

VIEWTONE TRADING GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015

Company Registration Number 07398652



VIEWTONE TRADING GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

CONTENTS	PAGE
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Group profit and loss account	7
Group balance sheet	8
Balance sheet	9
Group cash flow statement	10
Notes to the financial statements	11

VIEWTONE TRADING GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JANUARY 2015

The board of directors	Mr K Gunter Mrs K M Gunter Mr 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	Baker Tilly UK Audit LLP Chartered Accountants 2 Whitehall Quay Leeds West Yorkshire LS1 4HG

VIEWTONE TRADING GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 JANUARY 2015

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 group during the year and its position at the year end. Our review is consistent with the size and non complex nature of the group and is written in the context of the risks and uncertainties that we face.

Throughout the year we continued to invest in new stores and relocations with a further £1.3m capital invested. The average number of stores for the year was 106 (2014 - 102) with the number of stores at the year end reaching 107. 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 effort to minimise waste and maximise the recycling of materials wherever possible. New and replacement equipment is purchased specifically with energy efficiency in mind.

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 and EBITDA.

This proved to be a difficult year with the much publicised major shifts in the retail food sector. With aggressive competitor activity and pricing during 2014, the group's sales and profit for the year were impacted.

During the year the group's sales decreased by over 3.4% to £64.1m compared to £66.4m in the prior year, operating profit was £1.5m compared to £3.2m in the previous year and EBITDA was £3.1m compared to £4.8m prior year.

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 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 group may be subject to unforeseen events outside of 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.

Throughout the past year we trialled several strategies to regain momentum in the market and, having instigated our preferred route in January 2015, we are pleased to report the current performance indicates a much stronger operating profit and EBITDA performance for the year ending January 2016.

Signed on behalf of the directors



Mrs K M Gunter

Director

Approved by the directors on 23/06/2015

VIEWTONE TRADING GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2015

The directors present their report and the financial statements of the group for the year ended 31 January 2015.

Results and dividends

The profit for the year, after taxation, amounted to £824,000. Particulars of dividends paid are detailed in note 9 to the financial statements.

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:

Mr K Gunter
Mrs K M Gunter
Mr C Stassen

Directors' responsibilities

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 the group and of the profit or loss of the group for that year.

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 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.
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VIEWTONE TRADING GROUP LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2015

Directors' responsibilities *(continued)*

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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all 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 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.

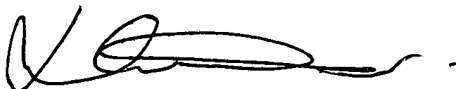
Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report.

Auditor

Baker Tilly UK Audit LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



Mrs K M Gunter

Director

Approved by the directors on 23rd Jan 2015

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 7 to 23. 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 more fully explained 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

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 2015 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VIEWTONE TRADING GROUP LIMITED (CONTINUED)**

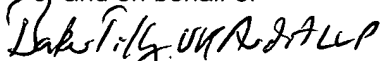
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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



Baker Tilly UK Audit LLP, Statutory Auditor

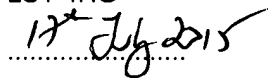
Chartered Accountants

2 Whitehall Quay

Leeds

West Yorkshire

LS1 4HG



VIEWTONE TRADING GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2015

	Note	2015 £000	2014 £000
Group turnover	2	64,112	66,393
Net operating expenses		(62,368)	(62,968)
Gross profit		1,744	3,425
Other operating charges		(41)	(42)
Amortisation of goodwill		(166)	(166)
Operating profit	3	1,537	3,217
Interest receivable		6	5
Interest payable and similar charges	6	(388)	(573)
Profit on ordinary activities before taxation		1,155	2,649
Tax on profit on ordinary activities	7	(331)	(706)
Profit for the financial year	8	824	1,943

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.

The notes on pages 11 to 23 form part of these financial statements.

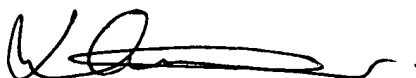
VIEWTONE TRADING GROUP LIMITED

GROUP BALANCE SHEET

31 JANUARY 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	10	2,661	2,827
Tangible assets	11	4,673	4,789
		<u>7,334</u>	<u>7,616</u>
Current assets			
Stocks	13	4,074	5,300
Debtors due within one year	14	482	505
Cash at bank		973	626
		<u>5,529</u>	<u>6,431</u>
Creditors: Amounts falling due within one year	15	<u>(5,250)</u>	<u>(6,011)</u>
Net current assets		279	420
Total assets less current liabilities		<u>7,613</u>	<u>8,036</u>
Creditors: Amounts falling due after more than one year	16	(4,458)	(5,379)
Provisions for liabilities			
Deferred taxation	19	<u>(143)</u>	<u>(130)</u>
		<u>3,012</u>	<u>2,527</u>
Capital and reserves			
Called-up share capital	22	254	254
Profit and loss account	23	2,758	2,273
Shareholders' funds	24	<u>3,012</u>	<u>2,527</u>

These accounts were approved by the directors and authorised for issue on 23rd Jan 2015 and are signed on their behalf by:



Mrs K M Gunter
Director



Mr K Gunter
Director

The notes on pages 11 to 23 form part of these financial statements.

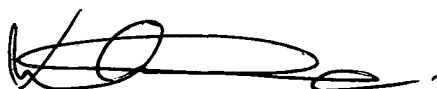
VIEWTONE TRADING GROUP LIMITED

Registered Number 07398652

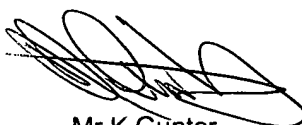
BALANCE SHEET**31 JANUARY 2015**

	Note	2015 £000	2014 £000
Fixed assets			
Investments	12	4,534	4,534
Current assets			
Debtors due after one year	14	9,423	9,466
Creditors: Amounts falling due within one year	15	<u>(968)</u>	<u>(972)</u>
Net current assets		8,455	8,494
Total assets less current liabilities		<u>12,989</u>	<u>13,028</u>
Creditors: Amounts falling due after more than one year	16	<u>(11,616)</u>	<u>(10,911)</u>
		<u>1,373</u>	<u>2,117</u>
Capital and reserves			
Called-up share capital	22	254	254
Profit and loss account	23	1,119	1,863
Shareholders' funds		<u>1,373</u>	<u>2,117</u>

These accounts were approved by the directors and authorised for issue on 27th June 2015 and are signed on their behalf by:



Mrs K M Gunter
Director



Mr K Gunter
Director

The notes on pages 11 to 23 form part of these financial statements.

VIEWTONE TRADING GROUP LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 2015

		2015	2014
	Note	£000	£000
Net cash inflow from operating activities	25	3,756	4,520
Returns on investments and Servicing of finance			
Interest received		6	5
Interest paid		(321)	(427)
Interest element of hire purchase		(26)	(20)
Net cash outflow from returns on investments and servicing of finance		(341)	(442)
Taxation		(572)	(906)
Capital expenditure			
Payments to acquire tangible fixed assets		(959)	(1,368)
Receipts from sale of fixed assets		2	1
Net cash outflow from capital expenditure		(957)	(1,367)
Equity dividends paid		(339)	(3,653)
Cash inflow/(outflow) before financing		1,547	(1,848)
Financing			
Repayment of other loans		—	(578)
New bank loans		—	6,838
Repayment of bank loans		(1,000)	(4,452)
Capital element of hire purchase		(200)	(116)
Net cash (outflow)/inflow from financing		(1,200)	1,692
Increase/(decrease) in cash	25	347	(156)

The notes on pages 11 to 23 form part of these financial statements.

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

1. Accounting policies

Basis of accounting

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

Going concern

The directors have considered the group's financial position and working capital requirements covering a period of at least twelve months from the date of these financial statements. The group has net current assets of £279,000 (2014: £420,000). 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.

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.

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

1. Accounting policies (continued)

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.

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.

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

1. Accounting policies (continued)

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.

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:

	2015	2014
	£000	£000
United Kingdom	<u>64,112</u>	<u>66,393</u>

3. Operating profit

Operating profit is stated after charging:

	2015	2014
	£000	£000
Amortisation of intangible assets	166	166
Depreciation of owned fixed assets	1,303	1,344
Depreciation of assets held under hire purchase agreements	118	98
Loss on disposal of fixed assets	7	20
Operating lease costs:		
-Plant and machinery	168	143
-Other	3,685	3,534
Auditor's remuneration - audit of the financial statements	6	6
Auditor's remuneration - other fees	<u>36</u>	<u>36</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

3. Operating profit (continued)

	2015 £000	2014 £000
Auditor's remuneration - audit of the financial statements	<u>6</u>	<u>6</u>
Auditor's remuneration - other fees:		
- Local statutory audit of subsidiary	25	25
- Taxation services	6	6
- Other services	<u>5</u>	<u>5</u>
	<u>36</u>	<u>36</u>

4. Particulars of employees

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

	2015 No	2014 No
Sales and distribution	934	947
Administration and clerical	29	29
Directors	<u>3</u>	<u>3</u>
	<u>966</u>	<u>979</u>

The aggregate payroll costs of the above were:

	2015 £000	2014 £000
Wages and salaries	9,777	9,587
Social security costs	528	541
Other pension costs	<u>116</u>	<u>65</u>
	<u>10,421</u>	<u>10,193</u>

5. Directors' remuneration

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

	2015 £000	2014 £000
Remuneration receivable	47	59
Value of group pension contributions to money purchase schemes	<u>68</u>	<u>54</u>
	<u>115</u>	<u>113</u>

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

	2015 No	2014 No
Money purchase schemes	<u>3</u>	<u>3</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

6. Interest payable and similar charges

	2015 £000	2014 £000
Interest payable on bank borrowing	360	540
Finance charges	26	20
Interest on other loans	2	13
	<u>388</u>	<u>573</u>

During the prior year the group drew down a new loan of £7,000,000 and used part of the proceeds to repay its original loan balance. This resulted in the accelerated release of prepaid issue costs of £235,649. These costs are included within interest payable on bank borrowings in 2014.

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2015 £000	2014 £000
In respect of the year:		
UK Corporation tax	296	713
Over provision in prior year	-	(18)
	<u>296</u>	<u>695</u>
Other taxation	22	46
Total current tax (note 7(b))	318	741
Deferred tax:		
Origination and reversal of timing differences	18	(40)
Adjustment in respect of previous years:		
Deferred tax	(5)	5
Total deferred tax (note 19)	<u>13</u>	<u>(35)</u>
Tax on profit on ordinary activities	<u>331</u>	<u>706</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

7. Taxation on ordinary activities (continued)

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 21.32% (2014 - 23.17%).

(b) Factors affecting current tax charge

	2015 £000	2014 £000
Profit on ordinary activities before taxation	<u>1,155</u>	<u>2,649</u>
Profit on ordinary activities by the standard rate of tax	246	614
Effects of:		
Expenses not deductible for tax purposes	93	104
Fixed asset timing differences	(43)	18
Adjustments to tax charge in respect of previous periods	-	(18)
Other timing differences	<u>22</u>	<u>23</u>
Total current tax (note 7(a))	<u>318</u>	<u>741</u>

8. (Loss)/profit attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £405,000 (2014 – Profit £4,372,000).

9. Dividends

Equity dividends

	2015 £000	2014 £000
Paid during the year:		
Dividends on equity shares	<u>339</u>	<u>3,653</u>

10. Intangible fixed assets

Group	Goodwill £000
Cost	
At 1 February 2014 and 31 January 2015	<u>3,325</u>
Amortisation	
At 1 February 2014	498
Charge for the year	166
At 31 January 2015	<u>664</u>
Net book value	
At 31 January 2015	<u>2,661</u>
At 31 January 2014	<u>2,827</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

11. Tangible fixed assets

Group	Plant & Machinery £000
Cost	
At 1 February 2014	8,759
Additions	1,314
Disposals	(243)
At 31 January 2015	<u>9,830</u>
Depreciation	
At 1 February 2014	3,970
Charge for the year	1,421
On disposals	(234)
At 31 January 2015	<u>5,157</u>
Net book value	
At 31 January 2015	<u>4,673</u>
At 31 January 2014	<u>4,789</u>

Hire purchase agreements

Included within the net book value of £4,673,000 is £650,000 (2014 - £414,000) 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 £118,000 (2014 - £98,000).

12. Investments

Company	Group companies £000
Cost	
At 1 February 2014 and 31 January 2015	<u>4,534</u>
Net book value	
At 31 January 2015 and 31 January 2014	<u>4,534</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

12. Investments (continued)

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
Minaldi Limited	England & Wales	Ordinary shares	100	Dormant

13. Stocks

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Finished goods	<u>4,074</u>	<u>5,300</u>	<u>—</u>	<u>—</u>

14. Debtors

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Amounts owed by group undertakings	—	—	9,423	9,466
Other debtors	5	14	—	—
Prepayments and accrued income	<u>477</u>	<u>491</u>	<u>—</u>	<u>—</u>
	<u>482</u>	<u>505</u>	<u>9,423</u>	<u>9,466</u>

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

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Amounts owed by group undertakings	<u>—</u>	<u>—</u>	<u>9,423</u>	<u>9,466</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

15. Creditors: Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	966	959	966	959
Trade creditors	3,270	3,665	–	–
Hire purchase agreements	234	124	–	–
Other creditors including taxation and social security:				
Corporation tax	29	283	–	–
Other taxation and social security	186	149	–	–
Other creditors	148	138	–	–
Accruals and deferred income	417	693	2	13
	<u>5,250</u>	<u>6,011</u>	<u>968</u>	<u>972</u>

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

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	966	959	966	959
Hire purchase agreements	234	124	–	–
	<u>1,200</u>	<u>1,083</u>	<u>966</u>	<u>959</u>

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

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	4,195	5,161	4,195	5,161
Amounts owed to group undertakings	–	–	7,421	5,750
Hire purchase agreements	263	218	–	–
	<u>4,458</u>	<u>5,379</u>	<u>11,616</u>	<u>10,911</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

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 company:

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	4,195	5,161	4,195	5,161
Hire purchase agreements	263	218	-	-
	<u>4,458</u>	<u>5,379</u>	<u>4,195</u>	<u>5,161</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.

17. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Amounts payable within 1 year	234	124	-	-
Amounts payable between 1 and 2 years	198	130	-	-
Amounts payable between 3 and 5 years	65	88	-	-
	<u>497</u>	<u>342</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 £116,000 (2014 - £65,000).

Contributions totalling £nil (2014 - £nil) were payable to the schemes at the end of the period.

19. Deferred taxation

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Provision/(asset) brought forward	130	165	-	(36)
Increase/(decrease) in provision	13	(35)	-	36
Provision carried forward	<u>143</u>	<u>130</u>	<u>-</u>	<u>-</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

19. Deferred taxation (continued)

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

Group	2015		2014	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Excess of taxation allowances over depreciation on fixed assets	148	-	113	-
Other timing differences	(5)	-	17	-
	<u>143</u>	<u>-</u>	<u>130</u>	<u>-</u>

Deferred tax is provided at 20% (2014 - 21%).

20. Commitments under operating leases

At 31 January 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2015		2014	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire:				
Within 1 year	385	49	351	32
Within 2 to 5 years	726	123	732	140
After more than 5 years	<u>2,395</u>	<u>-</u>	<u>2,179</u>	<u>-</u>
	<u>3,506</u>	<u>172</u>	<u>3,262</u>	<u>172</u>

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 repaid during the prior year relate to amounts due to Mr K Gunter and Mrs K M Gunter, directors of the company. Interest payable in relation to these balances amounted to £nil (2014 - £7,000).

One of the group's stores is rented from Mr K Gunter on an arms length basis. During the period the group funded refurbishments to this store totalling £48,152 (2014 - £54,731) in return for an extended rent free period.

Dividends to directors and connected persons amounted to £339,286 (2014 - £3,653,000).

22. Share capital

Allotted, called up and fully paid:

	2015		2014	
	No £000	£000	No £000	£000
Ordinary shares of £1 each	<u>253,756</u>	<u>254</u>	<u>253,756</u>	<u>254</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

23. Reserves

Group	Profit and loss account £000
Balance brought forward	2,273
Profit for the year	824
Equity dividends	(339)
Balance carried forward	<u>2,758</u>
 Company	 Profit and loss account £000
Balance brought forward	1,863
Loss for the year	(405)
Equity dividends	(339)
Balance carried forward	<u>1,119</u>

24. Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000
Profit for the financial year	824	1,943
Equity dividends	(339)	(3,653)
Net addition/(reduction) to shareholders' funds	<u>485</u>	<u>(1,710)</u>
Opening shareholders' funds	2,527	4,237
Closing shareholders' funds	<u>3,012</u>	<u>2,527</u>

25. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2015 £000	2014 £000
Operating profit	1,537	3,217
Amortisation	166	166
Depreciation	1,421	1,442
Loss on disposal of fixed assets	7	20
Decrease/(increase) in stocks	1,226	(949)
Decrease in debtors	23	60
(Decrease)/increase in creditors	(624)	564
Net cash inflow from operating activities	<u>3,756</u>	<u>4,520</u>

VIEWTONE TRADING GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2015

25. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net debt

	2015		2014	
	£000	£000	£000	£000
Increase/(decrease) in cash in the period	347		(156)	
Net cash outflow from other loans	–		578	
Net cash outflow from/(inflow) from bank loans	1,000		(2,386)	
Cash outflow in respect of hire purchase	<u>200</u>		<u>116</u>	
Change in net debt resulting from cash flows		1,547		(1,848)
New finance leases		(355)		–
Other differences		<u>(41)</u>		<u>(269)</u>
Movement in net debt in the period		1,151		(2,117)
Net debt at 1 February 2014		(5,836)		(3,719)
Net debt at 31 January 2015		<u>(4,685)</u>		<u>(5,836)</u>

Analysis of changes in net debt

	At 1 February 2014 £000	Cash flows £000	Other changes £000	At 31 January 2015 £000
Net cash:				
Cash in hand and at bank	<u>626</u>	<u>347</u>	<u>–</u>	<u>973</u>
Debt:				
Debt due within 1 year	(959)	(7)	–	(966)
Debt due after 1 year	(5,161)	1,007	(41)	(4,195)
Hire purchase agreements	<u>(342)</u>	<u>200</u>	<u>(355)</u>	<u>(497)</u>
	<u>(6,462)</u>	<u>1,200</u>	<u>(396)</u>	<u>(5,658)</u>
Net debt	<u>(5,836)</u>	<u>1,547</u>	<u>(396)</u>	<u>(4,685)</u>

Other changes of £41,000 on bank loans relate to the release of FRS4 loan issue costs.

26. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2014 - £203,000).

27. Ultimate controlling party

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