

Co-operative Brands Limited

Strategic Report, Directors' Report and Financial Statements

Registered number 5279000

Period ended 5 January 2019



Corporate Information

Directors A P J Crossland
 A P Lang

Secretary C J Sellers

Auditors Ernst & Young LLP, 100 Barbirolli Square, Manchester, M2 3EY

Bankers The Co-operative Bank PLC, 1 Balloon Street, Manchester M60 4EP

Registered Office 1 Angel Square, Manchester, M60 0AG

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Strategic report

The Directors present their annual strategic report and the audited financial statements for the period ended 5 January 2019.

Principal activities

The principal activity of the Company was holding certain intangible assets for licence to other companies owned by Co-operative Group Limited ("the Group") and charges were levied to other group companies for using these licences. Due to the ending of the royalty agreement with the Group, the intangible asset in the Company was impaired to nil in 2013. The Company continues to incur marketing related expenditure and receive or incur interest charges on intra group balances.

Business review

During 2017 the Company transitioned from EU-adopted IFRS to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard.

The results of the Company for the period are set out in the profit and loss account on page 7. Turnover for the period was £nil (2017: £nil) with a loss before taxation of £2,939,000 (2017: £3,607,000).

At the period end the Company has total debt of £127,176,000 (2017: £124,077,000) and holds cash reserves totalling £nil (2017: £nil).

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to trends in consumer spending and the wider retail environment in the context of the response that is required to maintain the Co-operative brand through marketing and brand related activity. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 41-42 of the Group's annual report which does not form part of this report.

Key performance indicators

In addition to monitoring revenue and profitability of the Company, the Directors also monitor a number of key performance indicators of the Co-operative Group Limited ("the Group"). These include financial performance, growth in and engagement of members of the Group, growing customer loyalty and corporate reputation of the Group. Further details on these key measures can be found on page 37 of the Group's annual report. Co-operative Brands Limited is in a net liability position primarily driven by an intercompany payable to Co-operative Group Limited (the ultimate parent undertaking). The KPI's of the wider group are relevant in this context as the Co-operative Group Limited provides a letter of support for Co-operative Brands Limited confirming its intention to provide financial support to the entity for such time as it remains within its ownership enabling Co-operative Brands Limited to pay its debts as they fall due for a period of one year from the date of the approval of its 2018 balance sheet.

By order of the Board



A P J Crossland
Director

Date 08/7/19

Registered Office:
1 Angel Square
Manchester
M60 0AG

Directors' report

The Directors present their report and financial statements for the period ended 5 January 2019.

In accordance with the provisions of s414c(11), the Directors have included certain sections within the Strategic Report (that would otherwise be required to be disclosed in the Directors report by the Companies Act 2006) as they are deemed to be of strategic importance to the Company.

Proposed dividend and transfer to reserves

The Company made a dividend payment in the year of £nil (2017: £nil).

Directors

The Directors who held office during the period were as follows:

A P J Crossland
A P Lang

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Financial instruments

The Company does not undertake financial instrument transactions.

Employees

The main communication with employees is via the Co-operative Group Limited intranet site. All managers are kept informed about the group's performance through annual, interim and social accountability reports, management bulletins and Newslines, the electronic weekly new service.

The Company's policy is to recruit disabled workers for those vacancies they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employees are also consulted on a regular basis so that the views of the employees can be taken into account in making decisions which are likely to affect their interests.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in net current assets, as an assurance has been received from the ultimate parent undertaking that financial support will continue to be made available for the foreseeable future.

Co-operative Group Limited has provided a letter of support confirming that the Society will enable the Company to pay its debts as they fall due and will continue to provide financial support to them accordingly for a period of one year from the date of approval of the Company's balance sheet.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the Board


A P J Crossland
Director

Date 08/7/19

Registered Office:
1 Angel Square
Manchester
M60 0AG

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, Directors' 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).

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 of the Company and of the 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 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.

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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Co-operative Brands Limited

Opinion

We have audited the financial statements of Co-operative Brands Limited for the 52 week period ended 5 January 2019 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework". (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 5 January 2019 and of its loss for the 52-week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework";
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

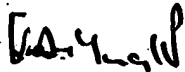
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Alistair Denton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Chartered Accountants
2 St Peter's Square
Manchester
M2 3EY



Profit and loss account
for the period ended 5 January 2019

	Notes	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
Revenue			
Cost of sales		(784)	(1,377)
Gross loss		(784)	(1,377)
Administrative expenses		(1,742)	(1,902)
Operating loss	2	(2,526)	(3,279)
Interest receivable and similar income	5	161	127
Interest payable and similar charges	6	(574)	(455)
Loss on ordinary activities before taxation		(2,939)	(3,607)
Taxation	7	557	(2)
Loss for the period after tax		(2,382)	(3,609)

All amounts relate to continuing activities.

Statement of comprehensive income
for the period ended 5 January 2019

The Company has no recognised income or expenses in the current or prior period other than those included in the income statement shown above.

Balance Sheet
as at 5 January 2019

	Notes	As at 6 January 2019 £'000	As at 6 January 2019 £'000	As at 6 January 2018 £'000	As at 6 January 2018 £'000
Non-current assets					
Deferred tax assets	8	13		16	
Intangible assets	9	-		-	
Total non-current assets			13		16
Current assets					
Trade and other receivables	10	60,227		60,066	
Total current assets			60,227		60,066
Total assets			60,240		60,082
Current liabilities					
Trade and other payables	11	126,619		124,077	
Total current liabilities			126,619		124,077
Total liabilities			126,619		124,077
Equity					
Called up share capital	12	1		1	
Retained deficit		(66,378)		(63,996)	
Total equity			(66,377)		(63,995)
Total equity and liabilities			60,241		60,082

These financial statements were approved by the Board of Directors on
signed on its behalf by:

A P J Crossland

A P J Crossland
Director

8 JULY 2019

and were

**Statement of changes in equity
for the period ended 5 January 2019**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 6 January 2018	1	(63,996)	(63,995)
Loss for the period	-	(2,382)	(2,382)
Balance at 5 January 2019	<u>1</u>	<u>(66,378)</u>	<u>(66,377)</u>
Balance at 31 December 2016	1	(60,387)	(60,386)
Loss for the period	-	(3,609)	(3,609)
Balance at 6 January 2018	<u>1</u>	<u>(63,996)</u>	<u>(63,995)</u>

Notes

(forming part of the financial statements)

1 Accounting policies

Reporting entity

Co-operative Brands Limited is a Company domiciled in England and Wales. The address of the Company's registered office is 1 Angel Square, Manchester, M60 0AG.

Accounting date

The financial statements for the period are prepared for the 52 weeks to 5 January 2019.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, fair value measurements, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The specific exemptions that the Company has taken advantage of are :

- IFRS 7 Financial instruments : Disclosures
- Para 91-99 of IFRS 13 Fair Value Measurements
- Para 38 of IAS 1 Presentation of Financial Instruments
- Para 10 (d), 10 (f), 39 (c), 134-1356 of IAS 1 Presentation of Financial Instruments
- IAS 7 Cash flows
- Para 30-31 of IAS 8 Accounting policies, changes in accounting estimates and errors
- Para 17 of IAS 24 Related party disclosures
- IAS 24 Intra-group transactions

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and in accordance with applicable accounting standards and are prepared on the historical cost basis. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Notes to the financial statements (continued)

Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the deficiency in net current assets, as a written assurance has been received from the ultimate parent undertaking that financial support will continue to be made available for the foreseeable future.

Co-operative Group Limited has provided a letter of support confirming that the Society will enable the Company to pay its debts as they fall due and will continue to provide financial support to them accordingly for a period of one year from the date of approval of the Company's balance sheet.

Intangible assets

(i) Intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense incurred. Amounts paid in respect of acquiring licences are capitalised and stated at cost less accumulated amortisation and impairment losses.

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Goodwill is tested annually for impairment and is not subject to amortisation. Where there is indication of impairment an impairment review will be performed.

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount of the Company's assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of these assets, an impairment loss is reversed if there has been a change in the estimates based on an event subsequent to the initial impairment used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

Notes to the financial statements (continued)

Pensions and other post-retirement benefits

The Company's employees were members of a Co-operative Group Limited wide pensions scheme, the Co-operative Group Pension (Average Career Earnings) Scheme (the Pace Complete Scheme). This Pace Complete Scheme is a defined benefit scheme. The Company contributed to the Pace Complete Scheme in respect of its employees who were members of the Scheme up until the end of October 2015 when it was closed to future accrual. However, the Company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore contributions to the scheme up until the end of October 2015 were accounted for as if it were a defined contribution scheme. There is no contracted agreement or stated Group policy for charging the net defined benefit cost for the plan as a whole measured in accordance with IAS 19 to individual Group entities, therefore Co-operative Brands Limited, in its individual financial statements, cannot recognise the net defined cost so charged. Refer to disclosure of information relevant to the scheme on note 4.

A defined contribution scheme is a pension plan under which the Company pays contributions into a separate entity and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. All borrowing costs are expensed when occurred except when they are directly attributable to the acquisition, construction or production of a qualifying asset. If this is the case, they are included in the cost of the asset.

Taxation

(i) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred taxation

Deferred tax is provided, with no discounting, using the balance sheet liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profits and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In the case of investment properties it is assumed that uplifts on valuation principally reflect future rentals.

Notes to the financial statements (continued)

2 Operating loss

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
Operating loss is stated after charging:		
Staff costs (see note 3)	1,742	1,902

The auditor's remuneration of £577 (2017: £566) is borne by the ultimate parent undertaking. The Company is exempt by virtue of s494 of the Companies Act 2006 from further disclosures in relation to auditors' remuneration as it is a wholly owned subsidiary of the Co-operative Group Limited for which consolidated financial statements are prepared disclosing non-audit fee information on a group wide basis.

3 Staff numbers and costs

The staff were employed by the ultimate parent undertaking and associated costs incurred and recharged amounted to £1,742,000 (2017: £1,902,000).

Directors' remuneration in respect of services provided to the Society were £nil (2017: £nil).

4 Pension Scheme

The Company is a wholly owned subsidiary of Co-operative Group Limited which operated a defined benefit scheme (the Pace Complete scheme) up until the end of October 2015 when it was closed to future accrual. The assets are held in a separately administered trust. Until December 2013, the Pace scheme was defined as a Group plan, as all participating entities were under the common control of Co-operative Group Limited (the sponsoring employer). Following the recapitalisation of Co-operative Bank plc in December 2013, the various entities participating in the Pace plan are no longer under common control of Co-operative Group Limited and as a result, the Pace scheme became a multi employer scheme. Full details of the Pace plan for the period ending 5 January 2019 are disclosed in the Co-operative Group Limited consolidated financial statements for that period.

This Company is neither the sponsoring entity nor legally defined as a participating employer of the Pace Complete scheme. However, as the Company either currently employs or has historically employed members of the Pace scheme, the charge made to the Company up until the end of October 2015 by the ultimate parent Society for employment costs includes a charge in respect of the Pace scheme at an agreed percentage of the pensionable wage. The agreed percentage of pensionable wage is determined by an independent qualified actuary. The amount recognised as an expense in respect of the Pace scheme for this Company was £238k (2017: £160k). This is included in the staff costs as disclosed in note 3.

As the Pace Complete Scheme was closed to future accrual at the end of October 2015, the Pace DC scheme was expanded. The employer contributions made by the Company have been charged to the income statement when incurred.

Notes to the financial statements (continued)

5 Interest receivable

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
Interest income on loans and receivables	161	127

6 Interest payable

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
Interest expense on financial liabilities measured at amortised cost	574	455

7 Taxation

Analysis of charge/credit in period

	For period ended 5 January 2019 £'000	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000	For period ended 6 January 2018 £'000
<i>UK corporation tax</i>				
Current tax on income for the period	-	-	-	-
Group relief receivable	560	-	-	-
Total current tax	560	560	-	-
<i>Deferred tax (see note 8)</i>				
Deferred tax - current period items	-	(1)	-	(1)
Deferred tax - adjustments in respect of previous periods	-	(2)	-	(1)
Effect of rate change on closing balance	-	-	-	-
Total corporate tax charge	-	557	-	(2)

Factors affecting the tax charge for the current period

The tax on the net profit before tax differs from the theoretical amount that would arise using the standard applicable blended rate of corporation tax of 19.00% (2017: 19.25%) as follows:

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
<i>Current tax reconciliation</i>		
Loss before tax	(2,939)	(3,608)
Current tax at 19.00% (2017: 19.25%)	559	694
<i>Effects of:</i>		
Restatement of deferred tax to 17.03% (2017: 17.29%)	-	-
Group relief not paid for	-	(695)
Adjustments to tax charge in respect of previous periods	(2)	(1)
Total income tax credit	557	(2)

Notes to the financial statements (continued)

8 Deferred taxation

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
<i>Deferred taxation asset</i>		
At beginning of year	16	18
Income statement credit in the period	(3)	(2)
At end of year	<u>13</u>	<u>16</u>
Comprising:		
Capital allowances on capital assets	13	16
At end of year	<u>13</u>	<u>16</u>

9 Intangible Assets

For the period ended 5 January 2019

	Licences £'000
<i>Cost</i>	
At 6 January 2018	194,447
At 5 January 2019	<u>194,447</u>
<i>Amortisation</i>	
At 6 January 2018	194,447
Charge for the period	-
Impairment charge	-
At 5 January 2019	<u>194,447</u>
<i>Net book value</i>	
At 5 January 2019	-
At 6 January 2018	-

10 Trade and other receivables

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
<i>Current assets:</i>		
Amounts owed by group undertakings	60,227	60,066
	<u>60,227</u>	<u>60,066</u>

Amounts owed by group undertakings are repayable on demand.

11 Trade and other payables

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
<i>Current liabilities:</i>		
Amounts owed to group undertakings	126,619	124,077
	<u>126,619</u>	<u>124,077</u>

Notes to the financial statements (continued)

12 Called up share capital

	For period ended 5 January 2019 £	For period ended 6 January 2018 £
Authorised		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	1	1

IFRIC 2 determines the features, which allow shares to be classified as equity capital.

13 Group Entities

Ultimate parent Company

The Company is a wholly owned subsidiary of Co-operative Group Limited, a Registered Society under the Co-operative and Community Benefit Societies Act 2014. This is the smallest and largest group of which the Society is a member and for which consolidated accounts are prepared. A copy of the group accounts can be obtained from the Secretary, Co-operative Group Limited, 1 Angel Square, Manchester, M60 0AG.

14 Related parties

Identity of related parties

The Company has a related party relationship with its fellow group undertakings, its ultimate parent Society and with its Directors and and key management

Loans to Directors for the period ended 5 January 2019 amounted to £nil (2017: £nil) and are included in other receivables.

Other related party transactions

Transactions with other Trading Group subsidiaries

	For period ended 5 January 2019 £'000	For period ended 6 January 2018 £'000
Interest receivable		
Co-operative Group Food Limited	161	127
Interest payable		
Co-operative Group Limited	574	455
Loans to group undertakings		
Co-operative Group Food Limited	60,227	60,066
Loans from group undertakings		
Co-operative Group Limited	126,619	124,077

The Company is involved in a Group set-off scheme whereby the bank accounts within the Trading Group are netted off against each other and any interest payable or receivable is settled or received by the ultimate parent Society Co-operative Group Limited.