

**ALDI STORES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED**  
**31 DECEMBER 2010**

TUESDAY



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**ALDI STORES LIMITED**

**FINANCIAL STATEMENTS**

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**ALDI STORES LIMITED**

**FINANCIAL STATEMENTS**

Year ended 31 December 2010

Directors	N Podschlapp (resigned 22 February 2010) M C Barnes (appointed 22 February 2010) R Heini (appointed 22 February 2010)
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Secretary	K P Jansen
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Registered office	Holly Lane Atherstone Warwickshire CV9 2SQ
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Auditors	Cooper Parry LLP Chartered Accountants & Statutory Auditor 14 Park Row Nottingham NG1 6GR
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Registered number	2321869
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## **ALDI STORES LIMITED**

### **DIRECTORS' REPORT**

#### **Financial statements**

The directors have pleasure in presenting their report and the financial statements for the year ended 31 December 2010

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

#### **Principal activities and Business review**

The group's activities are that of retailing in the United Kingdom and Ireland, and of treasury management. There have not been any significant changes to the group's principal activities in the year under review and the directors are not aware at the date of this report of any likely major changes in the group's activities in the next year.

During the year the group has continued to make significant investment in expanding its business, opening 24 new stores, extending and refurbishing a number of existing stores and preparing for further growth in the future.

As shown in the group's profit and loss account on page 7, the group's turnover has increased by approximately £95m representing an increase of 4.6%. The operating result has improved from a loss of £21.2m to a profit of £18.7m in the year.

During the year, the group acquired the remaining 50% of the equity of Omega Retail Properties 2 LLP, and gained significant influence over Omega Retail Properties LLP when the management of the entity became unified with that of the group. Both of these entities were previously joint ventures and have now been treated as subsidiaries and have been consolidated within the group results from the date at which these changes occurred.

The loss for the year after taxation amounted to £56.1m (2009: £58.0m).

In 2009 the group initiated a disposal programme of older stores and assets surplus to requirements and this has continued in 2010. As a result it has made a decision to sell a number of sites which did not fit the core business model. This has resulted in impairment provisions of £57m being charged to the profit and loss account in the year to reflect the market value of these sites and accounts for the whole of the loss before tax.

## **ALDI STORES LIMITED**

### **DIRECTORS' REPORT (continued)**

The directors are confident that the steps that they are taking will increase both turnover and profitability in the future

The directors do not recommend the payment of a dividend and the loss for the year will be transferred to reserves

The balance sheet on page 9 of the financial statements shows that the group's financial position at the year end has increased from last year's net assets total of £1,330m to £1,340m. The directors believe the group's strong balance sheet will help support future growth of the business

As shown in the cash flow statement on page 11, the group has generated a net cash inflow from operating activities of £60.8m (2009: £40.6m). The group's year end cash balance has reduced to £130.7m (2009: £132.5m), primarily reflecting the cash inflow from operations and the difference between the group's investment in its store and distribution network and its financing activities

#### **Environment**

The group is committed to

- Optimising energy use within the business, which reduces our carbon footprint. This is achieved by identifying and proposing appropriate capital investment programmes, implementing best practice and trialling the latest technologies in our stores and distribution centres to minimise our gas and electricity use

In addition

- We strive to modernise our truck fleet to ensure it is environmentally friendly along with using the most environmentally friendly fuel which is commercially viable
- We are committed to using low Global Warming Potential refrigerants in our temperature controlled warehouse and trailer fleet
- We have a highly efficient recycling policy, waste card, plastic, batteries and Waste Electrical and Electronic Equipment are returned to our distribution centres for centralised recycling and we utilise reusable produce and bread crates and carbonated drinks trays
- Many of our own label products have undergone reformulations in order to reduce the amount of packaging where possible. For example, producing products such as fabric conditioner with a higher level of concentrate
- We continue to charge for plastic bags in order to encourage their re-use
- We are committed to best practice in the sourcing of our fish and seafood products in the interests of sustainability. We label all fish products to enable our customers to make informed decisions with regard to the type of fish, production method and area of catchment/country of origin. In support of this we are regularly in contact with the Marine Stewardship Council and the Marine Conservation Society
- We are committed to ensuring the raw materials of all our products are sourced in a sustainable manner. We are currently in the process of joining the Roundtable on Sustainable Palm Oil (RSPO) in order to increase the amount of certified sustainable palm oil used in our own label products
- All of our own label products are free from Hydrogenous Vegetable Oils and Genetically Modified Organisms and we are actively removing all unnecessary artificial colours, flavours and preservatives
- We ensure that all of our fresh meat, poultry and dairy suppliers are members of a national farm assurance scheme which guarantees high animal welfare standards are met and we do not accept animal testing on any of our products or ingredients
- We support the International Association of Soaps, Detergents and Maintenance Products (AISE) which encourages our customers to save energy and water when purchasing our core range of detergents and cleaners
- All of our core paper range is sustainably sourced, including facial tissues, toilet tissue and kitchen towel. This means our products are either Forestry Stewardship Council (FSC) certified (displaying the FSC logo) or recycled. Additionally, all of our customer publications and in-store posters are FSC certified

## ALDI STORES LIMITED

### DIRECTORS' REPORT (continued)

#### Principal risks and uncertainties

Competitive pressure in the United Kingdom and Ireland is a continuing risk for the group. The group manages this risk by continually looking to improve the quality and value of its products, to invest in its employees and to increase its number of stores to gain greater market share.

The group is partly financed by external loans, which have a set repayment date. The directors believe that the group has the ability to repay the loans and service the finance costs.

Foreign exchange movements have an effect on the group's financial statements. The directors have considered the risks relating to these movements and believe the current treasury management policy to be appropriate.

#### Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 16. The average number of people employed by the group in the year to 31 December 2010 was 6,205 (2009 6,480).

The group is committed to the development of its team members as it recognises that they are its most valuable asset. This commitment was acknowledged in 2010 by being placed 5<sup>th</sup> in the Times Top 100 Graduate Employers and being the 'Employer of Choice' for General Management.

The group recognises the importance of regular communication and working relationships, and the group's policy is to keep all employees informed upon matters relating to their employment.

The group is an equal opportunities employer and offers equal treatment and equal opportunities to all employees and job applicants.

#### Charitable donations

During the period £64,394 (2009 £90,026) was donated to charitable organisations.

#### Directors

The directors who have held office during the year are listed on page 1.

M L Stretton and A G Baines are alternate directors to the directors.

#### Post balance sheet events

Details of post balance sheet events are disclosed in note 28 to the financial statements.

#### Disclosure of information to auditors

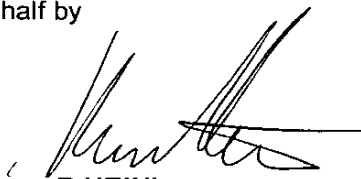
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf by



**M C BARNES**  
Director



**R HEINI**  
Director

Date 13 May 2011

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**ALDI STORES LIMITED**

We have audited the financial statements of Aldi Stores Limited for the year ended 31 December 2010, set out on pages 7 to 34. 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 Auditors' 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's results 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

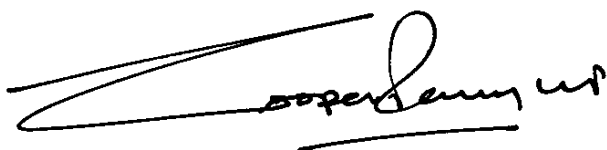
## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### ALDI STORES 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

A handwritten signature in black ink, appearing to read 'Colin Shaw', is written over a horizontal line.

Colin Shaw  
Senior Statutory Auditor for and on behalf of Cooper Parry LLP  
Chartered Accountants  
Statutory Auditor  
Nottingham

Date 20 May 2011



# ALDI STORES LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2010

	Notes	£	31 December 2010 £	31 December 2009 £
Turnover group and share of joint ventures			2,144,106,200	2,055,689,573
Less share of joint ventures' turnover			(9,060,466)	(15,488,295)
<b>Group turnover</b>	1		<u>2,135,045,734</u>	<u>2,040,201,278</u>
Cost of sales				
Acquired operations		(5,739,907)		
Continuing operations		(2,110,654,708)		
			<u>(2,116,394,615)</u>	<u>(2,061,423,429)</u>
<b>Group operating profit/(loss)</b>				
Acquired operations		(5,739,907)		
Continuing operations		24,391,026		
	2		<u>18,651,119</u>	<u>(21,222,151)</u>
Share of operating profit in joint ventures			9,038,893	15,299,450
			<u>27,690,012</u>	<u>(5,922,701)</u>
Loss on disposal of fixed assets			(58,528,475)	(29,053,691)
<b>Loss on ordinary activities before interest</b>			<u>(30,838,463)</u>	<u>(34,976,392)</u>
Net interest payable and similar charges	6		(26,030,852)	(19,235,902)
<b>Loss on ordinary activities before taxation</b>			<u>(56,869,315)</u>	<u>(54,212,294)</u>
Tax on loss on ordinary activities	7		796,914	(3,835,356)
<b>Loss sustained for the year</b>	18(a)		<u>(56,072,401)</u>	<u>(58,047,650)</u>

### Continuing operations

No trade was discontinued during the above two financial years

### Historical cost profit and loss

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

The notes on pages 12 to 34 form part of the financial statements

**ALDI STORES LIMITED**

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 December 2010

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
Loss for the financial year	<b>(56,072,401)</b>	(58,047,650)
Foreign exchange movement	<b>(15,597,510)</b>	(23,422,145)
<b>Total recognised gains and losses for the year</b>	<b><u>(71,669,911)</u></b>	<b><u>(81,469,795)</u></b>

The notes on pages 12 to 34 form part of the financial statements

# ALDI STORES LIMITED

Registered number: 2321869  
GROUP BALANCE SHEET

At 31 December 2010

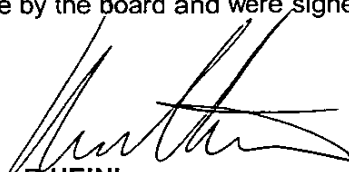
	Notes	£	31 December 2010 £	31 December 2009 £
<b>Fixed assets</b>				
Intangible assets	8	4,468,713	-	-
Tangible assets	9(a)	1,767,772,136	1,507,761,719	1,507,761,719
			<b>1,772,240,849</b>	<b>1,507,761,719</b>
<b>Investment in joint ventures</b>				
Share of gross assets		79,825,504	228,457,139	
Share of gross liabilities		(68,066,841)	(222,533,453)	
	10(a)		<b>11,758,663</b>	<b>5,923,686</b>
<b>Current assets</b>				
Stocks	11	120,789,294	116,135,783	
Debtors	12	50,011,689	41,627,681	
Cash at bank and in hand		130,711,951	132,499,283	
		<b>301,512,934</b>	<b>290,262,747</b>	
<b>Creditors:</b> amounts falling due within one year	13	(452,765,093)	(324,594,285)	
<b>Net current liabilities</b>			<b>(151,252,159)</b>	<b>(34,331,538)</b>
<b>Total assets less current liabilities</b>			<b>1,632,747,353</b>	<b>1,479,353,867</b>
<b>Creditors:</b> amounts falling due after more than one year	14		(293,027,295)	(149,384,512)
<b>Net assets</b>			<b>1,339,720,058</b>	<b>1,329,969,355</b>
<b>Capital and reserves</b>				
Called up share capital	15		1,061,429,168	1,001,857,016
Redenomination reserve	16		427,848	-
Capital reserve	17		21,420,614	-
Profit and loss account	18(a)		256,442,428	328,112,339
<b>Shareholders' funds</b>	19(a)		<b>1,339,720,058</b>	<b>1,329,969,355</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



**M C BARNES**  
Director

Date 13 May 2011



**R HEINI**  
Director

The notes on pages 12 to 34 form part of the financial statements

# ALDI STORES LIMITED

Registered number 2321869  
COMPANY BALANCE SHEET

At 31 December 2010

	Notes	£	31 December 2010 £	£	31 December 2009 £
<b>Fixed assets</b>					
Tangible assets	9(b)		1,096,096,868		1,116,059,261
Investments	10(b)		421,815,414		411,923,193
			<u>1,517,912,282</u>		<u>1,527,982,454</u>
<b>Current assets</b>					
Stocks	11	99,509,694		94,910,259	
Debtors	12				
Amounts due within one year		58,915,809		47,409,716	
Amounts due after one year		20,209,669		8,513,550	
Cash at bank and in hand		71,910,323		94,028,916	
			<u>250,545,495</u>	<u>244,862,441</u>	
<b>Creditors</b> amounts falling due within one year	13	(346,830,010)		(369,984,268)	
<b>Net current liabilities</b>			<u>(96,284,515)</u>		<u>(125,121,827)</u>
<b>Total assets less current liabilities</b>			<u>1,421,627,767</u>		<u>1,402,860,627</u>
<b>Creditors</b> amounts falling due after more than one year	14		(147,666,048)		(149,384,512)
<b>Net assets</b>			<u>1,273,961,719</u>		<u>1,253,476,115</u>
<b>Capital and reserves</b>					
Called up share capital	15		1,061,429,168		1,001,857,016
Redenomination reserve	16		427,848		-
Profit and loss account	18(b)		212,104,703		251,619,099
<b>Shareholders' funds</b>	19(b)		<u>1,273,961,719</u>		<u>1,253,476,115</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

  
**M C BARNES**  
Director

  
**R HEINI**  
Director

Date 13 May 2011

The notes on pages 12 to 34 form part of the financial statements

**ALDI STORES LIMITED**  
**GROUP CASH FLOW STATEMENT**

For the year ended 31 December 2010

		31 December 2010	31 December 2009
	Notes	£	£
<b>Net cash inflow from operating activities</b>	21	<b>60,784,677</b>	<b>40,649,104</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(20,090,900)	(10,114,021)
Interest received		1,498,975	1,769,368
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(18,591,925)</b>	<b>(8,344,653)</b>
<b>Taxation</b>			
Corporation tax paid		(1,174,061)	(13,571,307)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(127,840,861)	(221,377,701)
Sale of tangible fixed assets	24	18,842,996	21,236,636
Net decrease in loans to joint ventures		107,519	7,689,409
Loan repayments received		-	109,722,550
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(108,890,346)</b>	<b>(82,729,106)</b>
<b>Acquisitions</b>			
Purchase of subsidiary undertakings	25	(10,866,626)	-
Net cash acquired with subsidiaries	25	7,517,656	-
<b>Net cash outflow from acquisitions</b>		<b>(3,348,970)</b>	<b>-</b>
<b>Financing</b>			
Issuing of ordinary share capital		60,000,000	56,836,608
Capital contribution received		21,420,614	-
New loans received		-	235,869,760
Repayment of loans		(11,987,321)	(207,786,060)
<b>Net cash inflow from financing</b>		<b>69,433,293</b>	<b>84,920,308</b>
<b>(Decrease)/increase in cash in the year</b>	22	<b>(1,787,332)</b>	<b>20,924,346</b>

The notes on pages 12 to 34 form part of the financial statements

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements

#### Accounting convention

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

#### Basis of consolidation

The consolidated financial statements incorporate the company and its subsidiary undertakings at 31 December 2010 using the acquisition method of accounting. The results of the subsidiary undertakings are included from the date at which they became subsidiaries and intra-group sales and profits are eliminated on consolidation. The results of joint ventures are included on a gross equity basis from the date of acquisition.

All acquisitions in the year have been accounted for using the acquisition method of accounting.

#### Turnover

Turnover is wholly attributable to activities undertaken in the United Kingdom and Ireland and represents amounts receivable (excluding VAT and trade discounts) for goods and services supplied. Revenue on retail store sales of goods is recognised when goods are sold to the customer and title has passed. An analysis of turnover by geographical and segmental market or class of business has not been disclosed in these financial statements as the directors consider this would be prejudicial to the group's interests.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any recognised impairment in value.

Depreciation has been provided on fixed assets using the following rates or bases:

Freehold and Long Leasehold buildings	2.5% - 6% straight line
Additions and improvements to freehold buildings	8 - 15 years
Equipment, fixtures and fittings	6.67% - 33.3% straight line
Motor vehicles – vehicles and trailers	3 - 8 years
– cars	Mileage

Leasehold buildings are amortised on a straight line basis over 25 years or, if shorter, the period of the lease. Freehold and long leasehold land are not depreciated.

Provision for depreciation on new buildings starts once they have achieved practical completion.

Tangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

## **ALDI STORES LIMITED**

### **NOTES RELATING TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

#### **1 Accounting policies (continued)**

##### **Impairment of tangible and intangible assets**

At each balance sheet date, the group considers whether there is any indication that its tangible and intangible assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of net realisable value and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

##### **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets/net liabilities of the acquired subsidiary, joint venture or associate at the date of acquisition. At the acquisition date of a subsidiary, goodwill acquired is recognised as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. Goodwill generated from the group's acquisition of subsidiary undertakings is written off over a period of 18 years to match the useful economic life of the assets held within these entities.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events and changes in circumstances indicate that the carrying value may not be recoverable.

On 27 July 2010, Aldi Stores Limited increased its share in the overall capital in Omega Retail Properties 2 LLP from 50% to 100%. Omega Retail Properties 2 LLP has been consolidated as a subsidiary from this date, having previously been accounted for as a Joint Venture Entity. The increase in the group's interest was due to Aldi Stores Limited purchasing 100% of the equity in Aldi Retail Limited Partnership, which owns 50% of the capital in Omega Retail Properties 2 LLP, for £10.9m.

The Companies Act 2006 requires goodwill arising on the acquisition of a subsidiary undertaking to be calculated as the difference between the total acquisition cost of the undertaking and the fair value of the group's share of the acquired net assets/net liabilities at the date it became a subsidiary undertaking. However, this requirement conflicts with the generally accepted accounting principles set out in Financial Reporting Standard 2 which requires that, where an investment in a Joint Venture entity is increased and it becomes a subsidiary undertaking, goodwill should be calculated on each purchase as the difference between the cost of that purchase and the fair value of the net assets attributable to the interest acquired at the date of that purchase.

If goodwill had been calculated in accordance with the basis set out in the Companies Act 2006, £1.58m of the group's share of the other reserves of Omega Retail Properties 2 LLP would have been reclassified as goodwill and in total goodwill of £6.16m would have been recognised.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Stocks held for resale are valued by reference to their retail value less the appropriate margins. Stocks held for the group's own use are valued by reference to their original cost.

##### **Investments**

Investments are stated at cost less provisions for any diminution in value.

# **ALDI STORES LIMITED**

## **NOTES RELATING TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

### **1 Accounting policies (continued)**

#### **Operating lease charges**

Payments made under operating leases are charged to the profit and loss account in the period to which they relate

#### **Taxation**

The charge for taxation is based on the result for the year as adjusted for disallowable items

Full provision is made for deferred tax arising from all timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing difference is expected to reverse.

Deferred tax assets and liabilities are not discounted

#### **Foreign exchange**

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transactions

Monetary assets and monetary liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date

Exchange differences arising in the ordinary course of business are included in arriving at the operating result

The exchange differences arising on the retranslation of the opening net assets of the Irish enterprises are recognised in the statement of total recognised gains and losses

#### **Pensions**

The group contributed to a defined contribution group pension scheme during the year. The assets of the scheme are held separately from those of the group

Pension contributions are charged to the profit and loss account in the period to which they relate



# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 2 Group operating profit/(loss)

	31 December 2010 £	31 December 2009 £
This is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's annual accounts	174,800	168,000
Fees payable to the company's auditor and its associates for other services		
Audit of the company's subsidiaries	52,000	36,100
Other services in respect of taxation	192,254	151,294
All other services	793,561	613,514
Depreciation	69,712,267	64,789,191
Amortisation	105,917	-
Operating lease rentals – land and buildings	46,967,257	58,079,197
Operating lease rentals – motor vehicles	4,840,423	4,937,620
Operating lease rentals – plant and machinery	1,018,440	863,720
(Profit)/loss on foreign exchange	(1,681,025)	9,593,212

### 3 Directors' remuneration

	31 December 2010 £	31 December 2009 £
Aggregate emoluments	1,830,987	789,076
Company contributions to defined contribution pension schemes	198,750	57,533
Aggregate amount of compensation for loss of office	903,042	285,600
	<u>2,932,779</u>	<u>1,132,209</u>

Retirement benefits were accruing to two directors under a defined contribution pension scheme (2009 one)

During the year payments were made to a former director of Aldi Stores Limited. He is entitled, subject to certain conditions, to receive cash and other incidental non-cash benefits until 2012. These payments have been fully provided for and are disclosed when paid.

#### Highest paid director

	31 December 2010 £	31 December 2009 £
Aggregate emoluments	813,166	510,000
Company contributions to defined contribution pension schemes	109,950	57,533
	<u>923,116</u>	<u>567,533</u>

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

<b>4 Staff costs</b>	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
Total remuneration, including directors, was		
Wages and salaries	<b>154,074,830</b>	154,242,735
Social security costs	<b>15,327,636</b>	15,230,867
Pension costs	<b>3,759,928</b>	3,546,052
	<b>173,162,394</b>	<b>173,019,654</b>

The average monthly number of employees, including part-time staff and directors was 6,205 (year ended 31 December 2009 6,480)

The group operates a defined contribution pension scheme to provide money purchase benefits to a number of employees. The pension charge included above represents contributions paid in the year

### 5 Profit attributable to Aldi Stores Limited

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the parent company has not been presented. The group result for the financial year includes a loss attributable to the parent company of £39,514,396 (2009 £48,743,001 profit)

### 6 Net interest payable and similar charges

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
<b>Group</b>		
Bank interest received	<b>1,498,975</b>	1,769,368
Loan interest paid to related undertakings	-	(7,230,160)
Bank loan interest payable	<b>(14,266,752)</b>	(994,767)
Foreign exchange losses on retranslation of loans	<b>(1,576,247)</b>	-
Other loan interest payable	<b>(6,250,000)</b>	(2,759,025)
	<b>(20,594,024)</b>	(9,214,584)
<b>Joint Ventures</b>		
Bank interest received	<b>11,846</b>	44,284
Loan interest paid	<b>(9,396,241)</b>	(13,074,569)
Foreign exchange gains on retranslation of loans	<b>3,947,567</b>	3,008,967
	<b>(5,436,828)</b>	(10,021,318)
	<b>(26,030,852)</b>	(19,235,902)

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

<b>7</b>	<b>Tax on loss on ordinary activities</b>	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
	<b>a) Analysis of (credit)/charge for the year</b>		
	UK Corporation tax at 28% (2009 28%)	731,250	1,530,000
	Overseas tax	2,569,887	2,073,314
	UK Corporation tax (over)/under provided in respect of previous periods	(4,122,631)	114,368
	Overseas tax under provided in respect of previous periods	24,580	117,674
	Total current tax (note 7(b))	<u>(796,914)</u>	<u>3,835,356</u>
	<b>b) Factors affecting the tax (credit)/charge for the year</b>		
	The tax assessed differs from that arrived at by applying the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below		
		<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
	Loss on ordinary activities before tax	(56,869,315)	(54,212,294)
	Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	<u>(15,923,408)</u>	<u>(15,179,442)</u>
	Effects of		
	Expenses not deductible for tax purposes	610,354	1,904,306
	Capital allowances less than depreciation	10,594,139	9,614,947
	Other timing differences reversing	(3,004,468)	3,486,299
	Adjustments to tax charge of previous periods	(4,098,051)	232,042
	Losses utilised	-	(1,212,188)
	Loss on disposal of fixed assets	14,077,742	8,218,529
	Effects of overseas tax rates	(3,053,222)	(2,292,765)
	Joint venture losses utilised	-	(936,372)
	Current tax (credit)/charge for year (note 7(a))	<u>(796,914)</u>	<u>3,835,356</u>

The loss on the sale of fixed assets is separately disclosed on the face of the profit and loss account and its effect on the tax (credit)/charge is shown in the reconciliation above

### c) Factors that may affect future tax charges

The group has unclaimed capital allowances, losses and other timing differences that will reduce future tax payable by approximately £10m

**ALDI STORES LIMITED**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**8 Intangible Assets**

	<b>Goodwill</b>
<b>Group</b>	
<b>Cost</b>	<b>£</b>
At 31 December 2009	-
Additions	4,574,630
<b>At 31 December 2010</b>	<b>4,574,630</b>
<b>Amortisation</b>	
At 31 December 2009	-
Charge for the year	105,917
<b>At 31 December 2010</b>	<b>105,917</b>
<b>Net book value</b>	
<b>At 31 December 2010</b>	<b>4,468,713</b>
At 31 December 2009	-

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 9 Tangible fixed assets

#### a) Group

	Land and buildings £	Capital work in progress £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 31 December 2009	1,654,051,646	47,925,047	187,207,521	9,034,190	1,898,218,404
Additions	47,016,834	49,780,661	9,943,943	174,080	106,915,518
Acquired with subsidiary entities	305,359,890	-	-	-	305,359,890
Disposals	(26,131,492)	(472,580)	(11,819,993)	(1,370,931)	(39,794,996)
Reclassifications	32,011,400	(32,011,400)	-	-	-
Exchange differences	(13,058,949)	(774,273)	(1,743,699)	(58,157)	(15,635,078)
<b>At 31 December 2010</b>	<b>1,999,249,329</b>	<b>64,447,455</b>	<b>183,587,772</b>	<b>7,779,182</b>	<b>2,255,063,738</b>
<b>Depreciation</b>					
At 31 December 2009	263,562,219	-	118,726,781	8,167,685	390,456,685
Charge for the period	43,598,095	-	25,749,200	364,972	69,712,267
Disposals	(3,112,602)	-	(10,941,568)	(1,352,076)	(15,406,246)
Exchange differences	(835,100)	-	(925,837)	(50,328)	(1,811,265)
Provision for impairments	44,340,161	-	-	-	44,340,161
<b>At 31 December 2010</b>	<b>347,552,773</b>	<b>-</b>	<b>132,608,576</b>	<b>7,130,253</b>	<b>487,291,602</b>
<b>Net book values</b>					
<b>At 31 December 2010</b>	<b>1,651,696,556</b>	<b>64,447,455</b>	<b>50,979,196</b>	<b>648,929</b>	<b>1,767,772,136</b>
At 31 December 2009	1,390,489,427	47,925,047	68,480,740	866,505	1,507,761,719

Included within land and buildings are amounts relating to freehold land and long leasehold land of £826,150,949 and £94,659,735 (31 December 2009 £712,873,090 and £45,850,938) respectively. Freehold and long leasehold land are not depreciated.

The net book value of land and buildings consists of freehold property, long leasehold property and short leasehold property of £1,485,612,793, £148,456,435 and £17,627,328 (31 December 2009 £1,297,174,118, £78,336,853 and £14,978,456) respectively.

The net book value at 31 December 2009 included impairments provisions against land and buildings of £19,129,437. During the year £12,140,998 of this provision was released, due to the properties against which the provisions were made having been sold or which would have been adjusted in an earlier period if more accurate information had been available. Further impairment provisions of £56,481,159 were made and the cumulative amount of the provision at 31 December 2010 amounts to £63,469,598 (2009 £19,129,437).

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 9 Tangible fixed assets (continued)

#### b) Company

	Land and buildings £	Capital work in progress £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 31 December 2009	1,283,807,742	26,202,546	138,304,684	7,402,590	1,455,717,562
Additions	34,994,677	20,475,117	6,921,548	174,077	62,565,419
Disposals	(25,823,092)	(5,880)	(9,553,382)	(1,304,661)	(36,687,015)
Reclassifications	25,817,568	(25,817,568)	-	-	-
<b>At 31 December 2010</b>	<b>1,318,796,895</b>	<b>20,854,215</b>	<b>135,672,850</b>	<b>6,272,006</b>	<b>1,481,595,966</b>
<b>Depreciation</b>					
At 31 December 2009	240,133,221	-	92,769,309	6,755,771	339,658,301
Charge for the period	30,647,114	-	18,395,541	278,077	49,320,732
Disposals	(3,112,602)	-	(8,899,438)	(1,285,806)	(13,297,846)
Provision for impairments	9,817,911	-	-	-	9,817,911
<b>At 31 December 2010</b>	<b>277,485,644</b>	<b>-</b>	<b>102,265,412</b>	<b>5,748,042</b>	<b>385,499,098</b>
<b>Net book values</b>					
<b>At 31 December 2010</b>	<b>1,041,311,251</b>	<b>20,854,215</b>	<b>33,407,438</b>	<b>523,964</b>	<b>1,096,096,868</b>
At 31 December 2009	1,043,674,521	26,202,546	45,535,375	646,819	1,116,059,261

Included within land and buildings are amounts relating to freehold land and long leasehold land of £502,401,835 and £45,229,300 (31 December 2009 £513,589,191 and £45,850,938) respectively. Freehold and long leasehold land are not depreciated.

The net book value of land and buildings consists of freehold property, long leasehold property and short leasehold property of £952,599,437, £71,084,486 and £17,627,328 (31 December 2009 £950,359,212, £78,336,853 and £14,978,456) respectively.

The net book value at 31 December 2009 included impairments provisions against land and buildings of £19,129,437. During the year £12,140,998 of this provision was released, due to the properties against which the provisions were made having been sold or which would have been adjusted in an earlier period if more accurate information had been available. Further impairment provisions of £21,958,909 were made and the cumulative amount of the provision at 31 December 2010 amounts to £28,947,348 (2009 £19,129,437).

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

10	Fixed asset investments	31 December 2010 £	31 December 2009 £
	<b>a) Group</b>		
	<b>Investment in joint ventures</b>		
	Share of gross assets	79,825,504	228,457,139
	Share of gross liabilities	(68,066,841)	(222,533,453)
		<u>11,758,663</u>	<u>5,923,686</u>

The principal joint ventures of the group are as follows

	Proportion of capital	Principal activity	Country of registration
The Trolly Properties Limited Partnership	50%	Property Investment	England and Wales
Balletto Properties Limited	50%	General Partner	British Virgin Islands

In all cases the group has joint control of the entities

The aggregate share of the group's investments in the above joint ventures is as follows,

	31 December 2010 £	31 December 2009 £
Fixed assets	79,563,839	224,526,643
Current assets	261,665	3,930,496
Liabilities due within one year	(1,997,341)	(819,244)
Liabilities due after more than one year	(66,069,500)	(221,714,209)

### Transfer to investment in subsidiary undertakings

During the year ended 31 December 2010, the group acquired the remaining 50% of the equity of Omega Retail Properties 2 LLP, previously a joint venture, making it a wholly-owned subsidiary entity which has been consolidated within the group's results from the date of acquisition

During the year ended 31 December 2010, the group gained significant influence over Omega Retail Properties LLP, previously a joint venture, when the management of the entity became unified with that of the group. This has been treated as a subsidiary and has been consolidated within the group's results from the date at which the management of the entity became unified with that of the group

**ALDI STORES LIMITED**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**10 Fixed asset investments (continued)**

**b) Company**

	<b>Investment in capital in subsidiary undertakings £</b>	<b>Loans to subsidiary undertakings £</b>	<b>Investment in capital accounts of joint ventures £</b>	<b>Loans to joint ventures £</b>	<b>Total</b>
<b>Cost</b>					
At 31 December 2009	505,447,734	-	31,570	7,249,863	512,729,167
Additions	18,893	9,977,307	10,000	-	10,006,200
Transfer from Investment in capital accounts of joint ventures to Investment in subsidiary undertakings	1,000	-	(1,000)	-	-
Transfer from Loans to joint ventures to Loans to subsidiary undertakings	-	7,249,863	-	(7,249,863)	-
Foreign currency translation	-	(113,979)	-	-	(113,979)
<b>At 31 December 2010</b>	<b>505,467,627</b>	<b>17,113,191</b>	<b>40,570</b>	<b>-</b>	<b>522,621,388</b>
<b>Provision for diminution in value</b>					
At 31 December 2009	100,805,974	-	-	-	100,805,974
Released during the year	-	-	-	-	-
<b>At 31 December 2010</b>	<b>100,805,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,805,974</b>
<b>Net book values</b>					
<b>At 31 December 2010</b>	<b>404,661,653</b>	<b>17,113,191</b>	<b>40,570</b>	<b>-</b>	<b>421,815,414</b>
At 31 December 2009	404,641,760	-	31,570	7,249,863	411,923,193

**Transfer to investment in subsidiary undertakings**

During the year ended 31 December 2010, the group acquired the remaining 50% of the equity of Omega Retail Properties 2 LLP, previously a joint venture, making it a wholly-owned subsidiary entity which has been consolidated within the group's results from the date of acquisition

During the year ended 31 December 2010, the group gained significant influence over Omega Retail Properties LLP, previously a joint venture, when the management of the entity became unified with that of the group. This has been treated as a subsidiary and has been consolidated within the group's results from the date at which the management of the entity became unified with that of the group



# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 10 Fixed asset investments (continued)

#### b) Company

The principal subsidiaries of the company are as follows

	Principal activity	Proportion of equity held	Country of registration
Aldi Alpha Limited	Holding company	100% share capital	England and Wales
Aldi Finance Limited	Non-trading	100% share capital	England and Wales
Aldi (Investments) Limited	Dormant	100% share capital	England and Wales
Aldi Omega Limited	Non-trading	100% share capital	England and Wales
Aldi Services Limited	Internet retailer	100% share capital	England and Wales
Aldi Stores (Horniton) Limited	Property Investment	100% share capital	England and Wales
Aldi Stores (Ireland) Services Limited	Internet retailer	100% share capital <sup>1</sup>	Ireland
Aldi Stores (Ireland) Limited	Retail grocery	100% share capital	Ireland
Aldi Stores (Ireland) Developments Limited	Property development	100% share capital <sup>1</sup>	Ireland
Aldi Stores (Ireland) Retirement Benefits Trustees Limited	Dormant	100% share capital <sup>1</sup>	Ireland
Omega Retail Properties LLP	Property investment	50% equity <sup>1</sup>	England and Wales
Omega Retail Properties 2 LLP	Property investment	100% equity <sup>2</sup>	England and Wales
Aldi Retail Limited Partnership <sup>3</sup>	Holding company	100% equity	England and Wales
Aldi Stores General Partner Limited <sup>4</sup>	Dormant	100% share capital	England and Wales
Hailsham CMC Limited	Holding company	100% share capital	England and Wales
Hailsham Cattle Market Company	Non-trading	100% share capital <sup>1</sup>	England and Wales
Zephyr Director 1 Limited	Holding company	100% share capital	England and Wales
Zephyr Director 2 Limited	Holding company	100% share capital	England and Wales
Zephyr Director 3 Limited	Holding company	100% share capital	England and Wales
Aldi Limited	Dormant	100% share capital	England and Wales
Aldi Food Stores Limited	Dormant	100% share capital	England and Wales
Bondi Limited	Dormant	100% share capital	England and Wales
Cresta (UK) Limited	Dormant	100% share capital	England and Wales
Hofer (UK) Limited	Dormant	100% share capital	England and Wales

<sup>1</sup> Investment is held through a subsidiary company

<sup>2</sup> 50% of investment is held through a subsidiary company

<sup>3</sup> formerly Modus Stores Limited Partnership

<sup>4</sup> formerly Modus Stores General Partner Limited

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 10 Fixed asset investments (continued)

#### b) Company

The principal joint ventures of the company are as follows

	Proportion of capital	Principal activity	Country of registration
Balletto Properties Limited	50%	General Partner	British Virgin Islands

The company has joint control of this entity

### 11 Stocks

	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	£	£	£	£
Goods for resale	119,898,054	114,802,278	98,737,956	93,962,962
Goods for own use	891,240	1,333,505	771,738	947,297
	<u>120,789,294</u>	<u>116,135,783</u>	<u>99,509,694</u>	<u>94,910,259</u>

### 12 Debtors

	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	£	£	£	£
<b>Amounts due within one year</b>				
Other debtors	30,637,771	18,429,471	23,843,821	12,081,891
Corporation tax	1,442,993	-	672,542	-
Amounts due from related undertakings	-	-	15,797,503	16,820,003
Prepayments and accrued income	17,930,925	23,198,210	18,601,943	18,507,822
	<u>50,011,689</u>	<u>41,627,681</u>	<u>58,915,809</u>	<u>47,409,716</u>
<b>Amounts due after one year</b>				
Amounts due from related undertakings	-	-	20,209,669	8,513,550
	<u>50,011,689</u>	<u>41,627,681</u>	<u>79,125,478</u>	<u>55,923,266</u>

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 13 Creditors: amounts falling due within one year

	Group		Company	
	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £
Bank loans	136,243,983	-	-	-
Other loans	1,807,569	-	1,807,569	-
Trade creditors	248,212,476	238,348,923	192,888,395	187,231,454
Corporation tax payable	-	527,982	-	592,221
Other taxes and social security	12,814,503	7,567,435	7,779,828	4,038,660
Other creditors	19,537,358	10,105,510	6,337,178	6,611,701
Accruals and deferred income	34,149,204	68,044,435	24,390,317	55,730,966
Net amounts due to related undertakings	-	-	113,626,723	115,779,266
	<b>452,765,093</b>	<b>324,594,285</b>	<b>346,830,010</b>	<b>369,984,268</b>

Bank loans totalling £83,979,805 are payable in full in March 2011. £33,589,290 of the loan is subject to an interest rate swap which fixes interest at a rate of 6.45%. The fair value of the swap at 31 December 2010 was a cost of £662,794. The balance of this loan is subject to a swap arrangement so that interest is charged at LIBOR and 1.35%, with a ceiling rate of 6.5% and a floor rate of 5.5%. The fair value of this arrangement at 31 December 2010 was a cost of £1,000,745. The bank loans are secured by a first legal charge over the properties of Omega Retail Properties LLP and a floating charge over the assets of this entity.

These loans have been repaid in full on 14 March 2011 and were funded via a capital contribution made by Hofer KG, a company subject to common control from the same source as Aldi Stores Limited, into the group.

A bank loan totalling £51,991,032 is payable in full on 28 May 2011. The loan is subject to an interest rate swap which fixes interest at a rate of 5.64%. The fair value of the swap at 31 December 2010 was a cost of £3,999,618. The bank loan is secured by a first legal charge over the properties owned by Omega Retail Properties 2 LLP and a portfolio of seven properties held by the group and a floating charge over the assets of Omega Retail Properties 2 LLP.

There is an undertaking from Hofer KG, a company subject to common control from the same source as Aldi Stores Limited, to assist Omega Retail Properties 2 LLP in repaying this debt via a capital contribution into the group.

Other loans are secured by a first legal charge over a portfolio of freehold and long leasehold properties.

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 14 Creditors: amounts falling due after more than one year

	Group		Company	
	31 December	31 December	31 December	31 December
	2010	2009	2010	2009
	£	£	£	£
Bank loans	195,196,462	49,772,758	49,835,215	49,772,758
Other loans	97,830,833	99,611,754	97,830,833	99,611,754
	<u>293,027,295</u>	<u>149,384,512</u>	<u>147,666,048</u>	<u>149,384,512</u>

A bank loan totalling £49,835,216 is repayable in full in August 2013. The loan is subject to an interest rate swap which fixes interest at a rate of 5.46%. The fair value of the swap at 31 December 2010 was a cost of £2,402,424. The bank loan is secured by a first legal charge over a portfolio of freehold and long leasehold properties.

Other loans relate to mortgage bonds totalling £99,638,402 which are repayable in full by July 2024 through instalments commencing in April 2011. The loans attract interest at a fixed rate of 6.25% and are secured by a first legal charge over a portfolio of freehold and long leasehold properties. Amounts repayable by instalments due after more than five years amount to £86,994,583.

A bank loan totalling £37,825,000 is payable in full by 31 August 2022 through instalments commencing on 31 August 2012. The loan attracts interest at a fixed rate of 6.01%. The bank loan is secured by a first legal charge over the properties of Omega Retail Properties LLP and a floating charge over the assets of this entity. Amounts repayable by instalments due after more than five years amount to £36,642,026.

A bank loan totalling £56,545,674 is payable in full by 21 November 2022 through instalments commencing on 21 November 2012. The loan attracts interest at a fixed rate of 5.71%. The bank loan is secured by a first legal charge over the properties of Omega Retail Properties 2 LLP and a floating charge over the assets of this entity. Amounts repayable by instalments due after more than five years amount to £54,921,867.

A bank loan totalling £51,263,719 is payable in full by 29 May 2023 through instalments which commenced on 31 December 2008. The loan attracts interest at a fixed rate of 6.37%. The bank loan is secured by a first legal charge over the properties owned by Omega Retail Properties LLP. Amounts repayable by instalments due after more than five years amount to £51,186,780.

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

<b>15 Called up share capital</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>£</b>	<b>£</b>
Allotted, issued and fully paid		
1,061,429,168 ordinary shares of £1 each (2009 993,629,168)	<b>1,061,429,168</b>	993,629,168
130,000,000 ordinary shares of one Austrian Schilling each	-	8,227,848
	<b>1,061,429,168</b>	<b>1,001,857,016</b>

During the year 60,000,000 £1 ordinary shares were allotted, issued at par and fully paid up

During the year, the Austrian Schilling shares were redenominated into ordinary shares of £1 each. As a result of this transaction a redenomination reserve was created (see note 16)

All shares rank pari passu for participation in distributions

## 16 Redenomination reserve

### Group and company

	<b>£</b>
At 31 December 2009	-
Redenomination of Austrian Schilling shares	427,848
<b>At 31 December 2010</b>	<b>427,848</b>

During the year, the Austrian Schilling shares were redenominated into ordinary shares of £1 each. As a result of this transaction a redenomination reserve was created

## 17 Capital reserve

### Group

	<b>£</b>
At 31 December 2009	-
Capital contribution in year	21,420,614
<b>At 31 December 2010</b>	<b>21,420,614</b>

During the year a capital contribution of €25,000,000 was made by Hofer KG

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

<b>18 Statement of retained profits</b>	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
<b>a) Group</b>		
Retained profits at 31 December 2009	328,112,339	409,582,134
Loss sustained for the year	(56,072,401)	(58,047,650)
Foreign exchange movement	(15,597,510)	(23,422,145)
Retained profits at 31 December 2010	<u>256,442,428</u>	<u>328,112,339</u>
<b>b) Company</b>		
Retained profits at 31 December 2009	251,619,099	202,876,098
Loss sustained for the year	(39,514,396)	48,743,001
Retained profits at 31 December 2010	<u>212,104,703</u>	<u>251,619,099</u>
<b>19 Reconciliation of movements on shareholders' funds</b>	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
<b>a) Group</b>		
Loss for the year after taxation	(56,072,401)	(58,047,650)
Issue of £1 ordinary shares	60,000,000	56,836,608
Capital contribution in year	21,420,614	-
Foreign exchange movement	(15,597,510)	(23,422,145)
Net movements on shareholders' funds	<u>9,750,703</u>	<u>(24,633,187)</u>
Opening shareholders' funds at 31 December 2009	<u>1,329,969,355</u>	1,354,602,542
Closing shareholders' funds at 31 December 2010	<u>1,339,720,058</u>	<u>1,329,969,355</u>
<b>b) Company</b>		
(Loss)/profit for the year after taxation	(39,514,396)	48,743,001
Issue of £1 ordinary shares	60,000,000	56,836,608
Net addition to shareholders' funds	<u>20,485,604</u>	105,579,609
Opening shareholders' funds at 31 December 2009	<u>1,253,476,115</u>	1,147,896,506
Closing shareholders' funds at 31 December 2010	<u>1,273,961,719</u>	<u>1,253,476,115</u>

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 20 Acquisitions

Omega Retail Properties LLP is included in the group financial statements from 23 March 2010. For the period since the Aldi Stores group obtained significant influence, operating losses of £4,468,216 are included within the consolidated profit and loss account as continuing operations - acquisitions.

Aldi Retail Limited Partnership and a 50% share in Omega Retail Properties 2 LLP were acquired on 27 July 2010 and are included in the group financial statements from that date. For the period since acquisition, operating losses of £1,271,691 are included within the consolidated profit and loss account as continuing operations - acquisitions. The purchase consideration was £10.9m.

The turnover generated by these entities is derived entirely from other companies within the Aldi Stores group. Therefore, on consolidation the intra-group transactions from the point at which they became 100% subsidiaries are eliminated.

The assets and liabilities of Omega Retail Properties LLP, Omega Retail Properties 2 LLP and Aldi Retail Limited Partnership acquired were as follows:

	Omega Retail Properties LLP Book Value	Omega Retail Properties 2 LLP Book Value	Aldi Retail Limited Partnership Book Value	Total Book Value	Total Adjustments	Total Fair Value
	£	£	£	£	£	£
Fixed assets	105,790,696	60,837,674	-	166,628,370	-	166,628,370
Debtors	72,597	55,074	2,174	129,845	-	129,845
Cash	2,031,848	1,283,853	886,254	4,201,955	-	4,201,955
Creditors	(12,879,369)	(5,648,809)	(5,180)	(18,533,358)	-	(18,533,358)
Loans	(95,014,772)	(51,120,044)	-	(146,134,816)	-	(146,134,816)
	<u>1,000</u>	<u>5,407,748</u>	<u>883,248</u>	<u>6,291,996</u>	<u>-</u>	<u>6,291,996</u>
				Cash consideration		10,866,626
				Goodwill		<u>4,574,630</u>

Previously Omega Retail Properties LLP and Omega Retail Properties 2 LLP were joint ventures of the group and in the group financial statements for the year ended 31 December 2009 had been accounted for on a gross equity basis. The assets and liabilities detailed above represent the group's acquisition of the remaining interests in these entities.

The entities are now accounted for using the acquisition method in the group financial statements for the year ended 31 December 2010. The total assets and liabilities of these entities on becoming subsidiary undertakings included tangible fixed assets of £305,359,890, cash of £7,517,656 and debt of £292,269,632.

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 20 Acquisitions (continued)

The trading results and statement of recognised gains and losses of Omega Retail Properties LLP, Omega Retail Properties 2 LLP and Aldi Retail Limited Partnership (formerly Modus Stores Limited Partnership) from 1 January 2010 to the date at which they became subsidiaries are

	Aldi Retail Limited Partnership £	Omega Retail Properties LLP £	Omega Retail Properties 2 LLP £
Turnover	-	2,853,190	4,316,695
Operating (loss)/profit	(351,555)	2,800,827	4,178,495
Write down of investments	(1,792,874)	-	-
Net interest payable/(receivable)	(272,829)	(2,558,835)	67,210
(Loss)/profit before tax	(2,417,258)	241,992	4,245,705
Taxation	-	-	-
(Loss)/profit after taxation	(2,417,258)	241,992	4,245,705
Total recognised gains and losses relating to the financial year	(2,417,258)	241,992	4,245,705

In 2009, the profit for the year before members' remuneration and profit shares was £856,560 for Omega Retail Properties LLP and £6,939,064 for Omega Retail Properties 2 LLP. The loss for the year in Aldi Retail Limited Partnership was £497,465. There were no minority interests.

### 21 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	31 December 2010 £	31 December 2009 £
Operating profit/(loss)	18,651,119	(21,222,151)
Depreciation charges	69,712,267	64,789,191
Amortisation charges	105,917	-
(Increase)/decrease in stocks	(4,653,511)	2,159,777
Increase in debtors	(2,044,403)	(3,233,192)
Decrease in creditors	(11,010,798)	(11,357,790)
Movement in provisions	(8,642,561)	-
Exchange differences	(1,333,353)	9,513,269
Net cash inflow from operating activities	60,784,677	40,649,104



# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 22 Analysis of changes in net debt

	At 1 January 2010 £	Cash flows £	Acquisition (excl.cash and overdrafts) £	Non cash movements £	At 31 December 2010 £
Cash at bank and in hand	132,499,283	(1,787,332)	-	-	130,711,951
	<u>132,499,283</u>	<u>(1,787,332)</u>	<u>-</u>	<u>-</u>	<u>130,711,951</u>
Debt due within one year	-	130,321	(136,101,157)	(2,080,716)	(138,051,552)
Debt due after one year	(149,384,512)	11,857,000	(156,168,475)	668,692	(293,027,295)
	<u>(16,885,229)</u>	<u>10,199,989</u>	<u>(292,269,632)</u>	<u>(1,412,024)</u>	<u>(300,366,896)</u>

Non cash movements of £1,412,024 relate to exchange rate gains realised on loans held that were denominated in foreign currencies and to the release of loan arrangement fees

Other movements relate to reclassification of loans as being due in greater than one year to being due in less than one year

### 23 Reconciliation of net cash flow to movement in net debt

	31 December 2010 £
Decrease in cash in the year	(1,787,332)
Cash outflow from decrease in debt	11,987,321
Change in net debt from cash flows	<u>10,199,989</u>
Loans acquired with subsidiaries	(292,269,632)
Exchange rate movements	(1,322,591)
Other non cash movements	(89,433)
Net debt at 1 January 2010	<u>(16,885,229)</u>
Net debt at 31 December 2010	<u>(300,366,896)</u>

### 24 Cash flow from exceptional items

The cash inflow from the sale of fixed assets relates entirely to the sale of fixed assets during the course of the year. The loss from the sale of fixed assets is separately disclosed on the face of the profit and loss account.

# ALDI STORES LIMITED

## NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

### 25 Purchase of subsidiary undertakings

	£
<b>Net assets acquired</b>	
Tangible fixed assets	166,628,370
Debtors	129,845
Cash at bank and in hand	4,201,955
Creditors	(18,533,358)
Loans	(146,134,816)
Goodwill	4,574,630
	<u>10,866,626</u>
<b>Satisfied by</b>	
Cash	<u>10,866,626</u>

The subsidiary undertakings (Omega Retail Properties LLP, Omega Retail Properties 2 LLP and Aldi Retail Limited Partnership) acquired during the year contributed cash outflows of £366,990 in respect to the group's net operating cash flows and paid £11,489,201 in respect of net returns on investments and servicing of finance

Previously Omega Retail Properties LLP and Omega Retail Properties 2 LLP were joint ventures of the group and in the group financial statements for the year ended 31 December 2009 had been accounted for on a gross equity basis. The assets and liabilities detailed above represent the group's acquisition of the remaining interests in these entities

The entities are now accounted for using the acquisition method in the group financial statements for the year ended 31 December 2010. The total assets and liabilities of these entities on becoming subsidiary undertakings included tangible fixed assets of £305,359,890, cash of £7,517,656 and debt of £292,269,632

26 Financial commitments	31 December 2010 £	31 December 2009 £
<b>Capital commitments</b>	<u>67,405,397</u>	<u>62,127,689</u>
<b>Lease commitments</b>		

At 31 December the group had annual commitments under non-cancellable operating leases as follows

	Land & Buildings		Other	
Expiry date.	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £
Within 1 year	-	-	894,994	1,037,269
Between 2 and 5 years	-	-	3,436,670	3,645,466
Over 5 years	<u>37,074,560</u>	<u>58,679,365</u>	<u>-</u>	<u>-</u>

## ALDI STORES LIMITED

### NOTES RELATING TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

#### 27 Company control and transactions with directors and related parties

In the opinion of the directors, the ultimate registered holding company is Hiller GmbH, a company incorporated in Germany. In the opinion of the directors Hiller GmbH is not ultimately controlled by any party as defined by Financial Reporting Standard 8, "Related Party Disclosures". The company has taken advantage of exemptions conferred by Financial Reporting Standard 8, "Related Party Disclosures" from disclosing transactions and balances with its 100% subsidiaries in the group financial statements where these amounts have been eliminated on consolidation.

During the prior year the group received repayment of loans of £122,337,168 and received income of £5,815,066 from Aldi Inc. There was no balance outstanding at 31 December 2009. During the prior year the group also received a loan from Aldi Inc of £68,099,880. Interest of £653,153 was charged on the loan. The loan was repaid in full before 31 December 2009. Aldi Inc is subject to common control from the same source as Aldi Stores Limited.

During the prior year the group paid interest of £6,292,280 to Hofer KG and repaid a loan of £121,916,300. There was no balance outstanding at 31 December 2009. During the year the group received a capital contribution of £21,420,614 from Hofer KG. Hofer KG is subject to common control from the same source as Aldi Stores Limited.

During the prior year the group received a loan from Darleshenkonsortium Aldi Sud Gesellschaft Buergerlichen Rechts of £17,769,880. Interest of £80,682 was charged on the loan. The loan was repaid in full before 31 December 2009. Darleshenkonsortium Aldi Sud Gesellschaft Buergerlichen Rechts is subject to common control from the same source as Aldi Stores Limited.

During the prior year the group received loans from Aldi Einkauf GmbH & Co. oHG of £86,522,913. Interest of £204,045 was charged on the loans. The loans were repaid in full before 31 December 2009. Aldi Einkauf GmbH & Co. oHG is subject to common control from the same source as Aldi Stores Limited.

During the year the group received a repayment of loan amounts of £38,260 (2009: £23,518) from The Trolly Properties Limited Partnership, an entity in which the group has invested. At 31 December 2010 the amount outstanding from The Trolly Properties Limited Partnership was £10,887,754 (2009: £11,108,706). The group made rental payments of £10,657,868 (2009: £10,862,778) to this entity. The group also purchased three properties from The Trolly Properties Limited Partnership for £9,430,000 and incurred costs of £1,204,975 in respect of the partnership in relation to financing arrangements relating to the properties.

During the year the group received a repayment of loan amounts of £57,500 (2009: £255,000) from Omega Retail Properties LLP, a joint venture entity which became a group subsidiary in 2010. The group made rental payments of £12,302,903 to this entity (2009: £12,530,306).

During the year the group has received repayments of £Nil (2009: £7,457,429) from Omega Retail Properties 2 LLP, a joint venture entity which became a group subsidiary in 2010. The group made rental payments of £7,413,356 to this entity (2009: £7,679,947).

At the year end, the group owed £5,025 to Balletto Properties Limited, an entity in which the group has invested (2009: £5,025).

The company has made relocation loans to its directors, M C Barnes and R Heini of £900,000 and £500,000 respectively. The loans are interest free and are repayable when the directors complete their relocations. The loan to R Heini was advanced and repaid in full during the year. No repayments have been made on the loan to M C Barnes. In addition, M C Barnes and R Heini have loans of £83,710 and £171,350 outstanding at 31 December 2010. Interest is charged at 5.5% and 3.5% respectively. Repayments have been made during the year of £3,285 on the loans to M C Barnes and these loans are repayable in full between July 2017 and August 2022. The loan to R Heini is denominated in Swiss Francs and was revalued by £21,560 during the year. There is no set repayment date for this loan.

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**ALDI STORES LIMITED**

**NOTES RELATING TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**28 Post balance sheet events**

A capital contribution of £20m was received on 24 January 2011 from Hofer KG

On 14 March 2011 bank loans amounting to £84m were refinanced, with existing loan arrangements being settled. This was funded via capital contribution of the same amount received from Hofer KG.

After the year end the group purchased 100% of the share capital of Modus Beta Limited for a consideration of £13,000,000.