

VIEWTONE TRADING GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2013

Company Registration Number 07398652

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VIEWTONE TRADING GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

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VIEWTONE TRADING GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2013

The board of directors	K Gunter K M Rees C Stassen
Company secretary	EMW Secretaries Limited
Business address	Unit 6 Bretton Point Dearne Mills Darton Barnsley South Yorkshire S75 5NH
Registered office	Unit 6 Bretton Point Dearne Mills Darton Barnsley South Yorkshire S75 5NH
Auditor	RSM Tenon Audit Limited 2 Wellington Place Leeds LS1 4AP

VIEWTONE TRADING GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2013

The directors present their report and the financial statements of the group for the year ended 31 January 2013

Principal activities and business review

The company is principally engaged as a holding company, whilst the group is principally engaged in the sale of food on a retail basis

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non complex nature of the business and is written in the context of the risks and uncertainties that we face

We consider the key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover, operating profit and EBITDA

Turnover increased by 12.8% to £64.0m compared to £56.7m in the prior year. Operating profit (before the amortisation of goodwill) increased from £3.3m to £3.5m and EBITDA moved forward to £4.9m from £4.6m. Throughout the year we continued to invest in new stores and relocations with a further £2.0m capital invested. The average number of stores for the year was 98 (2012 - 92) with the number of stores at the year end at 101. We continue to improve the portfolio of stores by opening a number of new stores, relocating some and closing others.

Viewtone Trading Group Limited is 100% owned by Kevin Gunter and Karen Rees, who intend to continue to invest in developing the business and expanding further in the coming year.

Environmental impact is fully considered throughout the group's activities. In particular there is an ongoing assessment and continued efforts to minimise waste and maximise the recycling of materials wherever possible. New and replacement equipment is purchased specifically with energy efficiency in mind.

As for many groups of our size, the business environment in which we operate continues to be challenging. We continue to face a competitive market place and are subject to the changing consumer spending patterns and levels of disposable income. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside our control. However, we will continue to show flexibility and respond to market conditions and opportunities as they arise and remain optimistic about the future.

Note: The Company was incorporated on 6th October 2010 and remained dormant until 1st February 2011 when it acquired the entire share capital of Viewtone Limited for a total consideration of £4,534,000. The results of Viewtone Trading Group Limited for the period ended 31st January 2012, relate entirely to the acquired entity and represent 12 months of trading.

Results and dividends

The profit for the year, after taxation, amounted to £2,119,000. The directors have not recommended a dividend.

VIEWTONE TRADING GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2013

Financial risk management objectives and policies

The group is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The group manages these risks by financing its operations through retained profits, supplemented by bank borrowings and asset financing where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group's trading activities.

The group's circumstances are straight forward and its overall exposure to risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Directors

The directors who served the company during the year were as follows:

K Gunter
K M Rees
C Stassen

Directors' responsibilities

The directors are responsible for preparing the 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 the group and of the profit or loss of the group for that year. 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 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VIEWTONE TRADING GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2013

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is 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

Disabled employees

The group gives full and fair consideration to applications for employment from disabled persons where the requirement of the job may be adequately covered by a handicapped or disabled person

With regards to existing employees who became disabled, the group has continued to examine ways of providing continuing employment under normal terms and conditions and to provide training, career development and promotion where appropriate

Employee involvement

Members of the management team regularly visit our shops and discuss with members of staff matters of current interest and concern to the business

Auditor

A resolution to reappoint RSM Tenon Audit Limited as auditors for the ensuing year will be proposed at the forthcoming annual general meeting

Signed on behalf of the directors



K M Rees
Director

Approved by the directors on 16-4-2013

VIEWTONE TRADING GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIEWTONE TRADING GROUP LIMITED
YEAR ENDED 31 JANUARY 2013

We have audited the group and parent company financial statements ("the financial statements") of Viewtone Trading Group Limited for the year ended 31 January 2013 on pages 7 to 24. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2013 and of the group's profit for the year 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

VIEWTONE TRADING GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIEWTONE TRADING GROUP LIMITED *(continued)*
YEAR ENDED 31 JANUARY 2013

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Neil Sevitt, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Ltd.

RSM Tenon Audit Limited
Statutory Auditor
2 Wellington Place
Leeds
LS1 4AP

Date - *18th April 2013*

VIEWTONE TRADING GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2013

	Note	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Group turnover	2	63,987	56,729
Net operating expenses		(60,480)	(53,385)
Gross profit		<u>3,507</u>	<u>3,344</u>
Other operating charges		(41)	(41)
Amortisation of goodwill		(166)	(166)
Operating profit	3	<u>3,300</u>	<u>3,137</u>
Interest receivable and similar income		8	1
Interest payable and similar charges	6	(380)	(460)
Profit on ordinary activities before taxation		<u>2,928</u>	<u>2,678</u>
Tax on profit on ordinary activities	7	(809)	(802)
Profit for the financial year	8	<u><u>2,119</u></u>	<u><u>1,876</u></u>

All of the activities of the group are classed as continuing

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

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

On 1 February 2011 the company acquired the entire issued share capital of Viewtone Limited. The results of the group for the period ended 31 January 2012 relate entirely to the acquired entity and represent 12 months of trading.

The notes on pages 11 to 24 form part of these financial statements

VIEWTONE TRADING GROUP LIMITED

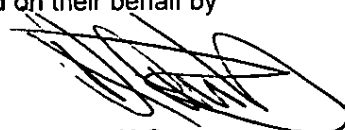
GROUP BALANCE SHEET

31 JANUARY 2013

	Note	2013 £000	2012 £000
Fixed assets			
Intangible assets	10	2,993	3,159
Tangible assets	11	4,884	4,373
		<u>7,877</u>	<u>7,532</u>
Current assets			
Stocks	13	4,351	4,353
Debtors due within one year	14	565	723
Cash at bank		782	355
		<u>5,698</u>	<u>5,431</u>
Creditors: Amounts falling due within one year	15	<u>(5,377)</u>	<u>(5,148)</u>
Net current assets		321	283
Total assets less current liabilities		<u>8,198</u>	<u>7,815</u>
Creditors: Amounts falling due after more than one year	16	(3,796)	(5,420)
Provisions for liabilities			
Deferred taxation	19	(165)	(277)
		<u>4,237</u>	<u>2,118</u>
Capital and reserves			
Called-up share capital	22	254	254
Profit and loss account	23	3,983	1,864
Shareholders' funds	24	<u>4,237</u>	<u>2,118</u>

These financial statements were approved by the directors and authorised for issue on 16-4-2013 and are signed on their behalf by


K M Rees
Director


K Gunter
Director

The notes on pages 11 to 24 form part of these financial statements

VIEWTONE TRADING GROUP LIMITED
Registered Number 07398652


BALANCE SHEET

31 JANUARY 2013

	Note	2013 £000	2012 £000
Fixed assets			
Investments	12	4,534	4,534
Current assets			
Debtors due within one year	14	36	—
Debtors due after one year	14	4,466	2,490
Creditors: Amounts falling due within one year	15	<u>(744)</u>	<u>(434)</u>
Net current assets		3,758	2,056
Total assets less current liabilities		<u>8,292</u>	<u>6,590</u>
Creditors: Amounts falling due after more than one year	16	(6,894)	(6,807)
Provisions for liabilities			
Deferred taxation	19	<u>—</u>	<u>—</u>
		<u>1,398</u>	<u>(217)</u>
Capital and reserves			
Called-up share capital	22	254	254
Profit and loss account	23	1,144	(471)
Shareholders' funds		<u>1,398</u>	<u>(217)</u>

These financial statements were approved by the directors and authorised for issue on 16-4-2013, and are signed on their behalf by


K M Rees
Director


K Gunter
Director

The notes on pages 11 to 24 form part of these financial statements

VIEWTONE TRADING GROUP LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2013

		Year to		Period from	
		31 Jan 13		6 Oct 10 to	
		£000		31 Jan 12	
	Note	£000	£000	£000	£000
Net cash inflow from operating activities	25		4,926		3,696
Returns on investments and Servicing of finance					
Interest received		8		1	
Interest paid		(216)		(334)	
Interest element of hire purchase		(23)		(9)	
Net cash outflow from returns on investments and servicing of finance			(231)		(342)
Taxation			(921)		(523)
Capital expenditure					
Payments to acquire tangible fixed assets		(1,615)		(1,220)	
Receipts from sale of fixed assets		16		7	
Net cash outflow from capital expenditure			(1,599)		(1,213)
Acquisitions and disposals					
Cash paid to acquire business		—		(2,252)	
Net cash acquired with business		—		(394)	
Net cash outflow from acquisitions and disposals			—		(2,646)
Equity dividends paid			—		(12)
Cash inflow/(outflow) before financing			2,175		(1,040)
Financing					
Repayment of other loans		(829)		(2,240)	
New bank loans (net of issue costs)		—		4,597	
Repayment of bank loans		(800)		(900)	
Capital element of hire purchase		(119)		(62)	
Net cash (outflow)/inflow from financing			(1,748)		1,395
Increase in cash	25		427		355

The notes on pages 11 to 24 form part of these financial statements

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

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, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows:

Goodwill - 5% straight line basis

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and motor vehicles - 6.66% to 50% straight line basis

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 based on selling price less anticipated costs to completion and selling costs.

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

1. Accounting policies *(continued)*

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

Deferred taxation

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 by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the group or company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

1. Accounting policies *(continued)*

Employee benefit trust

The group operates an Employee Benefit Trust (EBT) through Viewtone Trustees Limited, a subsidiary undertaking. The assets and liabilities of the EBT are recognised in the accounts of Viewtone Trading Group Limited, to reflect the fact that Viewtone Trading Group Limited has de-facto control over those assets and liabilities.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any permanent diminution in value.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
United Kingdom	63,987	56,729

3. Operating profit

Operating profit is stated after charging/(crediting)

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Amortisation of intangible assets	166	166
Depreciation of owned fixed assets	1,348	1,248
Depreciation of assets held under hire purchase agreements	90	36
Loss/(profit) on disposal of fixed assets	9	(2)
Operating lease costs		
-Plant and machinery	90	104
-Other	3,319	2,898
Auditor's remuneration - audit of the financial statements	5	6
Auditor's remuneration - other fees	35	35

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

	2013 £000	2012 £000
Auditor's remuneration - audit of the financial statements	<u>5</u>	<u>6</u>
Auditor's remuneration - other fees		
- Local statutory audit of subsidiary	24	24
- Taxation services	6	6
- Other services	<u>5</u>	<u>5</u>
	<u>35</u>	<u>35</u>

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	Year to 31 Jan 13 No	Period from 6 Oct 10 to 31 Jan 12 No
Sales and distribution	922	854
Administration and clerical	28	24
Directors	<u>3</u>	<u>3</u>
	<u>953</u>	<u>881</u>

The aggregate payroll costs of the above were

	Year to 31 Jan 13 £000	Period from 6 Oct 10 to 31 Jan 12 £000
Wages and salaries	9,062	8,023
Social security costs	518	505
Other pension costs	<u>44</u>	<u>35</u>
	<u>9,624</u>	<u>8,563</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Jan 13 £000	Period from 6 Oct 10 to 31 Jan 12 £000
Remuneration receivable	78	143
Value of group pension contributions to money purchase schemes	<u>40</u>	<u>33</u>
	<u>118</u>	<u>176</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

5. Directors' remuneration (continued)

The number of directors accruing benefits under group pension schemes was as follows

	Year to 31 Jan 13 No	<i>Period from 6 Oct 10 to 31 Jan 12 No</i>
Money purchase schemes	<u>2</u>	<u>2</u>

6 Interest payable and similar charges

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Interest payable and similar charges on bank borrowing	292	346
Finance charges	23	9
Interest on other loans	<u>65</u>	<u>105</u>
	<u>380</u>	<u>460</u>

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
In respect of the year		
UK Corporation tax	895	876
Other taxation	<u>26</u>	<u>25</u>
	921	901
Deferred tax		
Origination and reversal of timing differences	(93)	(99)
Adjustment in respect of previous years		
Deferred tax	(19)	-
Total deferred tax (note 19)	<u>(112)</u>	<u>(99)</u>
Tax on profit on ordinary activities	<u>809</u>	<u>802</u>

Deferred tax is provided at 24% (2012 - 25%) The prior year deferred tax credit of £19,000 relates to this change in tax rate

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

7. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24 33% (2012 - 26 32%)

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Profit on ordinary activities before taxation	2,928	2,678
Profit on ordinary activities by rate of tax	712	705
Effects of		
Expenses not deductible for tax purposes	109	104
Deferred tax as provided	93	99
Impact of change in deferred tax rate	7	(7)
Total current tax (note 7(a))	<u>921</u>	<u>901</u>

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £1,615,000 (2012 - £(459,000))

9. Dividends

Equity dividends

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Paid during the year		
Dividends on equity shares	<u>-</u>	<u>12</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

10. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 February 2012 and 31 January 2013	<u>3,325</u>
Amortisation	
At 1 February 2012	166
Charge for the year	166
At 31 January 2013	<u>332</u>
Net book value	
At 31 January 2013	<u>2,993</u>
At 31 January 2012	<u>3,159</u>

11 Tangible fixed assets

Group	Plant & Machinery £000
Cost	
At 1 February 2012	5,622
Additions	1,974
Disposals	(92)
At 31 January 2013	<u>7,504</u>
Depreciation	
At 1 February 2012	1,249
Charge for the year	1,438
On disposals	(67)
At 31 January 2013	<u>2,620</u>
Net book value	
At 31 January 2013	<u>4,884</u>
At 31 January 2012	<u>4,373</u>

Hire purchase agreements

Included within the net book value of £4,884,000 is £512,000 (2012 - £243,000) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £90,000 (2012 - £36,000).

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

12. Investments

Company	Group companies £000
Cost	
At 1 February 2012 and 31 January 2013	<u>4,534</u>
Net book value	
At 31 January 2013 and 31 January 2012	<u>4,534</u>

Group investments

The company holds more than 20% of the issued share capital of the following companies

Name	Country of incorporation	Holding	%	Principal activity
Subsidiary undertakings				
Viewtone Limited	England & Wales	Ordinary shares	100	Intermediate holding company
Viewtone Trustees Limited	England & Wales	Ordinary shares	100	Dormant
Frozen Value Limited	England & Wales	Ordinary shares	100	Sale of food on a retail basis
Jack Fulton Limited	England & Wales	Ordinary shares	100	Dormant

13. Stocks

	Group 2013 £000	2012 £000	Company 2013 £000	2012 £000
Finished goods	<u>4,351</u>	<u>4,353</u>	<u>—</u>	<u>—</u>

14. Debtors

	Group 2013 £000	2012 £000	Company 2013 £000	2012 £000
Amounts owed by group undertakings	—	—	4,466	2,466
Deferred tax (note 19)	—	—	36	24
Other debtors	83	55	—	—
Prepayments and accrued income	482	668	—	—
	<u>565</u>	<u>723</u>	<u>4,502</u>	<u>2,490</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2013

14. Debtors (continued)

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Amounts owed by group undertakings	—	—	4,466	2,466
Deferred tax	—	—	—	24
	<u>—</u>	<u>—</u>	<u>4,466</u>	<u>2,490</u>

15. Creditors Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans	588	434	588	434
Trade creditors	2,973	2,964	—	—
Hire purchase agreements	117	51	—	—
Corporation tax	448	448	—	—
Other taxation and social security	155	174	—	—
Other creditors	121	118	—	—
Accruals and deferred income	975	959	156	—
	<u>5,377</u>	<u>5,148</u>	<u>744</u>	<u>434</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group/company

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans	588	434	588	434
Hire purchase agreements	117	51	—	—
	<u>705</u>	<u>485</u>	<u>588</u>	<u>434</u>

16 Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	578	1,407	712	1,732
Bank loans and overdrafts	2,877	3,747	2,877	3,747
Amounts owed to group undertakings	—	—	3,305	1,229
Hire purchase agreements	341	167	—	—
Accruals and deferred income	—	99	—	99
	<u>3,796</u>	<u>5,420</u>	<u>6,894</u>	<u>6,807</u>

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16. Creditors: Amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after more than one year are secured by the group/company

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans and overdrafts	2,877	3,747	2,877	3,747
Hire purchase agreements	341	167	-	-
	<u>3,218</u>	<u>3,914</u>	<u>2,877</u>	<u>3,747</u>

Bank loans and overdrafts are secured by a group cross guarantee and debenture over the assets of the group

Finance lease and hire purchase liabilities are secured on the assets to which they relate

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	578	1,407	712	1,732
Bank loans and overdrafts	-	1,960	-	1,960
	<u>578</u>	<u>3,367</u>	<u>712</u>	<u>3,692</u>

The other loans are repayable in full on 1 February 2021. Interest is charged at 5% per annum on these balances

17 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Amounts payable within 1 year	117	51	-	-
Amounts payable between 1 and 2 years	123	50	-	-
Amounts payable between 3 and 5 years	218	117	-	-
	<u>458</u>	<u>218</u>	<u>-</u>	<u>-</u>

18. Pensions

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £44,000 (2012 - £35,000)

Contributions totalling £1,000 (2012 - £2,000) were payable to the schemes at the end of the period and were included in creditors

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19 Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	Year to	Period from	Year to	Period from
	31 Jan 13	6 Oct 10 to	31 Jan 13	6 Oct 10 to
	£000	31 Jan 12	£000	31 Jan 12
		£000		£000
Provision/(Asset) brought forward	277	-	(24)	-
Acquisition	-	376	-	-
Provision for the period	(112)	(99)	(12)	(24)
Provision/(Asset) carried forward	<u>165</u>	<u>277</u>	<u>(36)</u>	<u>(24)</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Excess of taxation allowances over depreciation on fixed assets	137	-	213	-
Other timing differences	28	-	64	-
	<u>165</u>	<u>-</u>	<u>277</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of

Company	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Other timing differences	<u>(36)</u>	<u>-</u>	<u>(24)</u>	<u>-</u>

Deferred tax is provided at 24% (2012 - 25%)

20. Commitments under operating leases

At 31 January 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group	2013		2012	
	Land and buildings	Other items	Land and buildings	Other items
	£000	£000	£000	£000
Operating leases which expire				
Within 1 year	553	31	504	24
Within 2 to 5 years	634	120	671	92
After more than 5 years	<u>2,006</u>	<u>-</u>	<u>1,737</u>	<u>-</u>
	<u>3,193</u>	<u>151</u>	<u>2,912</u>	<u>116</u>

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21. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Disclosures" from disclosing transactions with fellow group members

The other loans due after one year relate to amounts due to K Gunter and K M Rees, directors of the company. Interest payable in relation to these balances amounted to £47,000 (2012 - £79,000) and is included within accruals due within one year.

Dividends to directors and connected persons amounted to £Nil (2012 - £12,000)

22. Share capital

Allotted, called up and fully paid:

	2013		2012	
	No	£000	No	£000
253,756 Ordinary shares of £1 each	<u>253,756</u>	<u>254</u>	<u>253,756</u>	<u>254</u>

23. Reserves

Group	Profit and loss account £000
Balance brought forward	1,864
Profit for the year	<u>2,119</u>
Balance carried forward	<u>3,983</u>
Company	Profit and loss account £000
Balance brought forward	(471)
Profit for the year	<u>1,615</u>
Balance carried forward	<u>1,144</u>

24. Reconciliation of movements in shareholders' funds

	2013	2012
	£000	£000
Profit for the financial year	2,119	1,876
New ordinary share capital subscribed	-	254
Equity dividends	-	<u>(12)</u>
Net addition to shareholders' funds	<u>2,119</u>	<u>2,118</u>
Opening shareholders' funds	<u>2,118</u>	-
Closing shareholders' funds	<u>4,237</u>	<u>2,118</u>

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25. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Year to 31 Jan 13 £000	<i>Period from 6 Oct 10 to 31 Jan 12 £000</i>
Operating profit	3,300	3,137
Amortisation	166	166
Depreciation	1,438	1,284
Loss/(profit) on disposal of fixed assets	9	(2)
Decrease/(increase) in stocks	2	(847)
Decrease in debtors	158	72
Decrease in creditors	(147)	(114)
Net cash inflow from operating activities	<u>4,926</u>	<u>3,696</u>

Reconciliation of net cash flow to movement in net debt

	2013 £000	2012 £000	2012 £000
Increase in cash in the period	427	355	
Net cash outflow from other loans	829	2,240	
Net cash outflow from/(inflow) from bank loans	800	(3,697)	
Cash outflow in respect of hire purchase	<u>119</u>	<u>62</u>	
Change in net debt resulting from cash flows		2,175	(1,040)
Change in net debt due to acquisition of business		–	(4,047)
New finance leases		(359)	(280)
Other differences		<u>(84)</u>	<u>(84)</u>
Movement in net debt in the period		<u>1,732</u>	<u>(5,451)</u>
Net debt at 1 February 2012		(5,451)	–
Net debt at 31 January 2013		<u>(3,719)</u>	<u>(5,451)</u>

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25. Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At 1 February 2012 £000	Cash flows £000	Other changes £000	At 31 January 2013 £000
Net cash				
Cash in hand and at bank	355	427	—	782
Debt				
Debt due within 1 year	(434)	434	(588)	(588)
Debt due after 1 year	(5,154)	1,195	504	(3,455)
Hire purchase agreements	(218)	119	(359)	(458)
	<u>(5,806)</u>	<u>1,748</u>	<u>(443)</u>	<u>(4,501)</u>
Net debt	<u>(5,451)</u>	<u>2,175</u>	<u>(443)</u>	<u>(3,719)</u>

Other changes of £443,000 are analysed as follows

	£000
New finance leases	(359)
Release of FRS4 loan issue costs	(84)
	<u>(443)</u>

26. Ultimate controlling party

The company is wholly owned and controlled by K Gunter and K M Rees