

**Costcutter International Limited**  
**Annual report and financial statements**  
**for the year ended 26 April 2008**

Registered Number 03200469

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**COSTCUTTER INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 26 APRIL 2008**

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**COSTCUTTER INTERNATIONAL LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	C J Graves N Ivel
<b>Company secretary</b>	P Leonard
<b>Registered office</b>	Harvest Mills Common Road Dunnington York YO19 5RY
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors Benson House 33 Wellington Street Leeds LS1 4JP
<b>Bankers</b>	HSBC Bank plc 7 Prospect Crescent Harrogate HG1 1RN
<b>Solicitors</b>	Addleshaw Goddard Sovereign House P O Box 8 Sovereign Street Leeds LS1 1HQ

# **COSTCUTTER INTERNATIONAL LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 26 APRIL 2008**

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 26 April 2008

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the supply of goods to the retail market

Further details of the performance of the Costcutter group of companies are given in the financial statements of the intermediate parent undertaking of the group, Costcutter Supermarkets Holdings Limited

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements. The directors have not recommended a dividend (2007 £nil) and accordingly the retained profit for the year has been transferred to reserves

#### **THE DIRECTORS**

The directors who served the company during the year and up to the date of signing the financial statements were as follows

C J Graves  
N Ivel

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

**COSTCUTTER INTERNATIONAL LIMITED**

**THE DIRECTORS' REPORT**

**YEAR ENDED 26 APRIL 2008**

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as each of the directors are aware

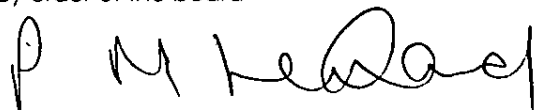
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**INDEPENDENT AUDITOR**

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the board



P Leonard  
Company Secretary

16 September 2008

**COSTCUTTER INTERNATIONAL LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
COSTCUTTER INTERNATIONAL LIMITED**

**YEAR ENDED 26 APRIL 2008**

We have audited the financial statements of Costcutter International Limited for the year ended 26 April 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 26 April 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Leeds

19 September 2008

**COSTCUTTER INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 26 APRIL 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
<b>TURNOVER</b>	<b>2</b>	<b>2,068,395</b>	<b>4,994,576</b>
Cost of sales		<b>(1,966,815)</b>	<b>(4,799,070)</b>
<b>GROSS PROFIT</b>		<b>101,580</b>	<b>195,506</b>
Administrative expenses		<b>(32,853)</b>	<b>(75,655)</b>
Other operating income	<b>3</b>	<b>32,500</b>	<b>-</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>101,227</b>	<b>119,851</b>
Interest receivable and similar income	<b>6</b>	<b>58</b>	<b>-</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>101,285</b>	<b>119,851</b>
Tax on profit on ordinary activities	<b>7</b>	<b>(30,228)</b>	<b>(32,569)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>13</b>	<b>71,057</b>	<b>87,282</b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents

**The accounting policies and notes on pages 7 to 11 form part of these financial statements**

**COSTCUTTER INTERNATIONAL LIMITED**

**BALANCE SHEET**

**26 APRIL 2008**

	Note	2008 £	2007 £
<b>CURRENT ASSETS</b>			
Debtors	8	60,078	82,317
Cash at bank and in hand		383,630	140,205
		<u>443,708</u>	<u>222,522</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(219,405)	(69,276)
<b>NET ASSETS</b>		<u>224,303</u>	<u>153,246</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	12	2	2
Profit and loss account	13	224,301	153,244
<b>TOTAL SHAREHOLDERS' FUNDS</b>	14	<u>224,303</u>	<u>153,246</u>

These financial statements were approved by the directors on 16 September 2008 and are signed on their behalf by

  
N Ivel  
Director

The accounting policies and notes on pages 7 to 11 form part of these financial statements



# **COSTCUTTER INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**26 APRIL 2008**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

#### **Cash flow statement**

The company is a wholly owned subsidiary of Costcutter Supermarkets Holdings Limited and is included in the consolidated financial statements of Costcutter Supermarkets Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996)

#### **Turnover**

Turnover comprises the amount receivable from retail customers but excludes value added tax and trade discounts. Turnover is recognised on transfer of goods to customers

#### **Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year. The pension scheme is a defined contribution scheme

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are recognised only to the extent that they are regarded as recoverable such that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

### **2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company. All of the company's turnover arises in the United Kingdom

### **3. OTHER OPERATING INCOME**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Professional fees	<b>32,500</b>	<b>—</b>

# **COSTCUTTER INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**26 APRIL 2008**

### **4. OPERATING PROFIT**

Operating profit is stated after charging

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	-	-
Operating lease costs		
- plant and machinery	-	420
Employment costs	-	3,174

Auditors' remuneration of £2,000 (2007 £2,000) has been borne by another group company, Costcutter Supermarkets Group Limited

### **5 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company (excluding directors) during the financial year was

	<b>2008</b>	<b>2007</b>
	<b>Number</b>	<b>Number</b>
Number of administrative staff	-	1

The aggregate payroll costs of the above were -

	<b>£</b>	<b>£</b>
Wages and salaries	-	2,826
Social security costs	-	308
Pension contributions	-	40
	-	3,174

The company has no employees (2007 1) apart from directors The directors receive no remuneration from the company

There are no outstanding or prepaid pension contributions (2007 £nil)

### **6 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank interest received	58	-

# **COSTCUTTER INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**26 APRIL 2008**

### **7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the year	<b>30,223</b>	35,955
Adjustments in respect of previous years	<b>5</b>	(3,386)
Current tax charge on profit on ordinary activities	<b>30,228</b>	32,569

The tax assessed for the year is higher (2007 lower) than the standard rate of corporation tax in the UK

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>101,283</b>	119,851
Profit on ordinary activities multiplied by the standard rate in the UK of 29.84% (2007 30%)	<b>30,223</b>	35,955
Effects of		
Adjustments in respect of previous years	<b>5</b>	(3,386)
Current tax charge for the year	<b>30,228</b>	32,569

The standard rate of tax of 29.84% is based on eleven months taxed at 30% and one month at 28%. A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act on 26 June 2007. The impact of these changes, which is not material, has been recognised in these financial statements.

Certain other changes are expected to be enacted in the 2008 Finance Act. The impact of these changes will be recognised in the period in which the 2008 Finance Act becomes substantively enacted, which is expected to be in the year to 30 April 2009. These changes are not expected to have a material impact on the tax charge.

### **8. DEBTORS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>56,865</b>	81,977
Amounts owed by group undertakings	<b>1,190</b>	-
Other tax and social security	<b>1,510</b>	-
Prepayments and accrued income	<b>513</b>	340
	<b>60,078</b>	82,317

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

# COSTCUTTER INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

26 APRIL 2008

### 9 CREDITORS Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	9,821	–
Amounts owed to group undertakings	185,482	42,439
Corporation tax	3,616	–
Other tax and social security	–	6,516
Accruals and deferred income	20,486	20,321
	<u>219,405</u>	<u>69,276</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

### 10 DEFERRED TAXATION

The company has no material actual or potential deferred tax assets or liabilities

### 11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption, under Financial Reporting Standard 8, from disclosing related party transactions with entities that are part of the Costcutter Supermarkets Holdings Limited Group

### 12 CALLED UP SHARE CAPITAL

#### Authorised share capital

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted and fully paid:

	2008		2007
	No	£	No
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>

### 13. RESERVES

	Profit & loss account £
At 29 April 2007	153,244
Retained profit for the year	71,057
At 26 April 2008	<u>224,301</u>

**COSTCUTTER INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**26 APRIL 2008**

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>71,057</b>	87,282
Opening shareholders' funds	<b><u>153,246</u></b>	<u>65,964</u>
Closing shareholders' funds	<b><u>224,303</u></b>	<u>153,246</u>

**15. ULTIMATE PARENT COMPANY**

Costcutter International Limited's immediate parent undertaking is Costcutter Supermarkets Group Limited, a company registered in England and Wales. The smallest group to prepare consolidated accounts is Costcutter Supermarkets Holdings Limited a company registered in England and Wales and copies can be obtained from Harvest Mills, Common Road, Dunnington, York YO19 5RY

The ultimate parent is The Bibby Line Group Limited which is the parent of the largest group, to calculate the financial statements. Copies of the consolidated accounts are available from the Company's registered office 105 Duke Street, Liverpool L51 5JQ. The year end of the Bibby Line Group Limited is 31 December and therefore the consolidated accounts cover a different financial period than in these financial statements