil)

Notes to the financial statements for the period ended 29 December 2012 (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

	29 December 2012 £	31 December 2011 £
Aggregate emoluments including benefits	158,290	139,422
Defined contribution scheme pension contributions	7,957	7,764

6 Finance costs

	29 December 2012 £	31 December 2011 £
Interest payable on finance leases	6,199	23,701

7 Income tax

(a) Analysis of tax credit for the period

	29 December 2012 £	31 December 2011 £
Current tax		
UK Corporation tax for the period	-	-
Total current tax	-	-
Deferred tax (note 15)		
Reversal of timing differences	(284,871)	(343,119)
Impact of change in tax rate	109,303	53,802
Adjustments in respect of previous periods	(12,630)	-
Total deferred tax	(188,198)	(289,317)
Income tax credit for the period	(188,198)	(289,317)

Notes to the financial statements for the period ended 29 December 2012 (continued)

7 Income tax (continued)

(b) Factors affecting the tax credit for the period

	29 December 2012 £	31 December 2011 £
Profit on ordinary activities before tax	**651,249**	142,903
Expected tax on ordinary activities at the standard rate of UK corporation tax of 24 5% (31 December 2011 26 5%)	**159,556**	37,870
Effects of		
Group relief claimed for no consideration	**(675,424)**	(485,773)
Permanent differences	**230,966**	105,500
Fixed asset timing differences	**248,317**	352,532
Short term timing differences	**36,585**	(10,129)
Re-measurement of deferred tax-change in UK tax rate	**109,303**	53,802
Adjustments in respect of previous periods	**(12,630)**	-
Accelerated capital allowances and other timing differences	**(284,871)**	(343,119)
Total tax credit for the period	**(188,198)**	(289,317)

(c) Factors that may affect future tax charges

During the period, as a result of the changes in the UK corporation tax rate to 24%, which was substantively enacted on 26 March 2012 and was effective from 1 April 2012, and to 23%, which was substantively enacted on 3 July 2012 and was effective from 1 April 2013, the relevant deferred tax balances have been remeasured

Further reductions to the UK corporation tax rate were announced in the March 2013 budget The changes, which are expected to be enacted separately each year, propose to reduce the rate to 20% by April 2015 The changes have not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements

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Notes to the financial statements for the period ended 29 December 2012 (continued)

8 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost or deemed cost				
At 2 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 1 January 2012	**28,128,160**	**14,492,461**	**4,353,701**	**46,974,322**
Additions	312,226	1,085,357	252,699	1,650,282
Disposals	(51,481)	(577,135)	(625,056)	(1,253,672)
Transfer between categories	(5,411)	(868)	6,279	-
At 29 December 2012	**28,383,494**	**14,999,815**	**3,987,623**	**47,370,932**
Accumulated depreciation				
At 2 January 2011	**20,350,341**	**10,941,465**	**3,670,078**	**34,961,884**
Charge for the period	402,110	1,259,545	251,732	1,913,387
Disposals	-	(543,212)	-	(543,212)
Transfer between categories	-	86	(86)	-
At 1 January 2012	**20,752,451**	**11,657,884**	**3,921,724**	**36,332,059**
Charge for the period	909,865	890,444	199,950	2,000,259
Disposals	(51,481)	(577,135)	(623,911)	(1,252,527)
Transfer between categories	420,490	(422,075)	1,585	-
At 29 December 2012	**22,031,325**	**11,549,118**	**3,499,348**	**37,079,791**
Net book amount				
At 29 December 2012	**6,352,169**	**3,450,697**	**488,275**	**10,291,141**
At 1 January 2012	7,375,709	2,834,577	431,977	10,642,263

Notes to the financial statements for the period ended 29 December 2012 (continued)

8 Property, plant and equipment (continued)

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

	29 December 2012	31 December 2011
	£	£
Cost	**164,390**	802,746
Accumulated depreciation	**(139,227)**	(430,175)
Net book amount	**25,163**	372,571

9 Inventories

	29 December 2012	31 December 2011
	£	£
Raw materials and consumables	**166,532**	153,179

The cost of inventories recognised as expense and included in 'cost of sales' amounted to £1,851,286 (31 December 2011 £1,978,982)

The company reported inventories valued at £166,532 at the period end (31 December 2011 £153,179) There were write-downs of inventory valued at £11,000 (31 December 2011 £nil)

Notes to the financial statements for the period ended 29 December 2012 (continued)

10 Trade and other receivables

	29 December 2012 £	31 December 2011 £
Amounts falling due within one year		
Trade receivables	**2,795,912**	3,229,126
Amounts owed by group undertakings	**2,509,709**	-
Prepayments and accrued income	**570,380**	625,097
	5,876,001	3,854,223

Amounts owed by group undertakings are unsecured, interest bearing at 2 25% and repayable on demand

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 29 December 2012, trade receivables of £480,833 (31 December 2011 £691,782) 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

	29 December 2012 £	31 December 2011 £
Up to 3 months	**480,833**	691,782
Over 3 months	**-**	-
	480,833	691,782

Associated Cold Stores & Transport Limited

Notes to the financial statements for the period ended 29 December 2012 (continued)

11 Trade and other payables - current

	29 December 2012 £	31 December 2011 £
Trade payables	**3,067,734**	2,321,585
Accruals and deferred income	**171,290**	141,917
Amounts owed to group undertakings	**197,014**	192,351
Other taxation and social security payable	**476,415**	514,480
	3,912,453	3,170,333

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

12 Borrowings

	29 December 2012 £	31 December 2011 £
Current		
Finance lease obligations	**16,026**	145,046
Bank overdraft	**-**	111,500
	16,026	256,546

	29 December 2012 £	31 December 2011 £
Non current		
Finance lease obligations	**-**	15,123
	-	15,123

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 period ended 29 December 2012 (continued)

12 Borrowings (continued)

Finance lease liabilities – minimum lease payments

	29 December 2012 £	31 December 2011 £
In one year or less	**16,423**	151,757
Between one and five years	**-**	15,477
	16,423	167,234
Future finance charges on finance leases	**(397)**	(7,065)
	16,026	160,169

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

	29 December 2012 £	31 December 2011 £
In one year or less	**16,026**	145,046
Between one and five years	**-**	15,123
	16,026	160,169

The rates of interest payable by the Company were

	29 December 2012 £	31 December 2011 £
Overdrafts	**3 2%**	3 2%
Finance leases	**7.5%**	7 4%

Notes to the financial statements for the period ended 29 December 2012 (continued)

13 Trade and other payables – non-current

	29 December 2012 £	31 December 2011 £
Non current loans from parent company	**664,850**	664,850

Non current loans from the parent company are interest free, unsecured and have no set repayment date

14 Provisions for other liabilities and charges

	Onerous lease provision £	Dilapidations provision £	Total £
At 1 January 2012	-	-	-
Provision transferred from accruals	-	23,714	23,714
Charged to the income statement	71,392	150,000	221,392
Utilised during period	-	-	-
At 29 December 2012	**71,392**	**173,714**	**245,106**

Analysis of total provisions

	29 December 2012 £	31 December 2011 £
Non-current	209,410	-
Current	35,696	-
Total	**245,106**	-

The onerous lease provision of £71,392 relates to impaired leasehold property The lease agreement covers three properties with only one of the properties being impaired The lease has a further fourteen years remaining although the provision covers just two years rental payments because utilisation of the property is expected within two years

The dilapidations provision of £173,714 relates to a leasehold property which is due to end in March 2016 Following initial discussions with the landlord, to enable the property to be sub-let a dilapidations provision was put in place to cover expected work due to be performed on the property, which is expected to be utilised within three years

Notes to the financial statements for the period ended 29 December 2012 (continued)

15 Deferred tax asset

	29 December 2012 £	31 December 2011 £
At 1 January 2012	**1,345,060**	1,055,743
Credited to the statement of comprehensive income	**188,198**	289,317
At 29 December 2012	**1,533,258**	1,345,060

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

	Timing differences on capital allowances £	Short term timing differences £	Total £
Deferred tax asset			
At 1 January 2012	1,343,741	1,319	1,345,060
Credited to the statement of comprehensive	153,572	34,626	188,198
At 29 December 2012	**1,497,313**	**35,945**	**1,533,258**

There are no amounts of unprovided deferred tax

Notes to the financial statements for the period ended 29 December 2012 (continued)

16 Share capital

	29 December 2012 £	31 December 2011 £
Allotted and fully paid		
9,000,000 (2011 9,000,000) ordinary shares of £1 each	**9,000,000**	9,000,000

17 Pensions

The pension cost charge for the period 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, The Linton Park Pension Scheme (2011) ("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 undertaken as at 1 July 2011 and updated to 31 December 2012 and showed a deficit of £27,861,000 Full details of the actuarial valuation of the Scheme are contained in the notes to the financial statements of Linton Park plc

The company operates a defined contribution scheme The charge to the statement of comprehensive income for the period ended 29 December 2012 was £61,603 (31 December 2011 £177,035)

At 29 December 2012 the company had accrued unpaid contributions of £4,604 (31 December 2011 £5,276)

Notes to the financial statements for the period ended 29 December 2012 (continued)

18 Commitments

	29 December 2012 £	31 December 2011 £
Future capital expenditure		
Contracted but not provided for	**505,847**	155,021

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

	29 December 2012 £	31 December 2011 £
Not later than 1 year	**382,340**	399,934
Later than 1 year and not later than 5 years	**1,028,728**	1,201,126
Later than 5 years	**1,606,406**	1,843,848
	3,017,474	3,444,908

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

19 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, cash and cash equivalents and equity comprising issued share capital and retained earnings

Categories of financial instruments
The company's principal financial liabilities comprise bank overdrafts, finance leases, amounts owed to group 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, amounts owed by group companies and cash and cash equivalents

Notes to the financial statements for the period ended 29 December 2012 (continued)

19 Financial Instruments (continued)

Financial Assets	29 December 2012 £	31 December 2011 £
Cash and cash equivalents	**2,225,127**	2,526,304
Trade and other receivables	**2,795,912**	3,229,126
Amounts owed by group undertakings	**2,509,709**	-
	7,530,748	5,755,430

Financial Liabilities	29 December 2012 £	31 December 2011 £
Trade and other payables	**3,067,734**	2,321,586
Amounts owed to group undertakings – under one year	**197,014**	192,351
Amounts owed to group undertakings – over one year	**664,850**	664,850
Borrowings	**16,026**	271,669
	3,945,624	3,450,456

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 (31 December 2011 £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 period end six customers accounted for 71% (31 December 2011 five customers accounted for 58%) of the total trade receivable balance and £480,833 (31 December 2011 £691,782) was past due but not impaired, with no credit issues noted in relation to these amounts

Notes to the financial statements for the period ended 29 December 2012 (continued)

19 Financial Instruments (continued)

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 the period end based upon contractual undiscounted payments

29 December 2012	**On demand**	**Less than 3 months**	**3 to 12 months**	**Greater then 1 year**	**Total**
	£	**£**	**£**	**£**	**£**
Interest bearing borrowings	-	**16,026**	-	-	**16,026**
Amounts owed to group undertakings	-	**197,014**	-	**664,850**	**861,864**
Trade and other payables	-	**3,067,734**	-	-	**3,067,734**
	-	**3,280,774**	-	**664,850**	**3,945,624**
31 December 2011					
Interest bearing borrowings	111,500	37,939	113,818	15,477	278,734
Amounts owed to group undertakings	-	192,351	-	664,850	857,201
Trade and other payables	-	2,321,585	-	-	2,321,585
	111,500	2,551,875	113,818	680,327	3,457,520

At 29 December 2012, the company had undrawn agreed overdraft facilities of £500,000, which are due for renewal in less than one year from the period end date

20 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 as adopted by the European Union can be obtained from Linton Park, Linton, Maidstone, Kent, ME17 4AB

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

Notes to the financial statements for the period ended 29 December 2012 (continued)

21 Cash generated from operations

	29 December 2012 £	31 December 2011 £
Profit on ordinary operations before taxation	**651,249**	142,903
Adjustments for		
Depreciation	**2,000,259**	1,913,386
Profit on the sale of property, plant and equipment	**(76,855)**	(86,079)
Finance costs	**6,199**	23,701
Finance income	**(45,441)**	(7,994)
Changes in working capital		
Inventories	**(13,353)**	6,799
Trade and other receivables	**487,931**	(579,143)
Trade and other payables	**982,563**	62,349
Intra group balances	**(5,046)**	200,077
	3,987,506	1,675,999

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

	29 December 2012 £	31 December 2011 £
Cost value of disposals of property, plant and equipment	**1,253,672**	543,640
Accumulated depreciation of disposals of property, plant and equipment	**(1,252,527)**	(543,213)
Net book amount	**1,145**	427
Profit on the sale of property, plant and equipment	**76,855**	86,079
Proceeds from the sale of property, plant and equipment	**78,000**	86,506