

Company Registration No. SC34153

CAWOODS (FISHCURERS) LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2002



CAWOODS (FISHCURERS) LIMITED

COMPANY INFORMATION

Directors	A D W Allan R J Turner
Secretary	G A Hanson
Registered office	18 Woodside Crescent GLASGOW G3 7UL
Auditors	Deloitte & Touche GLASGOW

CAWOODS (FISHCURERS) LIMITED

DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 2002.

Results and dividends

The profit for the year after taxation was £18,332 (2001- loss £22,430) and has been dealt with as shown in the profit and loss account.

The Directors have declared an interim dividend of £10,000 for the year ended 31 December 2002 (2001- £Nil). The Directors do not recommend a payment of a final dividend.

Principal activity and review of the business

The principal activities of the company consist of the curing and merchandising of fish.

Having consolidated all operations and functions to Grimsby in the previous year the company was able to realise overhead and efficiency savings.

Improved supplies of fish is an encouraging sign for 2003.

Directors and their interests

The Directors who served during the year are as listed on page 2.

No Director at any time owned shares in the company.

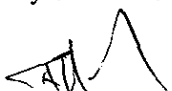
Statement of Directors' Responsibilities

The Directors of Cawoods (Fishcurers) Limited are required by UK company law to prepare accounts 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 year. They are also responsible for ensuring that proper and adequate accounting records have been maintained, and that reasonable procedures have been followed for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. Appropriate accounting policies, which follow generally accepted accounting practice and are explained in the notes to the accounts, have been applied consistently. In addition, reasonable and prudent judgements and estimates have been used in the preparation of the accounts.

Close company provisions

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By order of the Board on 30 May 2003.



G A HANSON
Secretary

CAWOODS (FISHCURERS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAWOODS (FISHCURERS) LIMITED

We have audited the accounts of Cawoods (Fishcurers) Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 19. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the 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 the accounts in accordance with applicable United Kingdom law and accounting standards on the going concern basis (unless it is inappropriate to presume that the Company will continue in business). Our responsibility is to audit the accounts in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the accounts, 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

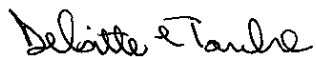
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.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

CAWOODS (FISHCURERS) LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CAWOODS (FISHCURERS) LIMITED**

Opinion

In our opinion the accounts 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.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Glasgow

30 May 2003

CAWOODS (FISHCURERS) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Note	2002 £	2001 £
TURNOVER	2	3,208,336	3,324,177
Cost of sales		(2,739,238)	(2,989,863)
GROSS PROFIT		469,098	334,314
Distribution costs		(102,389)	(95,828)
Administrative expenses		(360,862)	(422,335)
OPERATING PROFIT/(LOSS)	3	5,847	(183,849)
Gain on disposal of fixed assets		1,600	128,459
Interest receivable	5	4,112	4,499
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		11,559	(50,891)
Tax on profit/ (loss) on ordinary activities	6	6,773	28,461
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	18,332	(22,430)
Dividend on equity shares	7, 14	(10,000)	-
RETAINED PROFIT/(LOSS) FOR THE YEAR		8,332	(22,430)

Statement of total recognised gains and losses

for the year ended 31 December 2002

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £18,332 in the year ended 31 December 2002 and the loss of £22,430 in the year ended 31 December 2001.

The notes on pages 8 to 14 form part of these accounts.

CAWOODS (FISHCURERS) LIMITED

BALANCE SHEET

at 31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	1,510,182	1,549,531
CURRENT ASSETS			
Stocks	9	762,841	576,569
Debtors	10	777,312	934,690
Cash at bank and in hand		43,130	-
		1,583,283	1,511,259
CREDITORS			
Amounts falling due within one year	11	(399,232)	(400,555)
NET CURRENT ASSETS		1,184,051	1,110,704
TOTAL ASSETS LESS CURRENT LIABILITIES		2,694,233	2,660,235
CREDITORS			
Amounts falling due after more than one year	11	(1,904,993)	(1,891,225)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	(143,731)	(131,833)
NET ASSETS		645,509	637,177
CAPITAL AND RESERVES			
Called up equity share capital	13	100,000	100,000
Profit and loss account	14	545,509	537,177
EQUITY SHAREHOLDERS' FUNDS	14	645,509	637,177

Approved by the Board on 30 May 2003.



A D W ALLAN
Director

The notes on page 8 to 14 form part of these accounts.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 2002

1 ACCOUNTING POLICIES

(a) **Accounting convention**

The principal accounting policies are summarised below. They have all been adopted consistently throughout the year and the preceding year with the exception of the policy for Taxation discussed below. The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

(b) **Depreciation**

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their expected useful lives as follows:

Freehold buildings	- 50 years
Commercial vehicles	- 6-7 years
Motor vehicles	- 4 years
Plant & Machinery	- 10 years

(c) **Stocks**

Stocks and work-in-progress are valued at the lower of cost and net realisable value.

Cost of raw materials represents purchase price. Cost of processed stock comprises purchase cost of fish plus labour and salt.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(d) **Taxation**

During the year the Group adopted FRS19 - Deferred Tax - as described below. No prior year adjustment has been made as the amounts involved are immaterial.

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation has been recognised as an asset or a liability if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities have not been discounted.

(e) **Pension contributions**

Employees of J. & J. Denholm Limited and the majority of its subsidiary undertakings in the United Kingdom are entered into either a defined benefit or defined contribution pension scheme.

Pension benefits in the case of the defined benefit schemes are funded by payments to a Trustee administered fund. The company's contributions are based on the most recent valuation of the fund and amounts charged to the profit and loss account represent the regular cost of pensions. All variations to regular cost are dealt with in the accounts of J. & J. Denholm Limited.

In respect of defined contribution pension schemes, contributions are charged to the profit and loss account as incurred.

The Company has not opted for the early adoption of FRS17 Retirement Benefits, however appropriate disclosures are given within the notes to the accounts.

(f) **Cash flow statement**

The company is exempt from the requirements of FRS1 to include a cash flow statement as part of its accounts as it is a wholly-owned subsidiary of an EU-registered parent whose consolidated accounts include a cash flow statement.

(g) **Leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

(h) **Grants**

Capital based government grants are credited to profit and loss account over the estimated economic lives of the assets to which they relate. The grants shown on the balance sheet under accruals and deferred income comprise the total grants received to date, less amounts credited to profits.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 December 2002

2 TURNOVER

Turnover is stated exclusive of value added tax and represents amounts invoiced in respect of the value of sales arising from one continuing activity, the sale of fish.

Turnover is analysed by market below:

	2002	2001
	£	£
United Kingdom	2,575,312	2,532,416
Overseas	633,024	791,761
	<u>3,208,336</u>	<u>3,324,177</u>

3 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is arrived at after charging/(crediting)

	2002	2001
	£	£
Auditors' remuneration	5,712	5,812
Depreciation	106,521	108,577
Grant amortisation	(11,248)	(8,472)
Payments under operating leases:		
Plant and machinery	12,750	24,484
	<u>12,750</u>	<u>24,484</u>

4 EMPLOYEES

(i) The average monthly number of employees including executive Directors, by activity was:

	2002	2001
	Number	Number
Management	1	1
Administration	3	3
Production	32	46
	<u>36</u>	<u>50</u>

(ii) The costs of employment of staff comprise the following:

	2002	2001
	£	£
Wages and salaries	429,271	509,714
Social security contributions	28,791	32,863
Pension contributions	19,565	21,449
	<u>477,627</u>	<u>564,026</u>

(iii) Directors' Remuneration
The remuneration of Directors was as follows:

	2002	2001
	£	£
Emoluments	63,053	70,450
	<u>63,053</u>	<u>70,450</u>

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 December 2002

4 EMPLOYEES cont'd

Pensions

The number of Directors who were members of The Denholm Pension Scheme (Defined Benefit) during 2002 was 2 (2001 - 2).

No Director received any emoluments from the company during the year (2001 - £Nil).

Both Directors' emoluments are paid by the immediate parent undertaking, Denholm Seafoods Limited.

5 INTEREST RECEIVABLE	2002	2001
	£	£
Interest on short-term deposits	<u>4,112</u>	<u>4,499</u>

6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2002	2001
	£	£
(i) Analysis of credit in year		
UK Corporation tax:		
Current tax on profits/ (losses) of the period	(1,773)	(59,742)
Adjustment in respect of prior periods	<u>(16,898)</u>	<u>(875)</u>
Total current tax	<u>(18,671)</u>	<u>(60,617)</u>
Deferred tax:		
Deferred tax in respect of timing differences arising in the period	10,720	31,515
Adjustment in respect of prior periods	<u>1,178</u>	<u>641</u>
	<u>11,898</u>	<u>32,156</u>
	<u>(6,773)</u>	<u>(28,461)</u>

(ii) Factors affecting the tax charge for the period

Total current tax for the year expressed as a percentage of profit on ordinary activities before taxation is lower at (162%) than the standard rate of corporation tax in the UK of 30%. In the prior year total current tax for the year expressed as a percentage of the loss on ordinary activities before taxation was higher at 119% than the standard rate of corporation tax in the UK of 30%.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 December 2002

6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (Continued)

(ii) Factors affecting the tax charge for the period (Continued)

The differences are explained below:

	2002	2001
Standard rate of corporation tax in the UK	30%	30%
Expenses not deductible for tax purposes	1%	(1%)
Accounting depreciation not eligible for tax purposes	46%	(17%)
Capital allowances in excess of accounting depreciation	(93%)	62%
Capital gains covered by brought forward losses	-	43%
Adjustments in respect of prior periods	(146%)	2%
	<u>(162%)</u>	<u>119%</u>

7 DIVIDEND ON EQUITY SHARES

	2002	2001
	£	£
Interim dividend 10pence per share (2001 £Nil)	<u>10,000</u>	<u>-</u>

8 TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment and motor vehicles £	Total £
Cost:			
At 1 January 2002	1,341,193	912,685	2,253,878
Additions	30,844	36,328	67,172
Disposals	-	(25,634)	(25,634)
At 31 December 2002	<u>1,372,037</u>	<u>923,379</u>	<u>2,295,416</u>
Depreciation:			
At 1 January 2002	132,216	572,131	704,347
Charge for year	27,540	78,981	106,521
Disposals	-	(25,634)	(25,634)
At 31 December 2002	<u>159,756</u>	<u>625,478</u>	<u>785,234</u>
Net book value:			
At 31 December 2002	<u>1,212,281</u>	<u>297,901</u>	<u>1,510,182</u>
At 31 December 2001	<u>1,208,977</u>	<u>340,554</u>	<u>1,549,531</u>

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) for the year ended 31 December 2002

9 STOCKS	2002	2001
	£	£
Raw material	748,464	561,615
Packaging stocks	14,377	14,954
	<u>762,841</u>	<u>576,569</u>

10 DEBTORS	2002	2001
	£	£
Amounts falling due within one year:		
Trade debtors	649,104	592,658
Amounts owed by a group undertaking	17,225	-
Prepayments and accrued income	22,819	176,109
Corporation tax	78,413	118,198
Other debtors	9,751	47,725
	<u>777,312</u>	<u>934,690</u>

11 CREDITORS	2002		2001	
	Due within one year £	Due after more than one year £	Due within one year £	Due after more than one year £
Trade creditors	47,804	-	56,576	-
Amounts owed to group undertakings	-	1,600,000	65,275	1,600,000
Other tax and social security contributions	4,614	-	11,498	-
Accruals and deferred income	131,769	304,993	96,069	291,225
Other creditors	205,045	-	165,338	-
Dividends payable	10,000	-	-	-
Bank overdraft	-	-	5,799	-
	<u>399,232</u>	<u>1,904,993</u>	<u>400,555</u>	<u>1,891,225</u>

The amounts due to group undertakings after one year is in respect of a loan from the immediate parent undertaking which is interest free and has no fixed term of repayment.

12 DEFERRED TAXATION	2002	2001
	£	£
At 1 January	131,833	99,677
Charge for year	10,720	31,515
Adjustment in respect of prior years	1,178	641
At 31 December	<u>143,731</u>	<u>131,833</u>
The deferred tax provision comprises:		
Excess of capital allowances over depreciation	<u>143,731</u>	<u>131,833</u>

There is no unprovided deferred tax at 31 December 2002 and 31 December 2001.

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 December 2002

13 EQUITY SHARE CAPITAL	'A' Ordinary £1 shares Number	'B' Ordinary £1 shares Number	Total £
Authorised, called-up, allotted and fully paid:			
At 1 January and 31 December 2002	<u>2,000</u>	<u>98,000</u>	<u>100,000</u>

The 'B' ordinary shares rank pari passu with the 'A' ordinary shares in all respects except voting rights where 5 'B' ordinary shares carry the same rights as 1 'A' ordinary share.

14 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Equity Share Capital £	Profit & Loss Reserve £	2002 Total £	2001 Total £
At 1 January	100,000	537,177	637,177	659,607
Profit/(loss) for the year	-	18,332	18,332	(22,430)
Dividends	-	(10,000)	(10,000)	-
At 31 December	<u>100,000</u>	<u>545,509</u>	<u>645,509</u>	<u>637,177</u>

15 FINANCIAL COMMITMENTS

	2002 £	2001 £
Authorised and contracted capital expenditure	<u>-</u>	<u>63,342</u>
Annual commitments under non-cancellable operating leases amounted to:		
Plant and machinery:		
Lease expiring:		
Within one year	<u>9,120</u>	<u>9,120</u>

CAWOODS (FISHCURERS) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

for the year ended 31 December 2002

16 PENSIONS

(i) Defined benefit:

The Group operates a funded defined benefit pension scheme. Pension fund liabilities are assessed by professionally qualified actuaries at triennial valuations. The latest actuarial assessment of the scheme was at 1 July 2000 and the information in respect of the valuation as required by SSAP 24 'Accounting for Pension Costs', is detailed in full in the accounts of J. & J. Denholm Limited. That valuation showed that the actuarial value of the assets at that time was £21,370,000, sufficient to cover 103% of the projected benefits accruing to members. This does not take into account any impact of the fall in general stock market values since that date. Any such impact will be reflected in the next SSAP 24 triennial valuation as at 1 July 2003 based upon which subsequent pension costs will be determined until the adoption of FRS 17.

The pensions cost in the year was £14,038 (2001 – £10,951). Contributions have been made during 2002 at 27.5% for Senior Directors, 24% for Section I and 16% for Section II members. These are the agreed contribution rates for the next two years.

J. & J. Denholm Limited has not opted for the early adoption of FRS17 Retirement Benefits. Due to the nature of the Group scheme the Company is unable to identify its share of the underlying assets and liabilities of the scheme. The valuation of the scheme as at 1 July 2000 has been updated to 31 December 2002 by a qualified actuary using the projected unit method, as required by FRS17 (it should be noted that the scheme actuary believes that the attained age method is more appropriate to the Group scheme). The net deficit in the scheme at 31 December 2002 using the method required by FRS17 was £6,672,000 (2001 – net surplus £159,000); equivalent to 27% (2001 - 1%) of the market value of scheme assets. A breakdown of the position is given in the accounts of J. & J. Denholm Limited. The deficit at 31 December 2002 arises from specific circumstances existing at the balance sheet date. Under normal actuarial valuation methods the deficit in the scheme would have been significantly lower. At present it is not possible to establish whether the scheme deficit will have an impact on future contributions payable by the Company.

(ii) Defined contribution:

The Group contributes to several defined contribution schemes for which the pension cost charge in the Company for the year amounted to £5,527 (2001 - £10,498).

17 RELATED PARTY TRANSACTIONS

Transactions with entities in which the J. & J. Denholm Limited Group of companies has control of 90% or more of the voting rights are not disclosed as permitted by Financial Reporting Standard No. 8 - "Related Party Transactions".

18 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is J. & J. Denholm Limited, a company controlled by the Denholm family. Copies of the accounts of J. & J. Denholm Limited may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.

19 PRIOR YEAR COMPARATIVES

The prior year comparatives were audited by a firm other than Deloitte & Touche. An unmodified audit report was issued.