

The Fresh Food Centres Ltd

Abbreviated accounts

for the year ended 31 January 2012



The Fresh Food Centres Ltd

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The Fresh Food Centres Ltd

Directors' report for the year ended 31 January 2012

The directors present their report and the accounts for the year ended 31 January 2012.

Principal activity and review of the business

The principal activity of the company is to carry on the business of retailing meat, groceries and confectionery products.

Business review

The key performance indicators are sales and profits which are closely monitored throughout the year. The company experienced a decrease in sales of 0.8% from 2011 to 2012. The company have made improvements in buying, overhead cost savings and reacting quickly to customer trends. This approach has limited the decrease in turnover and profits in the current climate as much as possible, the company have maintained their GP margin and are working on all factors within their control to prevent any further drop in turnover. The directors are satisfied with the results in light of prevailing economic conditions and they are working to sustain the present level of activity for the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Financial risk management objectives and policies

The management of the business and the execution of the company's strategy are subject to a number of risks, including a highly competitive market and those risks associated with cash based businesses and the ordinary retail environment. In order to mitigate these risks, the company uses accountancy packages, along with close management supervision in order to monitor company performance. Various financial instruments including bank overdraft, cash, and various other items such as trade creditors are also used in order to raise finance for the company's operations.

Directors

The directors who served during the year are as stated below:

Seamus Devlin
Martin O'Higgins
Geraldine Devlin
Elizabeth O' Higgins
Michael Johnston

Statement of directors' responsibilities

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

The Fresh Food Centres Ltd

**Directors' report
for the year ended 31 January 2012**

..... continued

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 of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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.

In so far as the directors are aware:

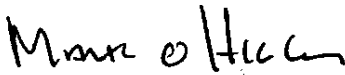
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

John MacMahon & Co have been reappointed as auditor for the ensuing year in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board on 9 May 2012 and signed on its behalf by

Martin O'Higgins
Secretary



**Independent auditors' report to The Fresh Food Centres Ltd
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 4 to 16 together with the financial statements of The Fresh Food Centres Ltd for the year ended 31 January 2012 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

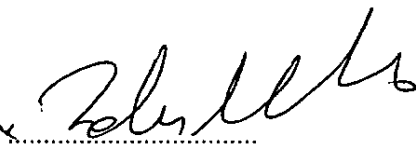
The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.



**John MacMahon FCA (senior statutory auditor)
For and on behalf of John MacMahon & Co
Chartered Accountants and
Registered Auditor**

9 May 2012

**112 Camlough Road
NEWRY
Co. Down
BT35 7EE**

The Fresh Food Centres Ltd

**Abbreviated profit and loss account
for the year ended 31 January 2012**

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover		14,325,614	14,441,031
Gross profit		2,864,538	2,903,857
Distribution costs		(35,679)	(28,288)
Administrative expenses		(2,427,797)	(2,412,048)
Operating profit	2	401,062	463,521
Interest payable and similar charges	4	(38,405)	(22,983)
Profit on ordinary activities before taxation		362,657	440,538
Tax on profit on ordinary activities	7	(88,379)	(128,052)
Profit for the year	17	274,278	312,486
Retained profit brought forward		1,015,505	703,019
Retained profit carried forward		1,289,783	1,015,505

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 16 form an integral part of these financial statements.

The Fresh Food Centres Ltd

**Abbreviated balance sheet
as at 31 January 2012**

		2012		2011	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		2,121,392		2,235,092
Investments	9		<u>16,200</u>		<u>16,200</u>
			2,137,592		2,251,292
Current assets					
Stocks	10	410,492		427,665	
Debtors	11	145,050		165,760	
Cash at bank and in hand		<u>489,922</u>		<u>274,126</u>	
		1,045,464		867,551	
Creditors: amounts falling due within one year	12	<u>(1,137,551)</u>		<u>(1,264,222)</u>	
Net current liabilities			<u>(92,087)</u>		<u>(396,671)</u>
Total assets less current liabilities			2,045,505		1,854,621
Creditors: amounts falling due after more than one year	13		(739,058)		(812,016)
Provisions for liabilities	14		<u>(15,663)</u>		<u>(26,099)</u>
Net assets			<u>1,290,784</u>		<u>1,016,506</u>
Capital and reserves					
Called up share capital	16		1,001		1,001
Profit and loss account	17		<u>1,289,783</u>		<u>1,015,505</u>
Shareholders' funds	18		<u>1,290,784</u>		<u>1,016,506</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 9 May 2012 and signed on its behalf by


Seamus Devlin
Director

Martin O'Higgins
Director

Registration number NI030621



The notes on pages 7 to 16 form an integral part of these financial statements.

The Fresh Food Centres Ltd

**Cash flow statement
for the year ended 31 January 2012**

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		401,062	463,521
Depreciation		174,191	198,002
Decrease in stocks		17,173	(59,638)
Decrease in debtors		20,710	115,711
(Decrease) in creditors		(56,895)	(4,055)
Net cash inflow from operating activities		<u>556,241</u>	<u>713,541</u>
Cash flow statement			
Net cash inflow from operating activities		556,241	713,541
Returns on investments and servicing of finance	20	(38,405)	(22,983)
Taxation	20	(128,512)	(98,577)
Capital expenditure and financial investment	20	(60,492)	(80,499)
		<u>328,832</u>	<u>511,482</u>
Financing	20	(40,048)	(39,822)
Increase in cash in the year		<u>288,784</u>	<u>471,660</u>
Reconciliation of net cash flow to movement in net funds (Note 21)			
Increase in cash in the year		288,784	471,660
Cash inflow from increase in debts and lease financing		40,048	40,820
Change in net funds resulting from cash flows		328,832	512,480
Net debt at 1 February 2011		<u>(675,312)</u>	<u>(1,187,792)</u>
Net debt at 31 January 2012		<u>(346,480)</u>	<u>(675,312)</u>

The Fresh Food Centres Ltd

Notes to the abbreviated financial statements for the year ended 31 January 2012

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover comprises of sales as recorded per the company's EPOS system, excluding value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 40 years
Plant and machinery	-	15% Straight Line
Fixtures, fittings and equipment	-	10% Straight Line
Motor vehicles	-	25% Reducing Balance
Off Licence Licence	-	not being depreciated

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

1.4. Investments

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

1.5. Stock

Stock is valued at the lower of cost and net realisable value. Goods for resale are valued at purchase cost on a first-in, first-out basis.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The Fresh Food Centres Ltd

Notes to the abbreviated financial statements for the year ended 31 January 2012

..... continued

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Operating profit	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	175,086	198,002
Auditors' remuneration (Note 3)	10,000	10,000
and after crediting:		
Profit on disposal of tangible fixed assets	895	-

3. Auditors' remuneration	2012	2011
	£	£
Auditors' remuneration - audit of the financial statements	10,000	10,000

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

4. Interest payable and similar charges	2012	2011
	£	£
Interest payable on loans < 1 yr	6,597	55
On loans repayable between one and two years	31,808	22,928
	<u>38,405</u>	<u>22,983</u>

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

Staff	2012	2011
	<u>141</u>	<u>141</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	1,511,010	1,336,413
Social security costs	105,435	85,692
Pension costs	208,555	426,715
	<u>1,825,000</u>	<u>1,848,820</u>

5.1. Directors' remuneration

	2012	2011
	£	£
Remuneration and other emoluments	312,203	168,308
Pension contributions	208,555	426,715
	<u>520,758</u>	<u>595,023</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>5</u>	<u>5</u>

Highest paid director

Amounts included above:

	£	£
Emoluments and other benefits	91,800	56,108
Pension contributions	49,979	7,800
	<u>141,779</u>	<u>63,908</u>

The Fresh Food Centres Ltd

Notes to the abbreviated financial statements for the year ended 31 January 2012

..... continued

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £208,555 (2011 - £426,715).

7. Tax on profit on ordinary activities

Analysis of charge in period	2012 £	2011 £
Current tax		
UK corporation tax	98,815	128,512
Adjustments in respect of previous periods	-	40
	<u>98,815</u>	<u>128,552</u>
Total current tax charge	<u>98,815</u>	<u>128,552</u>
Deferred tax		
Timing differences, origination and reversal	(10,436)	(500)
Total deferred tax	<u>(10,436)</u>	<u>(500)</u>
Tax on profit on ordinary activities	<u>88,379</u>	<u>128,052</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (26.32 per cent). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>362,657</u>	<u>440,538</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.32% (31 January 2011 : 28.00%)	95,451	123,351
Effects of:		
Expenses not deductible for tax purposes	382	801
Capital allowances for period in excess of depreciation	19,348	21,507
Adjustments to tax charge in respect of previous periods	-	40
Marginal Relief	<u>(16,366)</u>	<u>(17,146)</u>
Current tax charge for period	<u>98,815</u>	<u>128,552</u>

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

8. Tangible fixed assets	Land and buildings freehold	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Off Licence Licence	Total
	£	£	£	£	£	£
Cost						
At 1 February 2011	1,845,861	1,047,843	168,858	59,752	196,381	3,318,695
Additions	-	34,934	24,633	6,000	-	65,567
Disposals	-	(4,180)	-	-	-	(4,180)
At 31 January 2012	<u>1,845,861</u>	<u>1,078,597</u>	<u>193,491</u>	<u>65,752</u>	<u>196,381</u>	<u>3,380,082</u>
Depreciation						
At 1 February 2011	115,034	836,723	111,598	20,249	-	1,083,604
Charge for the year	46,147	95,050	22,513	11,376	-	175,086
At 31 January 2012	<u>161,181</u>	<u>931,773</u>	<u>134,111</u>	<u>31,625</u>	<u>-</u>	<u>1,258,690</u>
Net book values						
At 31 January 2012	<u>1,684,680</u>	<u>146,824</u>	<u>59,380</u>	<u>34,127</u>	<u>196,381</u>	<u>2,121,392</u>
At 31 January 2011	<u>1,730,827</u>	<u>211,120</u>	<u>57,260</u>	<u>39,503</u>	<u>196,381</u>	<u>2,235,091</u>

9. Fixed asset investments	Other unlisted investments	Total
	£	£
Cost		
At 1 February 2011	-	-
At 31 January 2012	<u>16,200</u>	<u>16,200</u>
Net book values		
At 31 January 2012	<u>16,200</u>	<u>16,200</u>
At 31 January 2011	<u>16,200</u>	<u>16,200</u>
10. Stocks	2012	2011
	£	£
Finished goods and goods for resale	<u>410,492</u>	<u>427,665</u>

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

11. Debtors	2012	2011
	£	£
Trade debtors	36,097	30,866
Other debtors	2,864	81,589
Prepayments and accrued income	106,089	53,305
	<u>145,050</u>	<u>165,760</u>
12. Creditors: amounts falling due within one year	2012	2011
	£	£
Bank overdraft	-	30
Other Loan	97,344	137,392
Trade creditors	634,980	735,947
Corporation tax	98,815	128,513
Other taxes and social security costs	116,668	39,477
Directors' accounts	87,265	177,687
Other creditors	71,479	20,508
Accruals and deferred income	31,000	24,668
	<u>1,137,551</u>	<u>1,264,222</u>

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

13. Creditors: amounts falling due after more than one year	2012 £	2011 £
Bank loan	<u>739,058</u>	<u>812,016</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	97,344	137,392
Repayable between one and two years	97,344	97,344
Repayable between two and five years	292,032	292,032
Repayable in five years or more	<u>349,682</u>	<u>422,640</u>
	<u>836,402</u>	<u>949,408</u>
Repayable in five years or more:		
	<u>349,682</u>	<u>422,640</u>

The company have given security on debts totalling £836,402 in the financial year ended 31 January 2012.

Bank of Ireland hold a debenture against Fresh Food Centres Ltd, incorporating a legal charge over premises.

The term and interest rates of the loan are Interest -1.37 above Libor Term - 12 years

14. Provisions for liabilities

	Deferred taxation (Note 15) £	Total £
At 1 February 2011	26,099	26,099
Movements in the year	<u>10,436</u>	<u>10,436</u>
At 31 January 2012	<u>15,663</u>	<u>15,663</u>

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

15. Provision for deferred taxation	2012	2011
	£	£
Accelerated capital allowances	15,663	26,099
Provision for deferred tax	<u>15,663</u>	<u>26,099</u>
Provision at 1 February 2011	26,099	
Deferred tax credit in profit and loss account	<u>(10,436)</u>	
Provision at 31 January 2012	<u>15,663</u>	
 16. Share capital	 2012	 2011
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
100 Ordinary B shares of £1 each	100	100
	<u>10,100</u>	<u>10,100</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
1 Ordinary B shares of £1 each	1	1
	<u>1,001</u>	<u>1,001</u>
 Equity Shares		
1,000 Ordinary shares of £1 each	1,000	1,000
1 Ordinary B shares of £1 each	1	1
	<u>1,001</u>	<u>1,001</u>

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

17. Equity Reserves	Profit and loss account £	Total £
At 1 February 2011	1,015,505	1,015,505
Profit for the year	274,278	274,278
At 31 January 2012	<u>1,289,783</u>	<u>1,289,783</u>

18. Reconciliation of movements in shareholders' funds	2012 £	2011 £
Profit for the year	274,278	312,486
Net proceeds of equity share issue	-	998
Net addition to shareholders' funds	<u>274,278</u>	<u>313,484</u>
Opening shareholders' funds	1,016,506	703,022
Closing shareholders' funds	<u>1,290,784</u>	<u>1,016,506</u>

19. Related party transactions

The company paid £199,915 into the Fresh Food Centres RBS pension scheme during the year.

The company paid £36,000 for the rent of a cold store partly owned by two of the directors.

The Fresh Food Centres Ltd

**Notes to the abbreviated financial statements
for the year ended 31 January 2012**

..... continued

20. Gross cash flows

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest paid	<u>(38,405)</u>	<u>(22,983)</u>
Taxation		
Corporation tax paid	<u>(128,512)</u>	<u>(98,577)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	(65,567)	(71,426)
Payments to acquire investments	-	(16,200)
Receipts from sales of tangible assets	5,075	7,127
	<u>(60,492)</u>	<u>(80,499)</u>
Financing		
Issue of ordinary share capital	-	998
Repayment of other short term loans	<u>(40,048)</u>	<u>(40,820)</u>
	<u>(40,048)</u>	<u>(39,822)</u>

21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	274,126	215,796		489,922
Overdrafts	(30)	30		-
	<u>274,096</u>	<u>215,826</u>		<u>489,922</u>
Debt due within one year	(137,392)	40,048	-	(97,344)
Debt due after one year	(812,016)	-	72,958	(739,058)
	<u>(949,408)</u>	<u>40,048</u>	<u>72,958</u>	<u>(836,402)</u>
Net funds	<u>(675,312)</u>	<u>255,874</u>	<u>72,958</u>	<u>(346,480)</u>