

Financial statements Iceland Acquico Limited

For the 52 week period ended 25 March 2016



Company No 07939278

Company information

Company number	07939278
Registered office	Second Avenue Deeside Industrial Park Deeside Flintshire CH5 2NW
Directors	M C Walker T S Dhaliwal
Secretary	D Vaughan
Bankers	RBS Bank Plc Natwest City Office 11 Spring Gardens Manchester M2 1FB
Solicitors	Allen & Overy LLP One Bishops Square London E1 6AB
Auditors	Grant Thornton UK LLP Statutory Auditors Chartered Accountants Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report together with the audited financial statements for the 52 week period ended 25 March 2016.

Results and dividends

The results for the period are set out on page 7.

The company made a profit for the period of £252,805,000 (2015: £305,361,000 profit). Dividends totalling £Nil were paid in the period (2015: £766,592,250).

Directors

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

M C Walker
T S Dhaliwal

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the directors

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

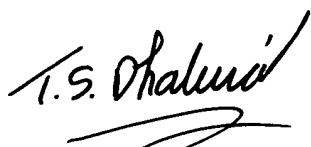
Auditors

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

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

APPROVED BY AND SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



T S Dhaliwal
Director
7 June 2016



Independent auditor's report to the members of Iceland Acquico Limited

We have audited the financial statements of Iceland Acquico Limited for the 52 week period ended 25 March 2016 which comprise the principal accounting policies, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at 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 company's affairs as at 25 March 2016 and of the company's profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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



Independent auditor's report to the members of Iceland Acquico Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Fiona Baldwin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
7 June 2016

Statement of comprehensive income

	Note	52 week period ended 25 March 2016 £'000	52 week period ended 27 March 2015 £'000
Other operating income		9,280	9,072
Exceptional operating income	5	252,047	-
Total operating income		261,327	9,072
Administrative expenses before exceptional items		(8,522)	(10,147)
Exceptional administrative expenses	6	-	(13,047)
Total administrative expenses		(8,522)	(23,194)
Operating profit/(loss)	7	252,805	(14,122)
Income from shares in group undertaking		-	346,970
Net interest payable	9	-	(27,487)
Profit on ordinary activities before taxation		252,805	305,361
Tax on profit on ordinary activities	10	-	-
Profit and total comprehensive income for the financial period		252,805	305,361

All activities relate to continuing operations.

Balance sheet

	Note	25 March 2016 £'000	27 March 2015 £'000
Current assets			
Debtors	12	1,444,410	1,454,410
Cash at bank		-	(7)
		<u>1,444,410</u>	<u>1,454,403</u>
Creditors: amounts falling due within one year	13	<u>(1,191,340)</u>	<u>(1,454,138)</u>
Net current assets		253,070	265
Net assets		<u>253,070</u>	<u>265</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	253,070	265
Shareholders' funds		<u>253,070</u>	<u>265</u>

These financial statements were approved and authorised for issue by the Board of Directors on 7 June 2016 and signed on its behalf by:



T S Dhaliwal
Director

Company registration no: 07939278

Statement of changes in equity

	Called up share capital	Profit and loss account	Total Shareholders' funds
	£'000	£'000	£'000
Balance at 27 March 2015	-	265	265
Total comprehensive income for the period from 28 March 2015 to 25 March 2016	-	252,805	252,805
Balance at 25 March 2016	<u>-</u>	<u>253,070</u>	<u>253,070</u>

The accompanying accounting policies and notes form an integral part of these financial statements

Statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total Shareholders' funds £'000
Balance at 28 March 2014	322,418	160,031	(20,953)	461,496
Total comprehensive income for the period from 29 March 2014 to 27 March 2015	-	-	305,361	305,361
Share capital reduction	(322,418)	(160,031)	482,449	-
Dividends paid	-	-	(766,592)	(766,592)
Balance at 27 March 2015	<u>-</u>	<u>-</u>	<u>265</u>	<u>265</u>

The accompanying accounting policies and notes form an integral part of these financial statements

Notes to the financial statements

1 Company information

Iceland Acquico Limited, incorporated in the United Kingdom registered office being Second Avenue, Deeside Industrial Park, Deeside, Flintshire CH5 2NW.

The principal activity of the company is that of a holding company.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 20 for an explanation of the transition.

The financial statements are presented in Sterling (£).

The financial statements of Iceland Acquico Limited and all its subsidiary undertakings are drawn up to 25 March 2016 (2015: 27 March 2015).

The individual accounts Iceland Acquico Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

The directors also intend to take these disclosure exemptions under FRS102 in the financial statements of Iceland Acquico Limited in the following period.

Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3 Significant judgements and estimates

Management consider there to be no key judgements in the application of accounting policies or key sources of estimation uncertainty.

4 Principal accounting policies.

4.1 Debtors

Short term debtors are measured at transaction price, less any impairment, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

4 Principal accounting policies (continued)

4.2 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4.3 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the company 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.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements

4.4 Financial instruments

The Company enters into basic and non-basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired and the entity has transferred its rights to receive cash flows in full and either (a) the entity has transferred substantially all the risks and rewards of the asset or (b) the entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

The only non-basic financial instruments are derivatives and are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss.

4.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Notes to the financial statements

5 Exceptional operating income

	52 week period ended 25 March 2016 £'000	52 week period ended 27 March 2015 £'000
Waiver of intra-group loans	252,047	-
	<u>252,047</u>	<u>-</u>

The inter-group loan write off relates to amounts no longer due to other group companies following a loan waiver.

6 Exceptional administrative expenses

	52 week period ended 25 March 2016 £'000	52 week period ended 27 March 2015 £'000
Refinancing	-	13,047
	<u>-</u>	<u>13,047</u>

7 Operating profit/(loss)

Auditor remuneration during the current and preceding period was borne by another group company.

8 Directors and employees

The company had no employees throughout the current or preceding period.

No director of the company received any remuneration for services to the company during the current or preceding period.

Notes to the financial statements

9 Interest receivable/(payable) and similar (charges)

	52 week period ended 25 March 2016 £'000	52 week period ended 27 March 2015 £'000
Loan interest payable	-	(11,797)
Write-off loan fees	-	(34,366)
Foreign currency exchange gain in relation to debt	-	7,024
Interest on financial instruments carried at amortised cost	-	(39,139)
Fair value movement on derivative contracts	-	11,652
	-	(27,487)

The expenses relate to the write off of historic loan fees following a refinancing exercise and other costs associated with the refinance.

10 Taxation on profit on ordinary activities

	52 week period ended 25 March 2016 £'000	52 week period ended 27 March 2015 £'000
Current tax:		
UK corporation tax	-	-
Adjustments re prior periods	-	-
Tax on results on ordinary activities	-	-

The tax assessed on the profit on ordinary activities for the period is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below.

	52 week period ended 25 March 2016 £'000	52 week period ended to 27 March 2015 £'000
Profit on ordinary activities before tax	252,805	305,361
Current tax at 20% (2015: 21%)	50,561	64,126
Effects of:		
Inter group dividends not taxable	-	(72,864)
Income not taxable	(50,410)	(2,447)
Group relief not paid for	(151)	11,185
Tax on results on ordinary activities	-	-

Notes to the financial statements

10 Taxation on profit on ordinary activities (continued)

During the year the UK corporation tax rate was decreased. Following budget announcement there will be further reductions in the main rate of corporation tax to 19% from 1 April 2017.

There is no provided or unprovided deferred tax asset in the current or preceding period.

11 Investments

	Shares in group undertakings £'000
Cost and net book value at beginning and end of period	-

The principal undertakings where the company has more than a 20% holding are as follows:

Name of company	Country of incorporation	Principal activity	Class and percentage of shares held
Iceland Foods Group Limited	England and Wales	Holding company	100% ordinary

12 Debtors

	25 March 2016 £'000	27 March 2015 £'000
Amounts owed by group undertakings	<u>1,444,410</u>	<u>1,454,410</u>

13 Creditors: amounts falling due within one year

	25 March 2016 £'000	27 March 2015 £'000
Accruals	41	40
Amounts due to group undertakings	<u>1,191,299</u>	<u>1,454,098</u>
	<u>1,191,340</u>	<u>1,454,138</u>

Notes to the financial statements

14 Share capital

	25 March 2016 £'000	27 March 2015 £'000
Authorised, allotted, called up and fully paid		
Ordinary shares of £0.64 each	-	322,418
Capital reduction	-	(322,418)
	<u>-</u>	<u>-</u>

15 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

16 Transactions with related parties

The company is a wholly owned subsidiary of Iceland Midco Limited. 100% of the company's voting rights are controlled within the group by Iceland Topco Limited, therefore the company has not disclosed transactions or balances with entities which form part of the group.

17 Capital commitments

The company had no capital commitments at 25 March 2016 or 27 March 2015.

18 Contingent liabilities

The company is party to a cross-guarantee between certain fellow group undertakings in respect of bonds. The amount outstanding at the end of the period was £886.6 million (2015: £911.6 million).

19 Ultimate parent undertaking and parent undertaking

The company's immediate parent company is Iceland Midco Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling related party of the company is Iceland Topco Limited, a company incorporated in England and Wales.

The smallest and largest group in which the results of the company are consolidated is headed by Iceland Topco Limited. The consolidated financial statements of this company will be available to the public and may be obtained from Companies House. No other group accounts include the results of this company.

Notes to the financial statements

20 Transition to FRS 102

The company has adopted FRS 102 for the period ended 25 March 2016 and has restated the comparative prior period amounts.

Explanations

Changes for FRS 102 adoption

1. Cross currency swaps and interest rate swaps are now recognised at fair value at the end of the period with changes in fair value recognised in profit or loss. These instruments are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract.

Transition to FRS 102 - reconciliations

Restated balance sheet	Explanation	27 March 2015 £'000	28 March 2014 £'000
Original shareholders' funds		(11,387)	473,148
Derivatives at fair value	1	<u>11,652</u>	<u>(11,652)</u>
Restated shareholders' funds		<u>265</u>	<u>461,496</u>
Restated profit or loss for the year ended 27 March 2015	Explanation	27 March 2015 £'000	
Original profit on ordinary activities before tax		293,709	
Derivative at fair value	1	<u>11,652</u>	
		<u>305,361</u>	
Original tax on ordinary activities		-	
Restated tax on profit on ordinary activities		<u>-</u>	
Restated profit for the financial year		<u><u>305,361</u></u>	