

Ross Group Ltd.

79. Ross Group was originally registered in 1920 as Thomas Ross Ltd., a small family fish merchanting business, in Grimsby. In 1929 the present Chairman and Managing Director, Mr. J. Carl Ross, became Chairman and Managing Director on the retirement of his father. The fish merchanting business gradually expanded until in 1939 the Grimsby company had branches at Fleetwood, Leicester and Leeds.

80. A trawling business was also started during the 1930's, when three near and middle water diesel trawlers were operated; a company named Grimsby Motor Trawlers Ltd. was formed for this purpose. A distant water diesel trawler was built in 1939 and further expansion took place in 1943, when a Grimsby trawler-owning company was acquired; two years later a controlling interest in the public company Trawlers Grimsby Ltd. was acquired. The latter subsequently (1948) took over Thomas Ross Ltd., which subsequently went into liquidation. The name of Trawlers Grimsby Limited was changed to Ross Group Limited in 1958.

81. Eight trawler fleets have been acquired since 1945 as follows: seven distant water vessels at Hull (1948); three middle and two distant water at Grimsby (1954); five distant water at Hull (1955); 22 near water at Grimsby (1956); 12 distant water at Hull (1960); five distant water at Grimsby (1960); two middle and three distant water at Grimsby (1965). Many of these vessels were old and very few of them operate today.

82. Since 1955 Ross Group have built two freezer trawlers (and converted one fresher, built prior to 1955, into a freezer trawler which is now being reconverted to a fresher trawler), 9 distant, 22 middle and 13 near water vessels.

83. The shore facilities associated with the trawler fleets taken over during 1945-1965 were merged with the existing Ross Group organisation and properties which became surplus to requirements were sold. In 1959 Ross Group acquired Cochrane & Sons Ltd., Selby, a shipbuilding company. This firm has built all Ross Group's trawlers since then—28 in all.

84. Since the 1950's, Ross Group have expanded their fish distribution business still further and have acquired interests in other industries. The principal activities of the company (in order of turnover) are now (i) poultry (ii) frozen foods (iii) fish trawling and distribution (iv) fresh foods other than fish (wholesale and retail) (v) motors, transport and vessel construction (vi) chemicals and agricultural services and (vii) overseas business.

Profitability

85. Largely as the result of Ross Group's vigorous expansionist policy in the last ten years, turnover has increased from £7½ millions in 1954-55 to

£91 millions in 1964-65. Since 1955 the trawling and fish merchandising interests have formed a decreasing proportion of Ross Group's total business because of the expansion and creation of other interests. Nevertheless, since 1955 the sales (in money terms) of the trawling and fish merchandising divisions have more than doubled. In 1964-65 trawling's contribution to group sales was about 5 per cent. of the total; fish merchandising's share of the total was about 12½ per cent.

86. Our calculations show that on all trading activities Ross Group earned profits equivalent to 13 per cent. of capital employed in the years ended 30th September 1964 and 1965.

Position in the fish industry

Trawling

87. With 65 trawlers, Ross Group now own the second largest fleet in the United Kingdom. This fleet, based on Grimsby and Hull (see paragraph 19) landed 67,470 tons of white fish (excluding shellfish) in 1964 and their share of white fish landings is shown in the following table:

1964	Total landings	Ross Group	
		Landings	Per cent. of total
	Tons	Tons	
British and foreign landings in the United Kingdom	841,127	67,470	8.0
British landings in the United Kingdom	719,215	67,470	9.4
British landings at Hull and Grimsby of which:			
Hull	187,567	35,270	18.8
Grimsby	158,545	32,200	20.3

88. In each of the three years to 30th September 1965 Ross Group earned profits on trawling of about 7 per cent. of capital employed. Profits were struck after charging trawler depreciation calculated by reference to the expected useful life of the vessels. If the Government subsidies referred to in paragraph 60 are excluded from revenue receipts, profit rates are reduced substantially below those in fact shown.

Fish processing and distribution

89. Ross Group are the largest fish distributors in the country. In 1965 the company distributed approximately 8 per cent. of the total fish (excluding canned fish) supply in the United Kingdom (see paragraph 51). Ross Group told us that the trend was away from the use of inland wholesalers and more towards direct distribution to the retailer and caterer and that they had taken the lead in this development. Ross Group's fish merchandising and fish distribution organisation consists of:

- (a) Coastal wholesale units at all the major fishing ports in the United Kingdom. These coastal units buy at the port auctions wet fish needed for the Ross distribution chains, both from the catches of Ross Group trawlers (at Hull and Grimsby) and from the catches of other trawler owners at Hull, Grimsby and other fishing ports. Ross Group are substantial purchasers of Associated Fisheries' landings at Hull, Grimsby and Fleetwood; after Birds Eye Foods,

they are Associated Fisheries' largest customer and bought approximately 10,000 tons from them in 1964. On the basis of 1964 figures Ross Group purchase in Grimsby about 14 per cent. of all the fish landed and about 19 per cent. of that landed by their own vessels ; at Hull, the corresponding figures are 8 per cent. and 11 per cent. respectively. At Aberdeen, Lowestoft and Fleetwood, where Ross Group have none of their own vessels, their coastal merchanting organisations purchase approximately 3 per cent., 20 per cent. and 5 per cent. respectively of total white fish landings.

- (b) Processing factories, which Ross Group own at all the major fishing ports except Milford Haven. The supplies for these factories comprise (i) wet fish purchased at auction (ii) imports of frozen fish (iii) fish frozen at sea by three factory vessels, for the total catch of which Ross Group have an annual contract with the vessels' owners. After processing (i.e. any or all of washing, sorting, filleting, smoking, freezing) the fish is transported by Ross Group road vehicles either to the retailer or to an inland wholesaler. In the case of supplies to large retailers the distribution sometimes bypasses the inland depots referred to below.
- (c) Inland depots, which serve the main centres of population in the United Kingdom and function both as sales offices and distribution depots. These are responsible for obtaining orders from customers and for operating a road distribution service within a radius of 20-25 miles of each sales office. Some of them have facilities for the cold storage of frozen fish.

90. In the three years ended 30th September 1965, Ross Group's profits on fish processing and merchanting varied between 2 per cent. and 3 per cent. of sales, or 11 per cent. and 16 per cent. of capital employed, the highest figures being shown for the latest year.