

00736058

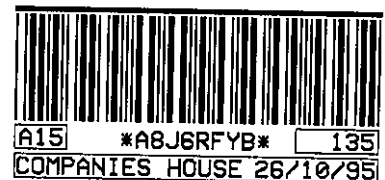
(England and Wales)

COSTCUTTER TRADING LIMITED

Directors' Report and Abbreviated Accounts

for the year ended 30 April 1995

Barrowcliff & Co
Chartered Accountants
46 Park Place
Leeds LS1 2SY



COSTCUTTER TRADING LIMITED

Company Information

Directors	C J Graves J Graves N Walker B Wilson R Moncaster (Resigned 28/2/95) N Kears D M Thompson R Armin (Resigned 20/7/94)
Secretary	Julia Graves
Company Number	00736058 (England and Wales)
Registered Office	Harvest Mills Common Road Dunnington York YO1 5RY
Auditors	Barrowcliff & Co Chartered Accountants 46 Park Place Leeds LS1 2SY
Bankers	Barclays Bank plc 1 2 & 3 Parliament Street York YO1 1XD
Solicitors	Drivers Pump Court Kings Square York YO1 2LB

COSTCUTTER TRADING LIMITED

Contents

	Page
Directors' Report	1 - 2
Auditors' Report	3 - 4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7 - 8
Notes to the Abbreviated Accounts	9 - 14

COSTCUTTER TRADING LIMITED

Directors' Report for the year ended 30 April 1995

The directors present their report and the financial statements for the year ended 30 April 1995.

Principal Activities and Review of the Business

The company's principal activities during the year were:-

1. Retail supermarket traders,
2. Providers of a wholesale distribution service to retail supermarket traders.

Business Review

During the year the distribution division sold its fixed assets. The distribution business is not affected. The purchaser now provides the delivery service to the Costcutter traders, on behalf of Costcutter Trading Ltd. The purchaser charges Costcutter Trading Ltd a fee for this service. The increase in net profit for the year reflects the resultant decrease in overheads relating to the distribution centre.

Results and Dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

It is proposed that the loss of £6,840 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in notes 6 and 7 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below. None of the directors had any beneficial interest in the ordinary share capital of the company during the years ended 30 April 1995 and 30 April 1994.

C J Graves
J Graves
N Walker
B Wilson
R Moncaster (Resigned 28/2/95)
N Kears
D M Thompson
R Armin (Resigned 20/7/94)

Auditors

Barrowcliff & Co were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

COSTCUTTER TRADING LIMITED

Directors' Report for the year ended 30 April 1995 (continued)

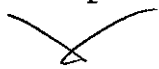
Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 18 September 1995


Julia Graves
Secretary



COSTCUTTER TRADING LIMITED

Auditors' Report to COSTCUTTER TRADING LIMITED Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 5 to 14 together with the financial statements of COSTCUTTER TRADING LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30 April 1995, and the abbreviated accounts on pages 5 to 14 have been properly prepared in accordance with that Schedule.

Other information

On 6 October 1995 we reported, as auditors of COSTCUTTER TRADING LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1995, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

COSTCUTTER TRADING LIMITED

Auditors' Report to COSTCUTTER TRADING LIMITED
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. The financial statements have been prepared on a going concern basis which is dependent on the ultimate parent company continuing to provide the necessary support to enable the company to continue trading in the foreseeable future. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



Barrowcliff & Co

**Chartered Accountants
& Registered Auditor**

6 October 1995

**46 Park Place
Leeds LS1 2SY**

COSTCUTTER TRADING LIMITED

Profit and Loss Account for the year ended 30 April 1995

	Notes	1995 £	1994 £
Gross profit		1,303,870	1,581,551
Distribution costs		(259,058)	(386,770)
Administrative expenses		(1,018,764)	(1,474,742)
Other operating income		34,296	30,196
Operating profit	2	60,344	(249,765)
Other interest receivable and similar income	3	204	427
Interest payable and similar charges	4	(24,113)	(20,944)
Profit on ordinary activities before taxation		36,435	(270,282)
Tax on profit on ordinary activities	5	(43,275)	609
Loss for the year	12	£ (6,840)	£(269,673)

There are no recognised gains and losses other than those passing through the profit and loss account.

COSTCUTTER TRADING LIMITED

**Abbreviated Balance Sheet
as at 30 April 1995**

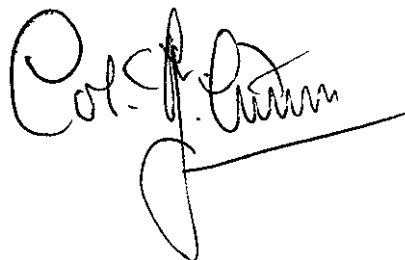
	Notes	£	1995 £	£	1994 £
Fixed Assets					
Intangible assets	6		-		168,000
Tangible assets	7		54,561		514,968
			<u>54,561</u>		<u>682,968</u>
Current Assets					
Stocks	8	782,837		812,965	
Debtors	9	868,051		616,769	
Cash at bank and in hand		78,139		17,603	
		<u>1,729,027</u>		<u>1,447,337</u>	
Creditors: amounts falling due within one year	10	<u>(2,091,668)</u>		<u>(2,431,545)</u>	
Net Current Liabilities			<u>(362,641)</u>		<u>(984,208)</u>
Total Assets Less Current Liabilities			<u>£(308,080)</u>		<u>£(301,240)</u>
Capital and Reserves					
Called up share capital	11		12,000		12,000
Profit and loss account	12		(320,080)		(313,240)
Shareholders' Funds (equity interests)	13		<u>£(308,080)</u>		<u>£(301,240)</u>

In preparing these abbreviated accounts:

- (a) Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a medium company.

The financial statements were approved by the Board on 18 September 1995.


Julia Graves
Director



COSICUTIER TRADING LIMITED

**Cash Flow Statement
for the year ended 30 April 1995**

	1995	1994
	£	£
Net cash in/outflow from operating activities	34,295	(473,896)
Returns on investments and servicing of finance		
Interest received	204	427
Interest paid	<u>(24,278)</u>	<u>(18,756)</u>
Net cash outflow from returns on investments and servicing of finance	(24,074)	(18,329)
Investing activities		
Payments to acquire tangible assets	(9,737)	(40,086)
Receipts from sales of tangible assets	<u>245,000</u>	<u>73,936</u>
Net cash inflow from investing activities	235,263	33,850
In/Decrease in cash and cash equivalents	£ 245,484	£(458,375)

COSTCUTTER TRADING LIMITED

Notes to the Cash Flow Statement for the year ended 30 April 1995

1 Reconciliation of operating profit to net cash in/outflow from operating activities	1995	1994
	£	£
Operating profit	60,344	(249,765)
Depreciation of tangible assets	42,347	103,361
Amortisation of intangible assets	-	21,500
Profit on disposal of tangible assets	(76,266)	22,378
Increase in stocks	30,128	(768,930)
Increase in debtors	(250,282)	(610,221)
Decrease in creditors due within one year	228,024	1,007,781
Net cash in/outflow from operating activities	£ 34,295	£(473,896)

2 Analysis of changes in cash and cash equivalents during the year	1995	1994
	£	£
Balance at 1 May 1994	(471,706)	(13,331)
Net cash out/inflow	245,484	(458,375)
Balance at 30 April 1995	£(226,222)	£(471,706)

3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	78,139	17,603	60,536
Bank overdrafts	(304,361)	(489,309)	184,948
	£(226,222)	£(471,706)	£ 245,484

4 Analysis of changes in financing during the year	Share capital	Loans and finance lease obligations
	£	£
Balance at 1 May 1994	12,000	-
Balance at 30 April 1995	£ 12,000	£ -

COSTCUTTER TRADING LIMITED

Notes to the Abbreviated Accounts for the year ended 30 April 1995

2. Operating Profit	1995	1994
	£	£
Operating profit is stated after charging:		
Directors' emoluments	5,469	5,818
Staff costs (excluding Directors)	558,555	865,124
Depreciation of intangible assets	-	21,500
Depreciation of tangible assets	42,347	103,361
Hire of plant and machinery	4,197	8,855
Operating lease rentals		
- Motor vehicles	73,861	148,743
Pension costs	1,920	6,400
Auditors' remuneration	6,000	6,100
Remuneration of auditors for non-audit work	3,500	4,610
and after crediting:		
Rents receivable	34,296	30,196
	<u>£ 24,113</u>	<u>£ 20,944</u>
3. Other Interest Receivable and Similar Income	1995	1994
	£	£
Bank interest received	204	-
Other interest received	-	427
	<u>£ 204</u>	<u>£ 427</u>
4. Interest Payable	1995	1994
	£	£
On bank loans and overdrafts	23,342	20,944
On overdue tax	771	-
	<u>£ 24,113</u>	<u>£ 20,944</u>
5. Taxation	1995	1994
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 33% (1994 - 33%)	43,275	-
Prior years		
U.K. Corporation tax	-	(609)
	<u>£ 43,275</u>	<u>£ (609)</u>

COSICUTTER TRADING LIMITED

**Notes to the Abbreviated Accounts
for the year ended 30 April 1995**

6. Intangible Fixed Assets

	Goodwill
	£
Cost	
At 1 May 1994	189,500
Inter-group transfers	(189,500)
	<hr/>
At 30 April 1995	-
	<hr/>
At 1 May 1994	21,500
Inter-group transfers	(21,500)
	<hr/>
At 30 April 1995	-
	<hr/>
Net book value	
At 30 April 1995	£ -
	<hr/>
At 30 April 1994	£ 168,000
	<hr/>

The company's policy is to write off purchased goodwill over its estimated economic life.

7. Tangible Assets

	W'house fixtures & fittings	Computer Equipment	Shops fittings & fittings	Total
	£	£	£	£
Cost				
At 1 May 1994	228,960	65,354	444,012	738,326
Additions	6,578	253	1,574	8,405
Inter-group transfers	-	(365)	(367,615)	(367,980)
Disposals	(235,538)	(65,242)	-	(300,780)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1995	-	-	77,971	77,971
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 May 1994	65,577	33,974	123,807	223,358
Inter-group transfers	-	(73)	(111,129)	(111,202)
On disposals	(86,344)	(44,749)	-	(131,093)
Charge for year	20,767	10,848	10,732	42,347
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1995	-	-	23,410	23,410
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 30 April 1995	£ -	£ -	£ 54,561	£ 54,561
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1994	£ 163,383	£ 31,380	£ 320,205	£ 514,968
	<hr/>	<hr/>	<hr/>	<hr/>

COSTCUTTER TRADING LIMITED

Notes to the Abbreviated Accounts for the year ended 30 April 1995

8. Stocks	1995	1994
	£	£
Goods for resale	<u>£782,837</u>	<u>£812,965</u>
9. Debtors	1995	1994
	£	£
Trade debtors	542,393	417,984
Amounts owed by group undertaking	119,512	-
Other debtors	161,801	138,537
Prepayments and accrued income	44,345	60,248
	<u>£ 868,051</u>	<u>£ 616,769</u>
10. Creditors: amounts falling due within one year	1995	1994
	£	£
Bank loans and overdrafts (Secured)	304,361	489,309
Trade creditors	1,080,889	961,864
Amounts owed to group undertakings	631,427	921,664
Corporation tax	43,275	-
Other taxes and social security costs	8,417	27,188
Other creditors	4,346	8,824
Accruals and deferred income	18,953	22,696
	<u>£ 2,091,668</u>	<u>£ 2,431,545</u>
Debt due within one year	<u>£ 304,361</u>	<u>£ 489,309</u>

The aggregate amount of secured creditors was £304,361 (1994 £489,309)

On 5th May 1993 a cross guarantee and debenture between Costcutter Supermarkets Ltd and Costcutter Trading Ltd was given to Barclays Bank Plc.

A cross guarantee and debenture between Costcutter Trading Ltd, Costcutter Marketing Ltd and Cheers Marketing Ltd was given to Barclays Bank Plc on 1st June 1994.

COSTCUTTER TRADING LIMITED

Notes to the Abbreviated Accounts for the year ended 30 April 1995

11. Share Capital	1995	1994
	£	£
Authorised		
15,000 Ordinary shares of £1 each	<u>£15,000</u>	<u>£15,000</u>
Allotted, called up and fully paid		
12,000 Ordinary shares of £1 each	<u>£12,000</u>	<u>£12,000</u>
 12. Profit And Loss Account	 1995	 1994
	£	£
Accumulated losses at 1 May 1994	(313,240)	(43,567)
Retained loss for the year	<u>(6,840)</u>	<u>(269,673)</u>
Accumulated losses at 30 April 1995	<u>£(320,080)</u>	<u>£(313,240)</u>
 13. Reconciliation of Movements in Shareholders' Funds	 1995	 1994
	£	£
Loss for the financial year	(6,840)	(269,673)
Opening shareholders' funds	<u>(301,240)</u>	<u>(31,567)</u>
Closing shareholders' funds	<u>£(308,080)</u>	<u>£(301,240)</u>
 14. Financial Commitments		
At 30 April 1995 the company had annual commitments under non-cancellable operating leases as follows:		
	Motor vehicles	
	1995	1994
	£	£
Expiry date:		
Within one year	3,955	-
Between two and five years	<u>4,083</u>	<u>18,496</u>
	<u>£ 8,038</u>	<u>£ 18,496</u>

COSTCUTTER TRADING LIMITED

Notes to the Abbreviated Accounts for the year ended 30 April 1995

15. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1995 Number	1994 Number
Administration	15	7
Warehouse	24	39
Retail	35	75
	<u>74</u>	<u>121</u>

Employment costs

	£	£
Wages and salaries	515,160	789,963
Social security costs	41,475	68,761
Other pension costs	1,920	6,400
	<u>£ 558,555</u>	<u>£ 865,124</u>

16. Ultimate Parent Company

The ultimate parent company is Costcutter Supermarkets Group Limited, a company registered in England and Wales.