

# Lidl Limited

## Report and Accounts

28 February 1998

*Registered No. 2816429*



 **ERNST & YOUNG**

# Lidl Limited

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**DIRECTORS** (as at 28 February 1998)

P Spangenberg  
T Dennhardt  
A Leinemann

**SECRETARY**

T Dennhardt

**AUDITORS**

Ernst & Young  
Apex Plaza  
Reading  
Berkshire  
RG1 1YE

**REGISTERED OFFICE**

Apex Plaza  
Reading  
Berkshire  
RG1 1YE

 ERNST & YOUNG

# Lidl Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 28 February 1998.

### PRINCIPAL ACTIVITY

The company's principal activity during the period continued to be the provision of certain services for the UK operations of group companies.

### DIRECTORS AND THEIR INTERESTS

Details of directors who have served during the period from 1 March 1997 to 28 February 1998 and the changes between the year end and the present day are as follows:

	<i>Appointed</i>	<i>Resigned</i>
P S Bailey		20 March 1997
T Dennhardt	20 March 1997	14 September 1998
A Leinemann	20 March 1997	
R Nikolai		20 March 1997
P Spangenberg		
O Schmitt	17 August 1998	

There are no directors' share interests requiring disclosure under the Companies Act 1985.

### DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company Law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

### AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

### SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the Board on 30/1/99



Director

**REPORT OF THE AUDITORS**  
**to the members of Lidl Limited**

We have audited the accounts on pages 5 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**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 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.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 28 February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor

1 April 1999

# Lidl Limited

## PROFIT AND LOSS ACCOUNT for the year ended 28 February 1998

	<i>Note</i>	<i>1998</i> £	<i>1997</i> £
TURNOVER	2	148,908	113,950
Administration costs		<u>144,077</u>	<u>105,977</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	4,831	7,973
Tax on profit on ordinary activities		<u>1,947</u>	<u>1,858</u>
PROFIT RETAINED FOR THE FINANCIAL PERIOD		<u>2,884</u>	<u>6,115</u>

There were no recognised gains and losses for the period ended 28 February 1998 other than the profit of £2,884 (1997: £6,115).

# Lidl Limited

## BALANCE SHEET at 28 February 1998

	<i>Note</i>	<i>1998</i> £	<i>1997</i> £
<b>CURRENT ASSETS</b>			
Debtors	5	1,530,400	1,091,258
<b>CREDITORS: amounts falling due within one year</b>	6	<u>1,511,533</u>	<u>1,075,275</u>
<b>NET CURRENT ASSETS</b>		<u>18,867</u>	<u>15,983</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	<u>18,865</u>	<u>15,981</u>
		<u>18,867</u>	<u>15,983</u>

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Approved by the Board on 30/3/99

Director



# Lidl Limited

## NOTES TO THE ACCOUNTS at 28 February 1998

### 1 ACCOUNTING POLICIES

#### *Accounting Convention*

The accounts are prepared under the historical cost convention.

#### *Foreign Currencies*

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2 TURNOVER

Turnover, which is stated net of value added tax, represents the amounts invoiced to group companies for services provided within the United Kingdom. Turnover is attributable to one continuing activity.

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging auditors' remuneration of £6,000 (1997: £6,000).

### 4 DIRECTORS EMOLUMENTS

No emoluments were paid to any director for the year ended 28 February 1998.

### 5 DEBTORS

	1998 £	1997 £
Amounts owed by group undertakings	1,494,505	1,082,049
Other debtors	35,895	9,209
	<u>1,530,400</u>	<u>1,091,258</u>

### 6 CREDITORS: amounts falling due within one year

	1998 £	1997 £
Amounts owed to group undertakings	422,969	432,969
Other creditors	1,088,564	642,306
	<u>1,511,533</u>	<u>1,075,275</u>

'Other creditors' include £617,754 (1997: £347,099) in respect of taxation and social security.

# Lidl Limited

## NOTES TO THE ACCOUNTS at 28 February 1998

### 7 SHARE CAPITAL

	<i>Authorised 1998 and 1997</i>	<i>Allotted, called up and fully paid 1998 and 1997</i>
	£	No. £
Ordinary shares of £1 each	1000	2 2

### 8 RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>Share Capital</i>	<i>Profit and Loss Account</i>	<i>Total</i>
At 1 March 1997	2	15,981	15,983
Profit for the year	-	2,884	2,884
At 28 February 1998	2	18,865	18,867

### 9 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held separately from those of the company in managed funds. There were no prepaid contributions as at 28 February 1998 (1997: £375).

### 10 RELATED PARTY TRANSACTIONS

During the year Lidl Ltd undertook transactions with the following related parties:

Lidl UK GmbH  
Lidl UK Properties GmbH  
ZMRS GmbH & Co KG

Lidl Ltd and Lidl UK Properties are wholly owned subsidiaries of Lidl UK GmbH.

During the year Lidl Ltd provided employment services to Lidl UK GmbH and provided rent collection services to Lidl UK Properties GmbH (latterly to ZMRS GmbH & Co KG) with charges calculated on a normal commercial basis. The charges made to these companies amounted to £138,908 and £10,000 respectively.

Amounts due from Lidl UK GmbH	£1,494,505
ZMRS GmbH & Co KG	£422,969

No amounts have been written off in respect of debts due or from related parties.

### 11 ULTIMATE PARENT UNDERTAKING

The company is wholly-owned by Lidl Stiftung & Co KG registered in Germany.

The accounts of the company are consolidated within those of Lidl Stiftung & Co KG.