4173030

Report of the directors

The directors present their report and the financial statements of the company for the 53 week period ended 31 March 2012

Principal activity and business review

The principal activity of the company is the operation of frozen food retail outlets

The company operates in a highly competitive value sector, offering major brands at prices below the major supermarkets The key business focus is price and the company continues to look for market leading deals to attract new customers and drive sales

Results and dividends

The profit for the period amounted to £753,000 (2011 £625,000) after taxation The directors have not recommended a dividend

Financial risk management objectives and policies

The company uses various financial instruments these include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are liquidity risk and credit risk The directors review and agree policies for managing these risks and they are summarised below These policies have remained unchanged from previous years

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably The company policy throughout the year has been to ensure continuity of funding Short-term flexibility is achieved by overdraft facilities

Report of the directors

Credit risk

The company's principal financial asset is cash The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies Due to the nature of the company trade debtors are not significant

Directors

The directors who served the company during the period were as follows

M C Walker
A Errington
N Canning
C Watts
T Dhaliwal

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Report of the directors 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 laws) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor 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 auditor is aware of that information

Report of the directors

Disabled employees

Applications for employment by disabled persons are given full and fair consideration in accordance with their particular aptitudes and abilities

In the event of an employee becoming disabled, every effort is given to retrain them in order that their employment with the company may continue

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company

This is achieved through consultations with employees

Auditor

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

ON BEHALF OF THE BOARD

TS Dhaliwal

T Dhaliwal
Director
14 June 2012

Grant Thornton

Independent auditor's report to the members of Cooltrader Limited

We have audited the financial statements of Cooltrader Limited for the 53 week period ended 31 March 2012 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of the company's profit for the 53 week period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report to the members of Cooltrader Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Carl Williams

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
14 June 2012

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice)

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

The principal accounting policies of the company are set out below The policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement

Related party transactions

Advantage has been taken of the exemption in paragraph 3(c) of Financial Reporting Standard No 8, 'Related Party Transactions' in respect of the disclosure of transactions and balances with other wholly owned group companies

Turnover

The turnover shown in the profit and loss account represents the value of goods sold in the ordinary course of business, excluding sales incentives and value added tax Turnover is recognised at the point of sale within the stores

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 20 years

Tangible fixed assets

All fixed assets are recorded at cost, net of depreciation and any provision for impairment

Principal accounting policies

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold property	-	2% on straight line
Leasehold property	-	over the period of the lease
Plant and machinery	-	from 7% to 20% on straight line
Motor vehicles	-	from 14% to 20% on straight line
Equipment	-	from 14% to 33% on straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items Net realisable value is the estimated selling price

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet as a tangible fixed asset at the present value of the minimum lease payments and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases or hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Investments

Investments are recorded at cost, less any provision for impairment

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed at the balance sheet date, except as otherwise required by Financial Reporting Standard No 19 Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date

Principal accounting policies

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities Shares containing such obligations are classified as financial liabilities

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability

An equity instrument is any contract that evidences a residual interest in the assets of the entity, after deducting all of its financial liabilities Dividends and distributions relating to equity instruments are debited directly to reserves

Profit and loss account

	Note	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Turnover	1	**53,763**	47,984
Cost of sales		**(38,514)**	(34,314)
Gross profit		**15,249**	13,670
Other operating charges	2	**(14,129)**	(13,224)
Operating profit	3	**1,120**	446
Interest receivable		**3**	2
Interest payable and similar charges	6	**(3)**	(6)
Profit on ordinary activities before taxation		**1,120**	442
Tax on profit on ordinary activities	7	**(367)**	183
Profit for the financial period	19	**753**	625

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

Balance sheet

	Note	31 March 2012 £'000	26 March 2011 £'000
Fixed assets			
Intangible assets	8	**759**	816
Tangible assets	9	**6,592**	6,104
Investments	10	**200**	200
		7,551	7,120
Current assets			
Stocks	11	**4,018**	3,360
Debtors	12	**1,280**	1,091
Cash at bank		**1,382**	1,426
		6,680	5,877
Creditors: amounts falling due within one year	14	**(6,895)**	(5,860)
Net current (liabilities)/assets		**(215)**	17
Total assets less current (liabilities)/assets		**7,336**	7,137
Creditors: amounts falling due after more than one year	15	**(5,551)**	(6,289)
Provisions for liabilities	13	**(184)**	-
Net assets		**1,601**	848
Capital and reserves			
Called up equity share capital	18	**4,600**	4,600
Profit and loss account	19	**(2,999)**	(3,752)
Shareholders' funds	20	**1,601**	848

These financial statements were approved and authorised for issue by the board of directors on 14 June 2012, and signed on its behalf by

T S Dhaliwal

T Dhaliwal
Director

Notes to the financial statements

1 Turnover

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

2 Other operating charges

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Distribution costs	5,358	4,763
Administrative expenses	8,771	8,461
	14,129	13,224

3 Operating profit

Operating profit is stated after charging

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Amortisation of goodwill	57	57
Depreciation of owned fixed assets	848	823
Depreciation of assets held under hire purchase agreements	7	7
Loss on disposal of fixed assets	47	116
Operating leases		
Land and buildings	2,435	2,154
Plant and machinery	99	86

Auditor's remuneration in both the current and preceding period was borne by another group undertaking

Notes to the financial statements

4 Directors and employees

The average number of staff employed by the company during the financial period amounted to

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Number of sales staff	577	538
Number of management staff	27	25
	604	563

The aggregate payroll costs of the above were

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Wages and salaries	5,753	5,174
Social security costs	388	342
Other pension costs	5	9
	6,146	5,525

5 Directors

Remuneration in respect of directors was as follows

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Emoluments receivable	418	306

Emoluments of highest paid director

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Total emoluments (excluding pension contributions)	312	200

Notes to the financial statements

6 Interest payable and similar charges

	53 weeks ended 31 March 2012 £'000	52 weeks ended 26 March 2011 £'000
Finance charges payable under hire purchase agreements	3	6
	3	6

7 Taxation

(a) Analysis of charge in the period

	53 weeks ended 31 March 2012 £000	52 weeks ended 26 March 2011 £000
Current tax		
Corporation tax	-	-
Other similar charges payable	-	-
Deferred tax		
Origination and reversal of timing differences	367	(183)
Tax on profit on ordinary activities	367	(183)

At the period end, there were corporation tax losses of £410,691 (2011 £1,792,000) available for relief against future trading profits

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower (2011 lower) than the standard rate of corporation tax in the UK of 26% (2011 28%)

	53 weeks ended 31 March 2012 £000	52 weeks ended 26 March 2011 £000
Profit on ordinary activities before taxation	1,120	442
Profit on ordinary activities by rate of tax	291	124
Expenses not deductible for tax purposes	75	82
Depreciation for period in excess of capital allowances	2	67
Utilisation of tax losses	(367)	(272)
Group relief surrendered not paid for	(1)	(1)
Total current tax (note 7(a))	-	-

Notes to the financial statements

8 Intangible fixed assets

	Goodwill £'000
Cost	
At beginning and end of period	**1,174**
Amortisation	
At beginning of period	358
Provided during the period	57
At end of period	**415**
Net book value	
At 31 March 2012	**759**
At 26 March 2011	816

9 Tangible fixed assets

	Freehold property £000	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Equipment £000	Total £000
Cost						
At beginning of period	293	3,410	6,196	121	1,021	11,041
Additions	-	103	1,195	58	35	1,391
Disposals	(1)	(13)	(378)	(92)	(251)	(735)
At end of period	292	3,500	7,013	87	805	11,697
Depreciation						
At beginning of period	53	1,373	2,600	116	795	4,937
Charge for the period	6	230	536	3	80	855
On disposals	(1)	(6)	(337)	(92)	(251)	(687)
At end of period	58	1,597	2,799	27	624	5,105
Net book value						
At 31 March 2012	**234**	**1,903**	**4,214**	**60**	**181**	**6,592**
At 26 March 2011	240	2,037	3,596	5	226	6,104

Included within the net book value of £6,592,000 (2011 £6,104,000) is £18,000 (2011 £25,000) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the period in respect of such assets amounted to £7,000 (2011 £7,000)

Notes to the financial statements

10 Investments

	Shares in Subsidiary undertakings £'000
Cost	
At beginning and end of period	1,374
Amounts written off	
At beginning and end of period	1,174
Net book value	
At 31 March 2012	**200**
At 26 March 2011	200

The company owns 100% of the issued ordinary share capital of Kingdom Inland Trading Limited incorporated in England and Wales

11 Stock

	31 March 2012 £'000	26 March 2011 £'000
Goods for resale	**4,018**	3,360

12 Debtors

	31 March 2012 £'000	26 March 2011 £'000
Trade debtors	**25**	38
VAT recoverable	**244**	137
Other debtors	**119**	119
Prepayments and accrued income	**716**	614
Amounts due from group	**176**	-
Deferred taxation (note 13)	**-**	183
	1,280	1,091

Included in other debtors are rent deposits totalling £108,900 (2011 £108,900) which are secured against amounts owing to the landlords concerned and are not due for repayment within the next 12 months

Notes to the financial statements

13 Deferred taxation

The deferred tax included in the balance sheet is as follows

	31 March 2012 £'000	26 March 2011 £'000
Deferred tax provision / (asset)	**184**	(183)

The deferred tax asset in 2011 was included within debtors (note 12)

The movement in the deferred taxation account during the period was

	31 March 2012 £'000	26 March 2011 £'000
Balance brought forward	**(183)**	-
Profit and loss account movement during the period	**367**	(183)
Balance carried forward	**184**	(183)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	31 March 2012 £'000	26 March 2011 £'000
Accelerated capital allowances	**290**	283
Tax losses carried forward	**(106)**	(466)
	184	(183)

14 Creditors: amounts falling due within one year

	31 March 2012 £'000	26 March 2011 £'000
Bank overdraft	-	62
Trade creditors	**4,979**	3,852
Social security and other taxes	**112**	95
Amounts due under hire purchase agreements	**6**	6
Other creditors	**89**	78
Amounts owed to group undertakings	**382**	399
Accruals and deferred income	**1,327**	1,368
	6,895	5,860

The amounts owed to group undertakings are unsecured

Notes to the financial statements

15 Creditors: amounts falling due after more than one year

	31 March 2012 £'000	26 March 2011 £'000
Other loans	**5,537**	6,269
Amounts due under hire purchase agreements	**14**	20
	5,551	6,289

The balance included within 'other loans' is in relation to monies advanced from several related companies These loans are non-interest bearing and unsecured The loans are repayable when the company is in a position to do so

16 Commitments under hire purchase agreements

Future commitments under hire purchase agreements net of future finance lease charges are as follows

	31 March 2012 £'000	26 March 2011 £'000
Amounts payable within 1 year	**6**	6
Amounts payable between 2 to 5 years	**14**	20
	20	26

Hire purchase liabilities are secured on the assets to which they relate

17 Leasing commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as set out below

	31 March 2012		26 March 2011	
	Land and buildings £'000	**Other items £'000**	Land and buildings £'000	Other items £'000
Operating leases which expire				
Within 1 year	325	-	113	38
Within 2 to 5 years	879	54	874	68
After more than 5 years	1,110	-	1,476	-
	2,314	54	2,463	106

Notes to the financial statements

18 Share capital

Authorised share capital

	31 March 2012 £'000	26 March 2011 £'000
4,600,000 Ordinary shares of £1 each	**4,600**	4,600

Allotted, called up and fully paid

	31 March 2012		26 March 2011	
	No	£'000	No	£'000
Ordinary shares of £1 each	**4,600,000**	**4,600**	4,600,000	4,600

19 Reserves

	Profit and loss account £'000
At beginning of period	(3,752)
Profit for the financial period	753
At end of period	(2,999)

20 Reconciliation of movements in shareholders' funds

	31 March 2012 £'000	26 March 2011 £'000
Profit for the financial period	753	625
Opening shareholders' funds	848	223
Closing shareholders' funds	**1,601**	848

21 Capital commitments

The company had no capital commitments at 31 March 2012 or 26 March 2011

22 Contingent liabilities

The company is party to a cross-guarantee between certain fellow group undertakings in respect of bank loans The amount outstanding at the end of the period was £860 million (2011 £50 million)

Notes to the financial statements

23 Ultimate parent undertaking and parent undertaking

The immediate parent undertaking of this company is Cooltrader (Holdings) Limited, a company incorporated in England and Wales

On 9 March 2012 the ultimate parent undertaking and ultimate controlling related party of the company changed from Iceland Foods Group Limited to Oswestry Topco Limited, both companies are incorporated in England and Wales

The smallest and largest group in which these financial statements are consolidated is headed by Iceland Foods Group Limited The consolidated financial statements of Iceland Foods Group Limited are available to the public and may be obtained from Companies House