

Company Registration No. 00736058 (England and Wales)

COSTCUTTER TRADING LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1999



COSTCUTTER TRADING LIMITED

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COSTCUTTER TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1999

The directors present their report and financial statements for the year ended 30 April 1999.

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.

On 30 April 1999 the trade was transferred to Costcutter Supermarkets Group Ltd.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 May 1998:

C J Graves	
J Graves	
N Walker	
N Kears	(Resigned 9 December 1998)
M K Mayes	(Resigned 10 September 1999)
N Ivel	(Appointed 18 September 1998)
B Wilson	(Resigned 18 September 1998)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £1 each	
	30 April 1999	1 May 1998
C J Graves	1	1
J Graves	-	-
N Walker	-	-
M K Mayes	-	-
N Ivel	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Barrowcliffs be reappointed as auditors of the company will be put to the Annual General Meeting.

COSTCUTTER TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1999

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.

By order of the board



J Graves

Director

11 October 1999

COSTCUTTER TRADING LIMITED

AUDITORS' REPORT TO COSTCUTTER TRADING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 10, together with the financial statements of the company for the year ended 30 April 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

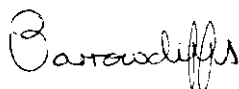
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 10 are properly prepared in accordance with that provision.

Barrowcliffs

12 October 1999

**Chartered Accountants
& Registered Auditors**

46 Park Place
Leeds
LS1 2SY



COSTCUTTER TRADING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1999

	Notes	1999 £	1998 £
Gross profit		639,019	504,957
Distribution costs		(37,591)	(42,745)
Administrative expenses		(445,045)	(392,417)
Other operating income		-	12,080
Operating profit	3	156,383	81,875
Surplus on transfer to parent undertaking:			
Transfer of retained deficit	4	217,760	-
Profit on ordinary activities before interest		374,143	81,875
Other interest receivable and similar income	5	-	234
Interest payable and similar charges	6	(25,289)	(33,313)
Profit on ordinary activities before taxation		348,854	48,796
Tax on profit on ordinary activities	7	965	(21,990)
Profit on ordinary activities after taxation	14	349,819	26,806

COSTCUTTER TRADING LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 APRIL 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	8		-		34,935
Current assets					
Stocks	9	-		1,770,804	
Debtors	10	-		1,263,064	
Cash at bank and in hand		-		94,179	
			-	3,128,047	
Creditors: amounts falling due within one year	11	-		(3,504,301)	
Net current assets/(liabilities)			-		(376,254)
Total assets less current liabilities			-		(341,319)
Provisions for liabilities and charges	12		-		(8,500)
			-		(349,819)
Capital and reserves					
Called up share capital	13		12,000		12,000
Profit and loss account	14		(12,000)		(361,819)
Shareholders' funds	15		-		(349,819)

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 11 October 1999


C J Graves
Director


J Graves
Director

COSTCUTTER TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	15% Reducing balance
Computer equipment	15% Reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Work in progress is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Cost of sales and net operating expenses

	1999			1998		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	-	20,338,776	20,338,776	-	12,396,780	12,396,780
Distribution costs	-	37,591	37,591	-	42,745	42,745
Administrative expenses	-	445,045	445,045	-	392,417	392,417
Other operating income	-	-	-	-	(12,080)	(12,080)
	-	20,821,412	20,821,412	-	12,819,862	12,819,862

COSTCUTTER TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1999

3	Operating profit	1999	1998
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	6,126	5,406
	Operating lease rentals	1,290	1,202
	Auditors' remuneration	4,770	6,700
	Remuneration of auditors for non-audit work	350	2,850
	and after crediting:		
	Rents receivable	-	12,080
		<u><u> </u></u>	<u><u> </u></u>
4	Other income	1999	1998
		£	£
	Income from parent undertaking	217,760	-
		<u><u> </u></u>	<u><u> </u></u>
The retained deficit of the company was transferred to the parent undertaking, Costcutter Supermarkets Group Ltd.			
5	Other interest receivable and similar income	1999	1998
		£	£
	Other interest	-	234
		<u><u> </u></u>	<u><u> </u></u>
6	Interest payable	1999	1998
		£	£
	On bank loans and overdrafts	25,289	33,313
		<u><u> </u></u>	<u><u> </u></u>
7	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1998 - 26%)	6,225	13,490
	Deferred taxation	-	8,500
		<u><u> </u></u>	<u><u> </u></u>
		6,225	21,990
	Prior years		
	U.K. corporation tax	(7,190)	-
		<u><u> </u></u>	<u><u> </u></u>
		(965)	21,990
		<u><u> </u></u>	<u><u> </u></u>

Of the tax on the profit on ordinary activities of £6,225, £35,886 has been relieved by the surrender of losses by another group company.

COSTCUTTER TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1999

8 Tangible fixed assets

	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 May 1998	5,968	63,723	69,691
Additions	890	8,917	9,807
Amounts transferred to parent undertaking	(6,858)	(72,640)	(79,498)
	<hr/>	<hr/>	<hr/>
At 30 April 1999	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 May 1998	318	34,438	34,756
Charge for the year	838	5,288	6,126
Amounts transferred to parent undertaking	(1,156)	(39,726)	(40,882)
	<hr/>	<hr/>	<hr/>
At 30 April 1999	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 April 1999	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 1998	5,650	29,285	34,935
	<hr/>	<hr/>	<hr/>

9 Stocks

	1999	1998
	£	£
Retail goods	-	1,770,804
	<hr/>	<hr/>

10 Debtors

	1999	1998
	£	£
Trade debtors	-	890,207
Amounts owed by parent and fellow subsidiary undertakings	-	121,000
Other debtors	-	179,714
Prepayments and accrued income	-	72,143
	<hr/>	<hr/>
	-	1,263,064
	<hr/>	<hr/>

COSTCUTTER TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1999

11 Creditors: amounts falling due within one year	1999 £	1998 £
Bank loans and overdrafts	-	1,854,461
Trade creditors	-	789,128
Amounts owed to parent and fellow subsidiary undertakings	-	802,776
Corporation tax	-	13,490
Other taxes and social security costs	-	757
Other creditors	-	11,351
Accruals and deferred income	-	32,338
	-	3,504,301
Debt due within one year	-	1,854,461

On 4 February 1997 a Cross Guarantee and Debenture was given between Costcutter Trading Limited, Costcutter Convenience Limited, Costcutter Filling Stations Limited, Costcutter Marketing Limited, Costcutter Supermarkets Group Limited and Storestyle Limited.

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 May 1998	8,500
Transferred to parent undertaking	(8,500)
Balance at 30 April 1999	-

13 Share capital	1999 £	1998 £
Authorised		
15,000 Ordinary of £1 each	15,000	15,000
Allotted, called up and fully paid		
12,000 Ordinary of £1 each	12,000	12,000

COSTCUTTER TRADING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 1999

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 1998	(361,819)
Retained profit for the year	349,819
	<hr/>
Balance at 30 April 1999	(12,000)
	<hr/> <hr/>

15 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	349,819	26,806
Opening shareholders' funds	(349,819)	(376,625)
	<hr/>	<hr/>
Closing shareholders' funds	-	(349,819)
	<hr/> <hr/>	<hr/> <hr/>

16 Employees

Number of employees

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

	1999 Number	1998 Number
Retail	21	29
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	£	£
Wages and salaries	84,456	94,497
Social security costs	3,165	3,928
	<hr/>	<hr/>
	87,621	98,425
	<hr/> <hr/>	<hr/> <hr/>