

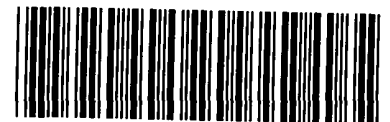
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Company Registration No. 07398652 (England and Wales)

**VIEWTONE TRADING GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2016**

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VIEWTONE TRADING GROUP LIMITED

COMPANY INFORMATION

Directors	Mr K Gunter Mrs K M Gunter Mr C Stassen
Secretary	EMW Secretaries Limited
Company number	07398652
Registered office	Unit 6, Bretton Point Dearne Mills Darton Barnsley South Yorkshire S75 5NH
Auditors	RSM UK Audit LLP 2 Whitehall Quay Leeds West Yorkshire LS1 4HG
Bankers	Yorkshire Bank 94 Albion Street Leeds LS1 6AG

VIEWTONE TRADING GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2016

The directors present the strategic report and financial statements for the year ended 31 January 2016.

Fair review of the business

The principal activity of the group during the year was that of 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.

The average number of stores for the year was 108 (2015 – 106) with the number of stores at the year end at 110. We continue to improve the portfolio of stores by opening a number of new stores, relocating some and closing others.

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.

Principal risks and uncertainties

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.

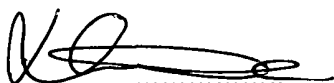
The group's circumstances are straight forward and its overall exposure to risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Key performance indicators

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, EBITDA.

Trade continued to be difficult with further aggressive competitor activity and pricing during 2015, although we suffered a sales decline of 6.2% over the two years from £64.1m to £60.1m, the majority of which is due to price deflation. Operating profit held at £1.5m and EBITDA was only slightly impacted at £3.0m from £3.1m the previous year.

By order of the board



Mrs K M Gunter
Director

13th October 2016

VIEWTONE TRADING GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2016

The directors present their report and financial statements for the year ended 31 January 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr K Gunter
Mrs K M Gunter
Mr C Stassen

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends of £341,000 (2015 - £339,000) were paid during the year.

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.

Disabled persons

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 applicable.

Matters of strategic importance

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on page 1 under S414c(11).

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

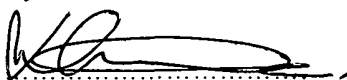
Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

Future developments

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.

By order of the board



Mrs K M Gunter
Director

13th October 2016

VIEWTONE TRADING GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2016

The directors are responsible for preparing the Strategic Report and 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 group and the company and of the profit or loss of the group 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 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 group and the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIEWTONE TRADING GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 30. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 more fully explained 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. 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2016 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 matter prescribed by the Companies Act 2006

In our opinion 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.

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 UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
West Yorkshire
LS1 4HG

19th October 2016

VIEWTONE TRADING GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £000	2015 (restated) £000
Turnover	3	60,099	64,112
Cost of sales		(57,194)	(61,438)
Gross profit		<u>2,905</u>	<u>2,674</u>
Administrative expenses- other		(1,198)	(971)
Administrative expenses- Amortisation of goodwill		(166)	(166)
Operating profit	4	<u>1,541</u>	<u>1,537</u>
Interest receivable and similar income		9	6
Interest payable and similar charges	8	(296)	(388)
Profit on ordinary activities before taxation		<u>1,254</u>	<u>1,155</u>
Taxation	9	(333)	(331)
Profit for the financial year		<u>921</u>	<u>824</u>
Total comprehensive income for the year		<u>921</u>	<u>824</u>

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

VIEWTONE TRADING GROUP LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2016

	Notes	2016 £000	Group 2015 £000	2016 £000	Company 2015 (restated) £000
Fixed assets					
Intangible assets	12	2,495	2,661	-	-
Tangible assets	13	3,941	4,673	-	-
Investments	14	-	-	4,534	4,534
		<u>6,436</u>	<u>7,334</u>	<u>4,534</u>	<u>4,534</u>
Current assets					
Stocks	16	4,201	4,074	-	-
Debtors	17	532	482	9,423	9,423
Cash at bank and in hand		773	973	-	-
		<u>5,506</u>	<u>5,529</u>	<u>9,423</u>	<u>9,423</u>
Creditors: amounts falling due within one year	18	(5,173)	(5,250)	(10,271)	(8,389)
Net current assets/(liabilities)		<u>333</u>	<u>279</u>	<u>(848)</u>	<u>1,034</u>
Total assets less current liabilities		<u>6,769</u>	<u>7,613</u>	<u>3,686</u>	<u>5,568</u>
Creditors: Amounts falling due after more than one year	19	(3,040)	(4,458)	(2,975)	(4,195)
Provisions for liabilities					
Deferred taxation	23	(137)	(143)	-	-
Net assets		<u>3,592</u>	<u>3,012</u>	<u>711</u>	<u>1,373</u>
Capital and reserves					
Called up share capital	25	254	254	254	254
Profit and loss reserves	26	3,338	2,758	457	1,119
Total equity		<u>3,592</u>	<u>3,012</u>	<u>711</u>	<u>1,373</u>

The financial statements on pages 5 to 30 were approved by the board of directors and authorised for issue on ~~13th October~~ 2016 and are signed on its behalf by:


Mrs K M Gunter

Director

VIEWTONE TRADING GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 February 2014		254	2,273	2,527
Year ended 31 January 2015:				
Total comprehensive income for the year		-	824	824
Dividends	11	-	(339)	(339)
Balance at 31 January 2015		254	2,758	3,012
Year ended 31 January 2016:				
Total comprehensive income for the year		-	921	921
Dividends	11	-	(341)	(341)
Balance at 31 January 2016		254	3,338	3,592

VIEWTONE TRADING GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 February 2014		254	1,863	2,117
Year ended 31 January 2015:				
Total comprehensive income for the year		-	(405)	(405)
Dividends	11	-	(339)	(339)
Balance at 31 January 2015		<u>254</u>	<u>1,119</u>	<u>1,373</u>
Year ended 31 January 2016:				
Total comprehensive income for the year		-	(321)	(321)
Dividends	11	-	(341)	(341)
Balance at 31 January 2016		<u>254</u>	<u>457</u>	<u>711</u>

VIEWTONE TRADING GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Cash generated from operations	30	2,769	3,756
Income taxes paid		(229)	(572)
Net cash used operating activities		<u>2,540</u>	<u>3,184</u>
Investing activities			
Purchase of tangible fixed assets		(666)	(959)
Proceeds on disposal of tangible fixed assets		-	2
Interest received		9	6
Net cash used in investing activities		<u>(657)</u>	<u>(951)</u>
Financing activities			
Interest paid		(243)	(321)
Repayments of obligations under finance leases		(251)	(226)
Repayment of bank loans		(1,248)	(1,000)
Dividends paid		(341)	(339)
Net cash used in financing activities		<u>(2,083)</u>	<u>(1,886)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(200)</u>	<u>347</u>
Cash and cash equivalents at beginning of year		973	626
Cash and cash equivalents at end of year		<u><u>773</u></u>	<u><u>973</u></u>

VIEWTONE TRADING GROUP LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2016

	Notes	2016 £000	2015 £000
Cash flows from operating activities			
Cash generated from operations	30	1,832	1,658
Net cash used operating activities		<u>1,832</u>	<u>1,658</u>
Financing activities			
Interest paid		(243)	(319)
Repayment of bank loans		(1,248)	(1,000)
Dividends paid		(341)	(339)
Net cash used in financing activities		<u>(1,832)</u>	<u>(1,658)</u>
Net (decrease)/increase in cash and cash equivalents		<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies

Company information

Viewtone Trading Group Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Unit 6, Bretton Point, Dearne Mills, Darton, Barnsley, S75 5NH.

The group consists of Viewtone Trading Group Limited and all of its subsidiaries. The company's and the group's principal activities are disclosed in the Strategic Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

These financial statements are the first financial statements of Viewtone Trading Group Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Viewtone Trading Group Limited for the year ended 31 January 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Directors have taken advantage of the exemption from revisiting pre transition date acquisitions in accordance with FRS 102.

Basis of consolidation

The consolidated financial statements incorporate those of Viewtone Trading Group Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 January 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies (continued)

Company statement of comprehensive income

As permitted by S408 Companies Act 2006, the company has not presented its own statement of comprehensive income.

Going concern

The financial statements have been prepared on a going concern basis. The directors have considered how the group will meet the challenges presented by the current economic climate and have carried out a detailed review of the group's resources including the adequacy of working capital for the next twelve months. At the year end the group had net current assets of £333,000 (2015 – £279,000). Cash flow projections show that the group will be able to meet its liabilities as they fall due. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Statement of Financial Position and amortised evenly over 10 to 20 years. The directors believe this is a reasonable estimate of the economic useful life of the goodwill that is primarily represented by the retail brand of the group.

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.

Tangible fixed assets

Tangible fixed assets are initially measured at cost, and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Plant and motor vehicles	6.66% to 50% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 for which the estimates of future cash flows have not been adjusted.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies (continued)

Impairment of fixed assets (continued)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less estimated costs to sell. Cost is determined using the first in, first out valuation methodology.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less estimated costs to sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and financial liabilities are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss except those that relate to investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment is the difference between the carrying amount and the present value of its estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies (continued)

Impairment of financial assets (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

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.

Employee benefits

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

1 Accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease or to the first break clause, except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Critical accounting estimates and judgements

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Lease classification

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee, or the lessee where the company is the lessor.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed periodically. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See page 21 for the carrying amount of the plant and equipment, and the accounting policy for the useful economic lives for each class of assets.

Stock provisioning

The group retails in perishable goods and as a result it is necessary to consider the recoverability of the cost of the stock and the associated provisioning required. When calculating the stock provision management considers the sell by date of the goods and anticipated sale price. See note 16 for the net carrying amount of the stock.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

2 Critical accounting estimates and judgements *(continued)*

Useful economic life of goodwill

The annual amortisation charge and the economic useful life of goodwill is considered to be a key accounting estimate and judgement. Management have based the estimated life on the retail brand of the group.

3 Turnover

An analysis of the group's turnover is as follows:

	2016	2015
	£000	£000
Sale of goods	60,099	64,112
	<u>60,099</u>	<u>64,112</u>

Turnover analysed by geographical market

	2016	2015
	£000	£000
United Kingdom	60,099	64,112
	<u>60,099</u>	<u>64,112</u>

4 Operating profit	2016	2015
	£000	£000

Operating profit is stated after charging/(crediting):

Operating lease charges	3,758	3,853
Depreciation of owned tangible fixed assets	1,251	1,303
Depreciation of tangible fixed assets held under finance leases	129	118
Loss on disposal of tangible fixed assets	18	7
Amortisation of intangible assets	166	166
	<u>6,322</u>	<u>6,447</u>

5 Auditor's remuneration	2016	2015
	£000	£000

Fees payable to the company's auditor and its associates

For audit services:

Audit of the group's and company's and subsidiary financial statements

27 31

27 31

For other services:

Taxation services

6 6

Other services

6 5

39 42

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016	2015
	No	No
Sales and distribution	920	934
Administration and clerical	26	29
Directors	3	3
	<u>949</u>	<u>966</u>

Their aggregate remuneration comprised:

	2016	2015
	£000	£000
Wages and salaries	10,151	9,967
Social security costs	542	528
Pension costs	171	116
	<u>10,864</u>	<u>10,611</u>
Less: amounts transferred to fixed assets	<u>(58)</u>	<u>(118)</u>
	<u>10,806</u>	<u>10,493</u>

7 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2016	2015
	£000	£000
Remuneration receivable	41	47
Value of group contributions to money purchase schemes	77	68
	<u>118</u>	<u>115</u>

The number of directors for whom retirement benefits are accruing under group pension schemes amounted to 3 (2015 - 3).

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

8	Interest payable and similar charges	2016	2015
		£000	£000
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank borrowings	277	360
	Interest on finance leases	19	26
	Interest on other loans	-	2
	Total finance costs	296	388
9	Taxation	2016	2015
		£000	£000
	Current tax		
	UK corporation tax on profits for the current year	344	296
	Other taxation	(5)	22
	Total current tax	339	318
	Deferred tax		
	Origination and reversal of timing differences	(6)	18
	Adjustment in respect of previous years	-	(5)
	Total deferred tax	(6)	13
	Total tax charge	333	331

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 20.16% (2015 – 21.32%).

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2016	2015
	£000	£000
Profit before taxation	1,254	1,155
Expected tax charge based on the standard rate of corporation tax in the UK of 20.16% (2015 – 21.32%)	253	246
Tax effect of expenses that are not deductible in determining taxable profit	53	57
Effect of change in corporation tax rate	(6)	(8)
Amortisation of intangible assets	33	36
Tax expense for the year	333	331

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

10 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £321,000 (2015 - £405,000).

11	Dividends	2016 £000	2015 £000
	Paid during the year:		
	Dividends on equity shares	341	339
		<u>341</u>	<u>339</u>

Dividends paid in the year amounted to £1.35 (2015 - £1.33) per ordinary share.

12 Intangible assets

Group

	Goodwill £000
Cost	
At 1 February 2015 and 31 January 2016	3,325
Amortisation and impairment	
At 1 February 2015	664
Amortisation charged in the year	166
31 January 2016	<u>830</u>
Carrying amount	
31 January 2016	2,495
31 January 2015	<u><u>2,661</u></u>

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

13 Tangible fixed assets

Group	Plant & motor vehicles £000
Cost	
1 February 2015	9,830
Additions	666
Disposals	(37)
31 January 2016	10,459
Depreciation and impairment	
1 February 2015	5,157
Depreciation charged in the year	1,380
Disposals	(19)
31 January 2016	6,518
Carrying amount	
31 January 2016	3,941
31 January 2015	4,673

The net carrying value of tangible fixed assets includes £521,000 (2015 - £650,000) in respect of assets held under finance leases. The depreciation charge in respect of such assets amounted to £129,000 (2015 - £118,000) for the year.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

14	Investments	2016 £000	2015 £000
	Company		
	Investments in subsidiaries	4,534	4,534
		<u>4,534</u>	<u>4,534</u>
	Movements in fixed asset investments		Investments in Subsidiaries £000
	Cost		
	At 1 February 2015 & at 31 January 2016		4,534
	Carrying amount		
	At 31 January 2015 & at 31 January 2016		<u>4,534</u>

15 Subsidiary undertakings

Details of the company's subsidiaries at 31 January 2016 are as follows:

<i>Name of undertaking</i>	<i>Country of Incorporation</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held</i>	<i>Nature of business</i>
Viewtone Limited	United Kingdom	Ordinary shares	100%	Intermediate holding company
Frozen Value Limited	United Kingdom	Ordinary shares	100%	Sale of food on a retail basis
Viewtone Trustees Limited	United Kingdom	Ordinary shares	100%	Dormant
Jack Fulton Limited*	United Kingdom	Ordinary shares	100%	Dormant
Minaldi Limited	United Kingdom	Ordinary shares	100%	Dormant

* Shares held by Frozen Value Limited

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

16 Stocks

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Finished goods and goods for resale	4,201	4,074	-	-

17 Debtors

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	(restated) £000
Amounts falling due within one year:				
Amounts owed by group undertakings	-	-	9,423	9,423
Other debtors	7	5	-	-
Prepayments	525	477	-	-
	<u>532</u>	<u>482</u>	<u>9,423</u>	<u>9,423</u>

18 Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	(restated) £000
Bank loans	972	966	972	966
Amounts owed to group undertakings	-	-	9,297	7,421
Obligations under finance leases	200	234	-	-
Corporation tax payable	139	29	-	-
Other taxation and social security	218	186	-	-
Trade creditors	2,987	3,270	-	-
Other creditors	212	148	-	-
Accruals	445	417	2	2
	<u>5,173</u>	<u>5,250</u>	<u>10,271</u>	<u>8,389</u>

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

Finance lease liabilities are secured on the assets to which they relate.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

19	Creditors: Amounts falling due after more than one year	Group		Company	
		2016	2015	2016	2015 (restated)
		£000	£000	£000	£000
	Bank loans	2,975	4,195	2,975	4,195
	Obligations under finance leases	65	263	-	-
		<u>3,040</u>	<u>4,458</u>	<u>2,975</u>	<u>4,195</u>

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

Finance lease liabilities are secured on the assets to which they relate.

20 Financial instruments

	Group		Company	
	2016	2015	2016	2015
	£000	£000	£000	£000
Carrying amount of financial liabilities				
Bank loans	3,947	5,161	3,947	5,161
Trade creditors	2,987	3,270	-	-
Finance lease payables	265	497	-	-
Amounts owed by group undertakings	-	-	9,297	7,421
Accruals	445	417	2	2
Measured at amortised cost	<u>7,644</u>	<u>9,345</u>	<u>13,246</u>	<u>12,584</u>
Carrying amount of financial assets				
Amounts owed by group undertakings	-	-	9,423	9,423
Measured at amortised cost	<u>-</u>	<u>-</u>	<u>9,423</u>	<u>9,423</u>

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

21	Borrowings	2016 £000	2015 £000
	Creditors: amounts falling due within one year:		
	Bank loans	972	966
	Finance lease obligations	200	234
		<u> </u>	<u> </u>
	Creditors: amounts falling due after more than one year:		
	Bank loans	2,975	4,195
	Finance lease obligations	65	263
		<u> </u>	<u> </u>

Bank loans of £3,947,000 (2015 - £5,161,000) are secured by a group cross guarantee and debenture over the assets of the group. Bank loans incur interest of 5.8% and are due to be fully repaid in 2018.

22 Finance lease obligations

Future minimum lease payments due under finance leases:

	Group		Company	
	2016 £000	2015 £000	2016 £000	2015 £000
Less than one year	200	234	-	-
Between one and two years	42	198	-	-
Between three and five years	23	65	-	-
	<u>265</u>	<u>497</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The lease terms vary from 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The finance lease liabilities are secured on the assets to which they relate.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

23	Deferred taxation	Group		Company	
		2016 £000	2015 £000	2016 £000	2015 £000
	Provision brought forward	143	130	-	-
	Increase/(decrease) in provision	(6)	13	-	-
	Provision carried forward	<u>137</u>	<u>143</u>	<u>-</u>	<u>-</u>

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

Group	Provided £000	2016	Provided £000	2015
		Unprovided £000		Unprovided £000
Accelerated capital allowances	142	-	148	-
Other timing differences	(5)	-	(5)	-
Total	<u>137</u>	<u>-</u>	<u>143</u>	<u>-</u>

Deferred tax is provided at 19% (2015 – 20%)

24 Retirement benefits schemes

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to profit or loss amounted to £171,000 (2015 - £116,000).

Contributions totalling £26,920 (2015 - £15,428) were payable to the fund at the year end and are included in creditors.

25 Share capital

	Number
Ordinary shares of £1 each	
Allotted, issued and fully paid:	
1 February 2015 & 31 January 2016	<u>253,756</u>

Ordinary share rights

The ordinary shares carry full voting rights, full rights to participate in dividends and full rights to participate in capital on winding up. No options exist in respect of redemption of the shares.

26 Reserves

Reserves of the group and company represent the following:

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

27 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016		2015	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Within one year	3,316	166	3,386	153
Between one and five years	7,116	268	8,688	133
After five years	2,094	-	2,859	-
	<u>12,526</u>	<u>434</u>	<u>14,933</u>	<u>286</u>

28 Related party transactions

The total remuneration of the directors, subsidiary directors and key finance personnel, who are considered to be the key management personnel of the group was £456,038 (2015 - £313,246) including employers' national insurance contributions.

Dividends to directors and connected persons amounted to £341,429 (2015 - £339,286)

Transactions with related parties

One of the group's stores is rented from Mr K Gunter on an arm's length basis. During the year the group paid rental fees of £9,766 (2015 - £nil). During the year the group funded refurbishments to this store totalling £nil (2015 - £48,152) in return for an extended rent free period.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

29 Controlling party

The company is controlled by Mr K Gunter and Mrs K M Gunter.

FOR THE YEAR ENDED 31 JANUARY 2016

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

31 Transition to FRS 102

As the group and company's profit for the year and equity under FRS 102 does not differ from that previously reported under previous UK GAAP, reconciliations of changes due to FRS 102 have not been provided below. The key disclosure and presentation changes are:

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

Under FRS 102, the disclosure for commitments under operating leases is required to set out the total value of future minimum lease payments, rather than the previous UK GAAP requirement of just the annual commitments for the next year. The disclosure for operating lease commitments relating to the prior year has therefore been restated.

VIEWTONE TRADING GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2016

32 Prior period adjustments

Upon transition to FRS 102 the directors became aware of the following misstatements in the previous year. The impact of correcting these misstatements has been shown below.

In the absence of a fixed agreement between group companies, the directors of the company have deemed it appropriate to present amounts owing to and receivable from group companies as due within one year. At 31 January 2015 amounts due to group undertakings in the company balance sheet had no fixed date of repayment and were therefore repayable on demand. As a result an amount of £7,421,000 previously included within creditors falling due after more than one year has been reclassified in the comparative statement of position as falling due within one year. There is no effect on the net assets of the company or on the result for the year.

The presentation of expenses incurred was not by function as is prescribed by Statutory Instrument 2008 No. 410. As a result, the income statement for the group for the prior year has been restated to show a more appropriate classification of expenses between cost of sales and administrative expenses.

Consolidated Income Statement for the year ended 31 January 2015	As previously stated £000	Prior period adjustments £000	Restated £000
Turnover	64,112	-	64,112
Cost of sales	-	(61,438)	(61,438)
Net operating expenses	(62,368)	62,368	-
Gross profit	1,744	930	2,674
Administrative expenses	-	(971)	(971)
Other operating charges	(41)	41	-
Amortisation of goodwill	(166)	-	(166)
Operating profit	1,537	-	1,537
Interest receivable and similar income	6	-	6
Interest payable and similar charges	(388)	-	(388)
Profit on ordinary activities before taxation	1,155	-	1,155
Taxation	(331)	-	(331)
Profit for the financial year	824	-	824