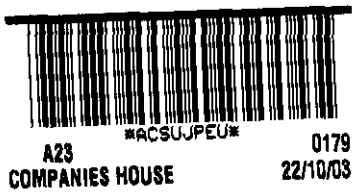
1615021

Dawsonrentals Portable Cold Storage Limited

Annual Report and Accounts

Year ended 31 December 2002



Sovereign Court, Witan Gate, Milton Keynes,
Buckinghamshire, MK9 2HP
Tel 01908 664466 Fax 01908 690567

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Directors and advisers

Company number: 1615021

Directors

Michael J Williams
Clive Gear, FCA
Martin D Gowans
Adrian J P O'Reilly, ACMA
Roderick P Benham
Patrick Smedley (appointed 1 January 2003)
David McDonald (appointed 1 January 2003)

Secretary and registered office

Anthony Coleman, ACA
Delaware Drive, Tongwell, Milton Keynes, MK15 8JH

Auditors

Mazars
Sovereign Court, Witan Gate, Milton Keynes, MK9 2HP

Bankers

The Royal Bank of Scotland
Corporate Banking
Unit 2
Wellbrook Court
Girton
Cambridge
CB3 0NA

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DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Report of the directors for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Activities and business review

The principal activity of the company is the rental of temperature-controlled products.

During 2002 the continued disposal of the container fleet in favour of new cold store products and widespan complexes further emphasised our commitment to provide premium, up to date equipment.

In addition to the introduction of new products into the portfolio, such as ice-making machines and tempering units, the strategic positioning of the business has changed dramatically in recent years to protect itself from increased competition in the established portable cold store markets. The widespan complexes are targeted towards blue-chip customers, particularly in the food retail sector, under 3 to 5 year contract arrangements, thus enhancing the quality and longevity of the income stream.

Directors

The current directors of the company are set out on page 1.

No director had any interest in the share capital of the company during the year.

Their interests, including those of their immediate families, in the share capital of the ultimate holding company, Dawsongroup plc were as follows:

	31 December 2002			31 December 2001		
	25p Ordinary shares	21 3/7p Zero coupon shares	£1 Preference shares	25p Ordinary shares	21 3/7p Zero coupon shares	£1 Preference shares
M J Williams	-	-	-	-	-	-
C Gear	-	-	-	-	-	-
M D Gowans	-	-	-	-	-	-
A J P O'Reilly	-	-	-	-	-	-
R P Benham	-	-	-	-	-	-
P Smedley	-	-	-	-	-	-
D McDonald	-	-	-	-	-	-

Results and dividends

Turnover amounted to £14,025,000 (2001 : £13,572,000) and the profit before tax was £5,855,000 (2001 : £6,079,000).

The following dividends have been paid during the year:

	Date payable	£ per share	2002 £'000	2001 £'000
1st Interim	30th April	21.00	1,050	-
2nd Interim	29th November	4.00	200	400
Final	-	-	-	425

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Report of the directors for the year ended 31 December 2002

Employment policies

The company continues to encourage the participation of its employees in the business in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

The company is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained.

The company promotes all aspects of health and safety throughout the group in the interests of its employees.

Donations

No political or charitable donations were made during the year by the company (2001: £nil).

Creditor payment policy

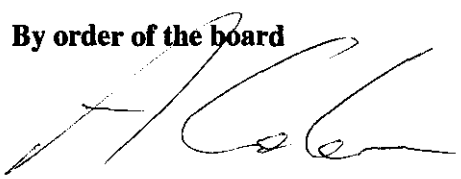
The company agrees the terms and conditions under which business transactions with its suppliers are conducted. It is policy that payments to suppliers are made in accordance with these terms, provided that the supplier also complies with all relevant terms and conditions.

At 31 December 2002 the amount of trade creditors in the balance sheet represented 42 days (2001: 28 days) of average daily purchases for the company.

Auditors

On 1 September 2002 our auditors Mazars Neville Russell changed their name to Mazars. Mazars have expressed their willingness to continue in office and a resolution proposing their re-appointment at a rate of remuneration to be fixed by the directors will be submitted to the annual general meeting

By order of the board



Anthony Coleman, ACA
Secretary

20 March 2003

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Director's Responsibilities

The following statement, which should be read in conjunction with the auditors' statement of their responsibilities on page 5, is made with a view to describing the responsibilities of the directors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of the profit or loss for the financial year.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements set out on pages 6 to 18. The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable, prudent judgements, and estimates and that all accounting standards which they consider to be applicable have been followed, subject to any explanations and any material departures disclosed in the notes to the financial statements.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company, and to prevent and detect fraud and other irregularities.

MAZARS

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

We have audited the financial statements on pages 6 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company had 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 with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars

MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors
Sovereign Court
Witan Gate
Milton Keynes

20 March 2003

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REGISTERED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES TO CARRY OUT COMPANY AUDIT WORK.

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Profit and loss account
for the year ended 31 December 2002

	Notes	2002 £'000	As restated (see note 16) 2001 £'000
Turnover	1	14,025	13,572
Cost of sales		4,894	4,139
Gross profit		9,131	9,433
Administrative expenses		3,005	2,982
Operating profit	2	6,126	6,451
Net interest payable	3	271	372
Profit on ordinary activities before tax		5,855	6,079
Tax	5	2,153	1,888
Profit for the financial year		3,702	4,191
Dividends	6	1,250	825
Retained profit for the year	15	2,452	3,366

Statement of total recognised gains and losses	2002 £'000	2001 £'000
Profit for the financial year	2,452	3,366
Prior year adjustment (see note 16)	(1,316)	-
Total gains recognised in the year	1,136	3,366

The profit for the year has been calculated on the historical cost basis.

Turnover and expenses all relate to continuing operations.

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Balance sheet as at 31 December 2002

	Notes		2002		As restated (see note 16) 2001
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		24,927		22,634
Current assets					
Stocks	8	367		232	
Debtors	9	3,720		5,524	
Cash at bank and in hand		14		13	
		4,101		5,769	
Creditors due within one year					
Borrowings	10	1,887		2,190	
Other creditors	11	7,329		8,336	
		9,216		10,526	
Net current liabilities			5,115		4,757
Total assets less current liabilities			19,812		17,877
Creditors due after one year					
Borrowings	10		4,071		5,016
			15,741		12,861
Provisions for liabilities and charges	12		3,641		3,213
Net assets			12,100		9,648
Capital and reserves					
Called up share capital	13		50		50
Profit and loss account	15		12,050		9,598
Equity shareholders' funds	14		12,100		9,648

The financial statements on pages 6 to 18 were approved by the board of directors on 20 March 2003.

C Gear

M J Williams

Directors

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Notes to the financial statements for the year ended 31 December 2002

Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The company is a wholly owned subsidiary of Dawsonrentals Limited, which is a fellow wholly owned subsidiary of Dawsongroup plc which has prepared group financial statements in accordance with applicable accounting standards and which has published a consolidated cash flow statement in accordance with the requirements of FRS 1 (Revised). The company has therefore taken advantage of the exemption not to publish its own cash flow statement.

Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards using the following principal accounting policies:

Depreciation

Depreciation is provided to write down the cost of fixed assets by equal instalments to their estimated residual values over the period of their estimated useful lives with the company in accordance with the table below:

	Useful life	Residual value
Hire fleet:		
Purpose built portable cold stores	15 years	25%
Other temperature-controlled products	4 - 12.5 years	0% - 15%
Other:		
Commercial vehicles	5 years	5% - 25%
Trailers	12.5 years	15%
Plant and equipment	5 - 10 years	Nil
Computer hardware and software	4 years	Nil
Cars	4 years	25% - 40%

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred tax

Deferred tax is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets and liabilities are discounted to reflect the time value of money.

Pension contributions

The charge to the profit and loss account represents the contributions relating to the accounting period.

Long-term incentive plans

Provision is made in the profit and loss account for the appropriate proportion of future payments expected to arise in respect of long-term incentive plans in place for various employees.

Asset purchase rebates

Rebates and bonuses from manufacturers and distributors are credited to the profit and loss account over a three to five year period from the date of installation of the relevant assets to coincide with their expected life within the company.

Notes to the financial statements for the year ended 31 December 2002

Accounting policies (continued)

Finance leases
Fixed assets obtained under finance leases are treated in the same way as hire purchase contracts, that is as though they were purchased outright and depreciated accordingly. The outstanding capital element of such leases is included within borrowings in the balance sheet. The interest element of leasing payments is charged to the profit and loss account over the period of the finance lease in accordance with the "sum of digits" method. Interest costs on fixed rate hire purchase contracts are also accounted for by this method.

Interest on finance lease and hire purchase borrowings at the date of the acquisition by Dawsongroup plc in June 1997 continues to be charged to the profit and loss account on the actuarial basis. The difference in interest charge arising is not materially different to that if the "sum of digits" method had been applied.

Operating leases
Operating lease expenditure is charged to the profit and loss account in equal instalments over the respective life of the lease.

Purchase undertaking fees
Fee income from lessors for future purchase undertakings in respect of operating lease agreements with third parties is credited to the profit and loss account over the respective lives of such leases having regard to future assessment, inspection and other related costs.

Foreign currencies
Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur, except for monetary assets and liabilities which are translated at the rate ruling at the balance sheet date. Differences arising on translation of such items are dealt with in the profit and loss account.

Forward currency contracts entered into or deposits held specifically for planned future capital expenditure are not revalued to balance sheet rates. Gains or losses arising are matched against the capital spend at the time of the purchase.

Financial instruments
Derivative instruments utilised by the company are interest rate swaps and forward exchange contracts. The company does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure to the company in line with its risk management policies.

Interest receipts and payments are calculated on an accruals basis and included within net interest payable. Interest rate swaps are not revalued to fair value or shown on the company balance sheet at the year-end.

Turnover
Turnover is the amount receivable in the ordinary course of business for services provided during the year, excluding value added tax. Income derived from short-term rental and contract hire activities is recognised in equal instalments over the term of the respective rental agreements.

Finance receivables
Rental income from operating leases is recognised on a straight line basis over the period of the lease.

DAWSONRENTALS PORTABLE COLD STORAGE LIMITED

Notes to the financial statements for the year ended 31 December 2002

1 Segmental information

The turnover, profit before tax, and net assets are attributable to the principal activity of rental and contract hire of temperature-controlled products.

The company operates in the UK and substantially the whole of its turnover is to the UK market.

2 Operating profit

		2002 £'000	2001 £'000
This is stated after charging:			
Depreciation	- owned assets	2,110	1,972
Auditors' remuneration	- audit services	16	16
Operating lease	- rental of plant and machinery	28	53
	- rental of property	45	45
Impairment of tangible fixed assets		90	-
And after crediting:			
Exchange gain		5	-
Profit on sale of tangible fixed assets		90	178

3 Net interest payable

	2002 £'000	2001 £'000
On borrowings wholly repayable within five years:		
Asset finance arrangements	339	454
Bank loans and overdrafts	1	1
	340	455
Less:		
Net group interest receivable	(69)	(83)
	271	372

All borrowings repayable after five years and all asset finance arrangements are repayable by instalments.

4 Directors and employees

Employees

Average number of employees, including directors, during the year was as follows:

	2002 Number	2001 Number
Management	14	13
Sales and administration staff	45	44
Fitters, storemen and others	40	34
	99	91

4 Directors and employees (continued)

The payroll costs of these employees amounted to:

	2002 £'000	2001 £'000
Wages and salaries	2,332	2,216
Social security costs	219	228
Pension contributions	23	27
	2,574	2,471

Pension scheme

The Dawsongroup of companies operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension contributions above represent amounts paid by the company to the fund, net of prior year refunds.

No contributions have been prepaid at the year-end (2001: £nil).

The number of directors to whom benefits were accrued under money purchase schemes was 2 (2001: 3).

Directors' emoluments

	2002 £'000	2001 £'000
Executive remuneration and benefits:	140	233
Pension contributions	7	12
	147	245

		2002 £'000	2001 £'000
Highest paid director	- Remuneration and benefits	73	89
	- Pension contributions	4	5
		77	94

The emoluments of those directors who are also directors of the parent company are disclosed in the financial statements of Dawsongroup plc. The emoluments of A J P O'Reilly are included in the financial statements of Dawsonrentals Truck and Trailer Limited, a fellow wholly owned subsidiary of Dawsongroup plc.

5 Tax

	2002		As restated 2001	
	£'000	£'000	£'000	£'000
Tax charge for the year comprises:				
Corporation tax	1,376		1,469	
Adjustments in respect of prior periods	322		21	
Total current tax		1,698		1,490
Deferred tax				
Origination and reversal of timing differences	403		398	
Decrease in discount	52		-	
Total deferred tax		455		398
		2,153		1,888

The UK standard rate of corporation tax for the year, is 30%. The actual charge for the current and the previous year is less than the standard rate for the reasons set out in the following reconciliation:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	5,855	6,079
Tax on profit on ordinary activities at standard rate	1,757	1,824
Factors affecting charge for the period		
Capital allowances in excess of depreciation	(403)	(398)
Expenses not deductible for tax purposes	22	43
Adjustments in respect of prior periods	322	21
Total actual amount of current tax	1,698	1,490

6 Dividends

	2002 £'000	2001 £'000
1st Interim paid (£21.00 per share) (2001: £Nil)	1,050	-
2nd Interim paid (£4.00 per share) (2001: £8.00)	200	400
Final paid (£Nil per share) (2001: £8.50)	-	425
	1,250	825

Notes to the financial statements for the year ended 31 December 2002

7 Tangible fixed assets

	Hire fleet	Other vehicles, plant and equipment	Total
	£'000	£'000	£'000
Cost			
As at 1 January 2002	39,499	1,144	40,643
Additions	4,552	177	4,729
Disposals	(485)	(118)	(603)
Transfers from group undertakings	413	241	654
Transfers to group undertakings	(470)	(153)	(623)
As at 31 December 2002	43,509	1,291	44,800
Depreciation			
As at 1 January 2002	17,174	835	18,009
Charge for the year	1,999	111	2,110
Impairment	90	-	90
Disposals	(311)	(72)	(383)
Transfers from group undertakings	223	99	322
Transfers to group undertakings	(170)	(105)	(275)
As at 31 December 2002	19,005	868	19,873
Book value			
As at 31 December 2002	24,504	423	24,927
As at 31 December 2001	22,325	309	22,634

8 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	367	232

9 Debtors

Due within one year:	2002 £'000	2001 £'000
Trade debtors	1,046	1,215
Other debtors	4	5
Prepayments	65	62
Amounts owed by group undertakings	268	157
Loans to group undertakings	2,337	4,085
	3,720	5,524

10 Borrowings

Financial liabilities

Due within one year:	2002 £'000	2001 £'000
Bank loans and overdrafts	25	127
Asset finance arrangements	1,862	2,063
	1,887	2,190

Due after one year:

Borrowings due after more than one year are repayable by instalments as follows:

Asset finance arrangements	2002 £'000	2001 £'000
Between one and two years	1,359	1,758
Between two and five years	2,263	2,649
After more than five years	449	609
	4,071	5,016
Gross financial liabilities	5,958	7,206

Asset finance arrangements comprise hire purchase, finance lease and other similar funding effectively secured on the specific underlying assets. The interest charged on the finance during the year equated to 5.0% (2001: 5.6%).

11 Other creditors

Due within one year:	2002 £'000	2001 £'000
Trade creditors	4,199	3,654
Tax payable	1,702	1,185
Other tax and social security	299	486
Accruals	341	388
Loans from group undertakings	279	286
Amounts owed to group undertakings	509	2,337
	7,329	8,336

12 Provision for liabilities and charges

	2002 £'000	As restated 2001 £'000
Deferred tax	3,250	2,795
Other provisions	391	418
	3,641	3,213
Deferred tax		
Provided in the accounts:		
Accelerated capital allowances	4,397	4,003
Other timing differences	(129)	(138)
Undiscounted provision for deferred tax	4,268	3,865
Discount	(1,018)	(1,070)
Provision for deferred tax	3,250	2,795
Not provided in the accounts:		
Accelerated capital allowances	1,018	1,070

Amounts provided have been calculated at future expected rates of corporation tax.

	2002 £'000	2001 £'000
Other provisions:		
Long-term incentive schemes	248	218
Miscellaneous	143	200
	391	418

Movement in the year	As restated Deferred tax £'000	Long-term incentive schemes £'000	Miscell -aneous £'000	As restated Total £'000
As at 1 January 2002	2,795	218	200	3,213
Charged/(credited) to profit and loss account	455	89	(54)	490
Utilised	-	(59)	(3)	(62)
As at 31 December 2002	3,250	248	143	3,641

Miscellaneous provisions principally relate to future contractual liabilities.

13 Called up share capital

	Authorised, allotted, issued and fully paid 2002 and 2001	
	Number	£'000
Ordinary shares of £1 each	50,000	50

14 Reconciliation of movements in shareholders' funds

	2002 £'000	As restated 2001 £'000
Profit for the financial year	3,702	4,191
Dividends paid	(1,250)	(825)
Net movement in shareholders' funds	2,452	3,366
Opening shareholders' funds	9,648	6,282
Closing shareholders' funds	12,100	9,648

15 Reserves

	Profit and loss account £'000	Total £'000
As at 1 January 2002 as previously stated	11,070	11,070
Prior year adjustment		
– in statement of total recognised gains and losses	(1,316)	(1,316)
– in restated profit and loss account	(156)	(156)
As at 1 January 2002 as restated	9,598	9,598
Retained profit for the year	2,452	2,452
As at 31 December 2002	12,050	12,050

16 Prior year adjustment

FRS 19 'Deferred Tax' has been adopted with a consequential restatement of prior periods. FRS 19 requires that deferred tax be recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. The Group has decided to adopt the policy of discounting deferred tax balances as permitted by FRS 19.

The effect of the restatement of 2001 is to increase the tax charge on profit on ordinary activities before tax by £156,000 to a revised total tax charge of £1,888,000. The effect of the re-statement that has passed through the Statement of Total Recognised Gains and Losses of £1,316,000 is after discounting of £1,070,000.

17 Capital commitments

	2002 £'000	2001 £'000
Outstanding contracts for capital expenditure	956	83

18 Financial commitments

Operating lease commitments

At 31 December 2002 the company was committed to making the following payments in the year to 31 December 2003 under operating leases which expire:

	Land and buildings	
	2002 £'000	2001 £'000
Within one year	38	-
Between one and two years	-	45
Between two and five years	-	-
	38	45

Notes to the financial statements for the year ended 31 December 2002

19 Parent undertakings

The immediate parent company is Dawsonrentals Limited and the ultimate parent company is Dawsongroup plc. Throughout the year Dawsongroup was controlled by trusts, the beneficiaries of which are P M Dawson and his immediate family.

The largest and smallest group for which the results of the company are consolidated is that headed up by Dawsongroup plc. The consolidated financial statements of Dawsongroup plc can be obtained from:

Dawsongroup plc
Delaware Drive
Tongwell
Milton Keynes
Bucks
MK15 8JH

20 Related party transactions

Advantage has been taken of the exemption conferred by FRS 8 to subsidiary undertakings, 90 per cent or more of whose voting rights are controlled within the group, not to disclose transactions with other group companies.