

Registered number: 05771015

**CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS
SUBSIDIARIES**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2016

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CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

COMPANY INFORMATION

DIRECTORS	Mr P A Jackson Mr J S Davidson Mr R D Payne
REGISTERED NUMBER	05771015
REGISTERED OFFICE	Chiltern House Shrewsbury Avenue Woodston Industrial Estate Peterborough PE2 7LB
INDEPENDENT AUDITORS	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 8-12 Priestgate Peterborough PE1 1JA
BANKERS	Barclays Bank PLC Church Street Peterborough PE1 1XE

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

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CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

PRINCIPAL ACTIVITY

The principal activity of the Group during the year was the storage and distribution of products including chilled and frozen products.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

2015-16 was a year of substantial progress for Chiltern, with improvements in turnover, operating performance (both before and after exceptional items), and a much strengthened balance sheet. This was achieved as a result of the profitable impact of new ventures and increased efficiency within the existing operations. In particular the Board is very pleased to report an Operating Profit after a number of years of Operating Losses. After allowing for restated figures required by changed Accounting Standards there was an Operating Profit of £288,000 compared to an Operating Loss in the prior year of £148,000. After adjusting for exceptional items the Operating Profit increased from £21,000 to £426,000.

The increase in turnover from £15.6m to £18.4m is a combination of increases in our Distribution Division and Repack Divisions. This, in conjunction with strong cost control has led to a £0.51m increase in Gross Profit from £1.91m to £2.42m. The Gross Profit % has also increased from 12.2% to 13.2%.

Total administrative expenses (excluding exceptional items) have increased by £103,000 mainly due to investment in experienced management and IT to help lay the platform for further future growth.

A number of exceptional costs relating to the restructuring of the business and a dispute with a supplier were incurred during the year and details of these are given in the notes to the accounts.

As shown in the balance sheet, the Group's cash position has improved noticeably largely as a result of the stronger trading performance.

Looking forwards the Board consider that Chiltern is very well placed to offer further growth in 2016-17.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are aware of the risks that the Group faces from other UK competitors; however they are confident that the level of service, their knowledge of the industry and new contracts will ensure its profitable future. The Group's specific risks in connection with financial instruments are set out below.

The Group is exposed to various common financial risks arising in the normal course of business. The Group has used derivative financial instruments for trading purposes to hedge against fluctuations in interest in the past but there are no plans to currently. Any such transactions would require board approval. The Group's management policies and guidelines are summarised below:

(i) Foreign currency exchange risk

The functional currency is sterling. Exposure to any risk arising from movements in foreign currency exchange rates is minimal.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

STRATEGIC REPORT (continued)

(ii) Interest rate risk

The Group borrows from its bankers using invoice discounting facilities, term loans and overdrafts whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

(iii) Credit risk

The Group has no significant concentration of credit risk. Weekly credit control keeps on top of overdue debts and if a customer does not pay we have the option of refusing to release their stock, or sell it, to recoup any debts. Traditionally, the Group has not suffered with bad debts and have good relationships with all customers.

(iv) Liquidity and cashflow risk

The Group is currently using invoice discounting and overdraft facilities to service its day to day finance needs. The Group manages its use of this facility to ensure it has sufficient levels of cash to meet its working capital requirements.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group uses Key Performance Indicators ('KPIs') to provide a well balanced and comprehensive review of the Group's overall performance. KPIs are monitored in a number of financial areas. Financial KPIs include sales, gross profit margin, and the cash position.

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

Mr P A Jackson
Director

Date:

14/07/16

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

The directors present their report and the financial statements for the year ended 29 February 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £12,946 (2015 - loss £27,274).

No dividends have been proposed or paid during the current or previous year.

DIRECTORS

The directors who served during the year were:

Mr P A Jackson
Mr J S Davidson
Mr R D Payne

MATTERS COVERED IN THE STRATEGIC REPORT

Details concerning principal activity, business review and future developments, the Group's financial risk management objectives and policies and key performance indicators (KPIs) can be found in the Strategic report.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2016

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 and the Group's auditors are 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 relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



Mr P A Jackson
Director

Date: 14/07/16

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

We have audited the financial statements of Chiltern Cold Storage Group Holdings Limited and its Subsidiaries for the year ended 29 February 2016, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Directors' responsibilities statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 29 February 2016 and of the Group's loss 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.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

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.

MHA MacIntyre Hudson

Ian Jacobs (FCA) (Senior statutory auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
8-12 Priestgate
Peterborough
PE1 1JA
Date: 14/7/16

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	Note	2016 £	2015 £
Turnover		18,372,318	15,614,840
Cost of sales		(15,954,419)	(13,705,004)
Gross profit		2,417,899	1,909,836
Administrative expenses		(1,999,047)	(1,895,745)
Other operating income		7,552	7,102
Exceptional items		(138,539)	(169,530)
Operating profit/(loss)		287,865	(148,337)
Interest receivable and similar income	9	-	508,409
Interest payable and expenses	10	(284,464)	(327,957)
Profit before taxation		3,401	32,115
Tax on profit	11	(16,347)	(59,389)
Loss for the year		(12,946)	(27,274)
Total comprehensive income (expenditure) for the year		(12,946)	(27,274)

All amounts relate to continuing activities.


The notes on pages 14 to 40 form part of these financial statements.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES
REGISTERED NUMBER:05771015

CONSOLIDATED BALANCE SHEET
AS AT 29 FEBRUARY 2016

	Note	29 February 2016 £	(as restated) 28 February 2015 £
Fixed assets			
Intangible assets	14	181,918	200,110
Tangible assets	15	4,908,795	5,219,981
		<u>5,090,713</u>	<u>5,420,091</u>
Current assets			
Stocks	17	139,511	153,961
Debtors: amounts falling due within one year	18	3,777,294	3,727,335
Cash at bank and in hand	19	318,078	-
		<u>4,234,883</u>	<u>3,881,296</u>
Creditors: amounts falling due within one year	20	(4,973,827)	(4,945,449)
Net current liabilities		<u>(738,944)</u>	<u>(1,064,153)</u>
Total assets less current liabilities		<u>4,351,769</u>	<u>4,355,938</u>
Creditors: amounts falling due after more than one year	21	(3,375,612)	(3,368,782)
Provisions for liabilities			
Deferred taxation		(128,438)	(126,491)
Net assets		<u>847,719</u>	<u>860,665</u>
Capital and reserves			
Called up share capital	26	213	213
Share premium account	27	752,867	752,867
Profit and loss account	27	94,639	107,585
Equity attributable to owners of the parent Company		<u>847,719</u>	<u>860,665</u>

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


Mr P A Jackson
 Director

Date: 14/07/16

The notes on pages 14 to 40 form part of these financial statements.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES
REGISTERED NUMBER:05771015

COMPANY BALANCE SHEET
AS AT 29 FEBRUARY 2016

	Note	29 February 2016 £	28 February 2015 £
Fixed assets			
Investments	16	<u>424,359</u>	<u>424,359</u>
		424,359	424,359
Current assets			
Debtors: amounts falling due within one year	18	<u>329,420</u>	<u>329,420</u>
		329,420	329,420
Creditors: amounts falling due within one year	20	<u>(699)</u>	<u>(699)</u>
Net current assets		328,721	328,721
Total assets less current liabilities		753,080	753,080
Net assets		<u>753,080</u>	<u>753,080</u>
Capital and reserves			
Called up share capital	26	213	213
Share premium account	27	<u>752,867</u>	<u>752,867</u>
		<u>753,080</u>	<u>753,080</u>

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


Mr P A Jackson
 Director

Date: 

14/07/16

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 29 FEBRUARY 2016**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 March 2015 (as previously stated)	213	752,867	179,886	932,966
Prior year adjustment (note 28)	-	-	(72,301)	(72,301)
At 1 March 2015 (as restated)	213	752,867	107,585	860,665
Comprehensive income for the year				
Loss for the year	-	-	(12,946)	(12,946)
Total comprehensive income for the year	-	-	(12,946)	(12,946)
At 29 February 2016	213	752,867	94,639	847,719

AS AT 28 FEBRUARY 2015

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 March 2014 (as previously stated)	213	752,867	207,160	960,240
Prior year adjustment (note 28)	-	-	(72,301)	(72,301)
At 1 March 2014 (as restated)	213	752,867	134,859	887,939
Comprehensive income for the year				
Loss for the year	-	-	(27,274)	(27,274)
Total comprehensive income for the year	-	-	(27,274)	(27,274)
At 28 February 2015	213	752,867	107,585	860,665

The notes on pages 14 to 40 form part of these financial statements.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 29 FEBRUARY 2016**

	Share capital £	Share premium £	Total equity £
At 1 March 2015	213	752,867	753,080
Total comprehensive income for the year	-	-	-
At 29 February 2016	<u>213</u>	<u>752,867</u>	<u>753,080</u>

AS AT 28 FEBRUARY 2015

	Share capital £	Share premium £	Total equity £
At 1 March 2014	213	752,867	753,080
Total comprehensive income for the year	-	-	-
At 28 February 2015	<u>213</u>	<u>752,867</u>	<u>753,080</u>

The notes on pages 14 to 40 form part of these financial statements.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

	29 February 2016 £	28 February 2015 £
Cash flows from operating activities		
Profit for the financial year	(12,946)	(27,274)
Adjustments for:		
Amortisation of intangible assets	18,192	18,192
Depreciation of tangible assets	469,147	558,806
Impairments of fixed assets	74,435	-
Loss on disposal of tangible assets	-	(23,894)
Increase in stocks	14,450	(21,198)
Interest payable	284,464	327,957
Interest receivable and similar income	(14,194)	(508,409)
Taxation	16,347	59,389
Increase in debtors	(371,759)	(334,592)
Increase in creditors	(53,883)	523,002
Corporation tax paid	(12,227)	(4,225)
Net cash generated from operating activities	412,026	567,754
Cash flows from investing activities		
Purchase of tangible fixed assets	(49,389)	(147,209)
Sale of tangible fixed assets	-	93,667
Interest rate SWAP compensation received	360,624	-
Net cash from investing activities	311,235	(53,542)
Cash flows from financing activities		
Repayment of loans	(87,345)	(255,206)
Other new loans	100,000	-
Repayment of finance leases	(268,680)	(374,630)
Movements on invoice discounting	376,660	210,188
Interest paid	(262,078)	(264,503)
Hire purchase interest paid	(25,006)	(63,454)
Net cash used in financing activities	(166,449)	(747,605)
Net increase / (decrease) in cash and cash equivalents	556,812	(233,393)
Cash and cash equivalents at beginning of year	(238,734)	(5,341)
Cash and cash equivalents at the end of year	318,078	(238,734)

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

Cash and cash equivalents at the end of year comprise:

Cash at bank and in hand	318,078	-
Bank overdrafts	-	(238,734)
	318,078	(238,734)

The notes on pages 14 to 40 form part of these financial statements.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

Chiltern Cold Storage Group Holdings Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given in the company information. The nature of the Group's operations and its principal activities are set out in the Strategic report on page 1.

The financial statements have been prepared under the historical cost convention modified to include certain financial assets and liabilities at fair value and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact first-time adoption of FRS 102 is given in note 33.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see note 2).

Accounting policies have been applied consistently throughout the year and to the preceding year. Areas where prior year adjustments have been made to previous accounting policies and the effect of those changes on the financial statements are set out in note 28.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 March 2014.

1.3 Going concern

The financial statements have been prepared on a going concern basis.

After making appropriate enquiries, the directors have formed a judgment, at the time of approving the financial statements, that the Group can have reasonable expectation that adequate resources will be available for it to continue its operations for the foreseeable future. In forming this judgement, the directors have prepared projections, reviewed contingency planning, in respect of the sufficiency of banking facilities and forecast compliance with Group banking covenants.

On the basis of those forecasts and the facilities that are available the directors consider that the Group will operate within their agreed facilities and consequently consider it is appropriate to prepare the financial statements on a going concern basis.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. ACCOUNTING POLICIES (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Storage and equipment maintenance sales

Revenue is recognised over the period of time that the service is provided.

Distribution sales

Revenue is recognised when goods are delivered to the destination.

Repack sales

Revenue is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to profit or loss over its remaining useful economic life, which is considered to be 10 years from the date of transition to FRS 102 on 1 March 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost or valuation of assets less their residual value, other than freehold land, over their estimated useful lives on the following basis:

Long leasehold property	-	2% per annum straight line
Short leasehold property	-	period of the lease
Plant and machinery	-	15% per annum straight line
Motor vehicles	-	25% per annum reducing balance
Fixtures and fittings	-	33.3% per annum straight line
Office equipment	-	15% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. The directors when reviewing the estimated life of the Group's leasehold property in the year considered that it had a remaining useful life of 50 years and should be depreciated accordingly; previously the property was depreciated over 25 years. The effect of this change in the properties useful life has been to reduce the depreciation charge for the current financial year by £96,142.

Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

An impairment charge of £74,435 has been made in the financial statements to write down the carrying values of delivery vehicles included in fixed assets to their estimated realisable value.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.11 Stocks

Finished goods stocks and goods for resale are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Consumables stock is stated at cost. Cost is based on the cost of purchase on a first in, first out basis.

At each Balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The Group in the current financial year has entered into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks, loans from other third parties and loans to related parties. It also has in the past entered into derivatives such as interest swap contracts.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.14 Creditors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

1. ACCOUNTING POLICIES (continued)

1.15 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.16 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.18 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated balance sheet.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

1. ACCOUNTING POLICIES (continued)

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax and is recognised in the Consolidated statement of comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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

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

1.20 Exceptional items

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

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgements (apart from those involving estimates for depreciation and amortisation, doubtful debt provisions and deferred income estimates) that have had a significant effect on amounts recognised in the financial statements.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Storage sales	6,078,875	6,311,265
Distribution sales	9,935,684	7,808,784
Repack sales	2,238,137	1,384,723
Equipment maintenance sales	119,622	110,069
	<u>18,372,318</u>	<u>15,614,841</u>

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2016 £	2015 £
Sundry income	7,552	7,102
	<u>7,552</u>	<u>7,102</u>

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

5. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	469,146	558,806
Impairment of tangible fixed assets	74,435	-
Amortisation of intangible assets, including goodwill	18,192	18,192
Auditor's remuneration	23,500	21,960
Auditor's remuneration - non audit services	12,831	40,681
Difference on foreign exchange	7,776	(2,083)
(Profit) on disposal of fixed assets	-	(23,894)
Operating lease costs: Plant and machinery	469,177	335,450
Operating lease costs: Land and buildings	680,072	357,491
Operating lease costs: Other	1,253,740	1,054,757
Exceptional costs (note 12)	138,539	169,530
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Group's auditor in respect of:		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	23,500	21,960
	<u>23,500</u>	<u>21,960</u>
Fees payable to the Group's auditor in respect of:		
Tax compliance and advisory services	2,200	2,450
Other services	10,631	38,231
	<u>12,831</u>	<u>40,681</u>

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	5,018,645	4,507,672
Social security costs	477,220	398,399
Other pension costs	56,646	9,078
	<u>5,552,511</u>	<u>4,915,149</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Storage and repack operation	123	111
Distribution	77	67
Administration	15	13
Security	2	4
Directors	2	3
	<u>219</u>	<u>198</u>

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	166,418	149,376
	<u>166,418</u>	<u>149,376</u>

9. INTEREST RECEIVABLE

	2016 £	2015 £
Exceptional income arising from financial products mis-selling review net of related costs	-	286,945
Fair value movements on derivative financial instruments (note 33)	-	208,504
Other interest receivable	-	12,960
	<u>-</u>	<u>508,409</u>

The exceptional income relates to compensation awarded to the Group in relation to interest rate SWAP mis-selling by a bank. The income is stated net of related advisory costs.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

10. INTEREST PAYABLE

	2016 £	2015 £
On bank loans and overdrafts	152,637	200,330
On finance leases and hire purchase contracts	25,006	63,454
Other interest payable	106,821	64,173
	<u>284,464</u>	<u>327,957</u>

11. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	14,400	-
Adjustments in respect of previous periods	-	(341)
Total current tax	<u>14,400</u>	<u>(341)</u>
Deferred tax		
Origination and reversal of timing differences	16,217	59,730
Changes to tax rates	(14,270)	-
Total deferred tax	<u>1,947</u>	<u>59,730</u>
Taxation on profit on ordinary activities	<u>16,347</u>	<u>59,389</u>

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

11. TAXATION (continued)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 21.17%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>3,401</u>	<u>32,114</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21.17%)	680	6,799
Effects of:		
Non-tax deductible amortisation of goodwill	3,639	3,851
Non deductible expenses	4,333	7,154
Fixed asset differences	21,092	46,387
Adjustments to tax charge in respect of prior periods	-	(341)
Other timing differences leading to an increase (decrease) in taxation	873	(4,461)
Adjustments to rate used for deferred tax	<u>(14,270)</u>	<u>-</u>
Total tax charge for the year	<u>16,347</u>	<u>59,389</u>

12. EXCEPTIONAL ITEMS

	2016 £	2015 £
Abortive computer information technology system implementation expenses	100,041	53,350
Restructuring costs	-	116,180
Non recurring staff and other costs-->	38,498	-
	<u>138,539</u>	<u>169,530</u>

Abortive computer information system implementation expenses includes initial implementation costs and subsequent supplier compensation payments.

Restructuring costs relates to the costs of interim staff replacements and related expenses following changes to the Groups senior management team during the previous year.

13. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £Nil (2015 - £NIL).

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

14. INTANGIBLE ASSETS

Group

	Goodwill £
Cost	
At 1 March 2015	363,838
At 29 February 2016	363,838
Amortisation	
At 1 March 2015	163,728
Charge for the year	18,192
At 29 February 2016	181,920
Net book value	
At 29 February 2016	181,918
AT 28 February 2015	200,110

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

15. TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION						
At 1 March 2015	5,505,762	1,290,987	1,074,322	320,118	16,663	8,207,852
Additions	7,195	43,333	179,305	2,562	-	232,395
Disposals	-	(399,702)	(151,811)	(190,979)	(10,665)	(753,157)
At 29 February 2016	5,512,957	934,618	1,101,816	131,701	5,998	7,687,090
DEPRECIATION						
At 1 March 2015	1,506,248	654,570	556,435	258,113	12,505	2,987,871
Charge owned for the period	136,184	98,768	36,436	9,944	942	282,274
Charge financed for the period	-	48,679	125,601	12,592	-	186,872
Disposals	-	(399,702)	(151,811)	(190,979)	(10,665)	(753,157)
Impairment charge	-	-	74,435	-	-	74,435
At 29 February 2016	1,642,432	402,315	641,096	89,670	2,782	2,778,295
NET BOOK VALUE						
At 29 February 2016	3,870,525	532,303	460,720	42,031	3,216	4,908,795
At 28 February 2015	3,999,514	636,417	517,887	62,005	4,158	5,219,981

The impairment charge of £74,435 represents an additional charge to write down delivery vehicles carrying values to their estimated relisable value.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	29 February 2016 £	28 February 2015 £
Plant and machinery	215,349	264,028
Motor vehicles	400,695	453,740
Furniture, fittings and equipment	27,628	42,648
	<u>643,672</u>	<u>760,416</u>

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

16. FIXED ASSET INVESTMENTS**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Chiltern Cold Storage Group Limited	England	Ordinary A, B, C and D	100 %	Storage and distribution of products including chilled and frozen products.

Company**Investments
in
subsidiary
companies
£****Cost**

At 1 March 2015

424,359

At 29 February 2016

424,359

Net book value

At 29 February 2016

424,359

At 28 February 2015

424,359

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

17. STOCKS

	Group 29 February 2016 £	Group (as restated) 28 February 2015 £	Company 29 February 2016 £	Company (as restated) 28 February 2015 £
Consumables stock	43,738	80,862	-	-
Finished goods and goods for resale	95,773	73,099	-	-
	139,511	153,961	-	-

Finished goods and goods for resale recognised in cost of sales during the year as an expense was £1,727,606 (2015: £1,223,693).

18. DEBTORS

	Group 29 February 2016 £	Group (as restated) 28 February 2015 £	Company 29 February 2016 £	Company (as restated) 28 February 2015 £
Trade debtors	2,915,664	2,476,412	-	-
Amounts owed by group undertakings	-	-	329,420	329,420
Other debtors	618,516	976,627	-	-
Prepayments and accrued income	243,114	274,296	-	-
	3,777,294	3,727,335	329,420	329,420

Included within trade debtors above are debtors amounting to £2,915,664 (2015: £2,476,412) that have been discounted with full recourse. The amount of monies received against those debtors is included within creditors falling due within one year.

An impairment loss of £18,827 (2015: £12,051) was recognised against trade debtors.

19. CASH AND CASH EQUIVALENTS

	Group 29 February 2016 £	Group (as restated) 28 February 2015 £	Company 29 February 2016 £	Company (as restated) 28 February 2015 £
Cash at bank and in hand	318,078	-	-	-
Less: bank overdrafts	-	(238,734)	-	-
	318,078	(238,734)	-	-

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

20. CREDITORS: Amounts falling due within one year

	Group	Group	Company	Company
	29 February	(as restated)	29 February	(as restated)
	2016	28 February	2016	28 February
	£	£	£	£
Bank overdrafts	-	238,734	-	-
Bank loans	59,028	225,067	-	-
Other loans	100,000	-	-	-
Trade creditors	1,402,238	1,521,137	-	-
Corporation tax	14,400	12,227	-	-
Other taxation and social security	706,335	505,597	-	-
Net obligations under finance lease and hire purchase contracts	255,551	247,350	-	-
Invoice discounting loan	2,070,266	1,693,606	-	-
Other creditors	13,868	49,748	699	699
Accruals and deferred income	352,141	451,983	-	-
	4,973,827	4,945,449	699	699

The invoice discounting loan amounting to £2,070,266 (2015: £1,693,606) at the Balance sheet date is secured over the trade debtors of the Group (see note 18).

The bank loans amounting to £59,028 (2015: £225,067) at the Balance sheet date are secured by a fixed charge against the Group's leasehold property and by way of a fixed and floating charge over the Group's assets.

The hire purchase agreements amounting to £255,551 (2015: £247,350) at the Balance sheet date are secured on the assets concerned.

The other loan is an unsecured short term loan which is repayable in equal instalments of £10,000 during the next financial year and bears interest at 10%.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

21. CREDITORS: Amounts falling due after more than one year

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Bank loans	3,058,472	2,957,768	-	-
Net obligations under finance leases and hire purchase contracts	317,140	411,014	-	-
	<u>3,375,612</u>	<u>3,368,782</u>	<u>-</u>	<u>-</u>

The bank loans repayable after one year amounting to £3,058,472 (2015: £2,957,768) at the Balance sheet date are secured by a fixed charge against the Group's leasehold property and by way of a fixed and floating charge over the Group's assets.

The bank loans at the year end bear interest at 2.75% above the base rate. The loans in place at the previous year end, which were replaced with a new loan facility during the year, bore interest at both fixed and variable rates ranging between 5.24% fixed and 3.6% above base.

The hire purchase agreements amounting to £317,140 (2015: £411,014) are secured on the assets concerned.

22. LOANS

Analysis of the maturity of loans is given below:

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Within one year				
Bank loans	59,028	225,067	-	-
Other loans	100,000	-	-	-
	<u>159,028</u>	<u>225,067</u>	<u>-</u>	<u>-</u>
Between one and two years				
Bank loans	165,690	199,139	-	-
	<u>165,690</u>	<u>199,139</u>	<u>-</u>	<u>-</u>
Between two and five years				
Bank loans	530,591	622,031	-	-
	<u>530,591</u>	<u>622,031</u>	<u>-</u>	<u>-</u>
More than five years				
Bank loans	2,362,191	2,136,598	-	-
	<u>2,362,191</u>	<u>2,136,598</u>	<u>-</u>	<u>-</u>

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

23. HIRE PURCHASE & FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Within one year	255,551	247,350	-	-
Between one and five years	317,140	411,014	-	-
	<u>572,691</u>	<u>658,364</u>	<u>-</u>	<u>-</u>

24. FINANCIAL INSTRUMENTS

	Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	3,534,180	3,453,039	329,420	329,420
	<u>3,534,180</u>	<u>3,453,039</u>	<u>329,420</u>	<u>329,420</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(7,628,705)	(7,796,407)	(699)	(699)
	<u>(7,628,705)</u>	<u>(7,796,407)</u>	<u>(699)</u>	<u>(699)</u>

Financial assets measured at amortised cost for the Group comprise the following items:

- Trade debtors
- Other debtors

Financial assets measured at amortised cost for the Company comprise the following items:

- Amounts owed from group undertakings

Financial Liabilities measured at amortised cost for the Group comprise the following items:

- Bank overdrafts
- Bank loans
- Other loans
- Trade creditors
- Net obligations under finance lease and hire purchase contracts
- Invoice discounting loan
- Other creditors
- Accruals

Financial Liabilities measured at amortised cost for the Company comprise the following items:

- Other creditors

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

25. DEFERRED TAXATION

Group

	(as restated) Deferred tax £
At 1 March 2015	126,491
Charged to the profit or loss	1,947
AT 29 FEBRUARY 2016	128,438

	Group 29 February 2016 £	Group (as restated) 28 February 2015 £
Accelerated capital allowances	130,485	169,517
Tax losses carried forward	-	(43,026)
Short term timing differences	2,047	-
	128,438	126,491

26. SHARE CAPITAL

	29 February 2016 £	28 February 2015 £
Allotted, called up and fully paid		
11,723 Ordinary A shares of £0.01 each	117	117
6,394 Ordinary B shares of £0.01 each	64	64
1,066 Ordinary C shares of £0.01 each	11	11
2,132 Ordinary D shares of £0.01 each	21	21
	213	213

All classes of ordinary shares rank pari passu.

Each ordinary share has equal voting and distribution rights, including repayment of capital in the event of winding up.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

27. RESERVES

Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Retained earnings

The retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

28. PRIOR YEAR ADJUSTMENT

The Group has changed its accounting policy in two areas in the year to improve the match between income and expenses; comparatives have been restated accordingly. The areas are:

- To write off pallets used for transporting goods to third parties as an expense when they are acquired rather than recognising an estimate for this element of total pallet stock; and
- To defer a proportion of total income charged for receipt, handling and despatch of goods to meet the costs of despatch rather than recognising the income when invoiced.

The effect on the Balance sheet at 1 March 2014 and 28 February 2015 is as follows, the changes in policy had no effect on previously reported profits for either the previous or current financial year.

	Balance sheets 2016 £
Reduction in stock for pallet write off	40,376
Increase in accruals for deferred income	50,000
Reduction in Deferred tax provision	(18,075)
Net effect on retained earnings at 1 March 2014 and 28 February 2015	72,301

Comparatives in the Consolidated statement of comprehensive income have been restated to include rates expenditure of £323,159 in administration expenses rather than cost of sales as they are fixed establishment costs. Administration expenses have been increased and costs of sales reduced accordingly for the previous year.

29. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £56,646 (2015: £9,078).

As at the Balance sheet date there were outstanding contributions payable to the fund totalling £11,378 (2015: £nil). The balance is included in other creditors falling due within one year.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

30. COMMITMENTS UNDER OPERATING LEASES

At 29 February 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 February 2016 £	Group 28 February 2015 £		Group 29 February 2016 £	Group 28 February 2015 £	Company 29 February 2016 £	Company 28 February 2015 £
Land and buildings							
Within one year	622,522	622,522					
Between one and five years	1,019,452	1,527,474					
More than five years	6,173,458	6,287,958					
TOTAL	7,815,432	8,437,954					
Other							
Within one year	1,116,405	555,006	-	-			
Between one and five years	1,290,924	524,865	-	-			
More than five years	3,028	1,652	-	-			
TOTAL	2,410,357	1,081,523	-	-			

31. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

At the Balance sheet date two directors, Mr P A Jackson and Mr J S Davidson owed the Group £411,055 (2015: £396,622) and £29,415 (2015: £28,965) respectively. Advances in the year to Mr P A Jackson and Mr J S Davidson totalled £14,433 (2015: £36,009) and £450 (2015: £474) respectively, whilst Mr P A Jackson repaid £nil (2015: £536). No interest has been charged in relation to these balances, in the prior year interest was charged amounting to £12,050 for Mr P A Jackson and £910 for Mr J S Davidson. The balances at the year end are included within other debtors.

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

32. RELATED PARTY TRANSACTIONS

In the directors' opinion the ultimate controlling party is Mr P A Jackson, a director and the majority shareholder.

The total remuneration for key management personnel for the year, including directors, totalled £372,064 (2015: £281,807).

H E Payne (Transport) Executive Pension Fund is a shareholder of the Company. During the year the Group purchased services from H E Payne (Transport) Limited, which is related to the pension fund, totalling £17,295 (2015: £20,700). These transactions were under normal commercial terms. At the Balance sheet date, the Group owed H E Payne (Transport) Limited £2,622 (2015: £6,786). This amount is included in trade creditors. During the year sales totalling £31,103 (2015: £19,154) were made to H E Payne (Transport) Limited. At the Balance sheet date the Group was owed £4,300 (2015: £6,742). This amount is included in trade debtors.

**CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

33. FIRST TIME ADOPTION OF FRS 102

Group

		As previously stated 1 March 2014 £	Effect of transition 1 March 2014 £	FRS 102 (as restated) 1 March 2014 £	As previously stated 28 February 2015 £	Effect of transition 28 February 2015 £	FRS 102 (as restated) 28 February 2015 £
	Note						
Fixed assets		5,732,337	-	5,732,337	5,420,091	-	5,420,091
Current assets		3,220,951	-	3,220,951	3,881,296	-	3,881,296
Creditors: amounts falling due within one year	1	(4,076,289)	(208,504)	(4,284,793)	(4,945,449)	-	(4,945,449)
Net current liabilities		(855,338)	(208,504)	(1,063,842)	(1,064,153)	-	(1,064,153)
Total assets less current liabilities		4,876,999	(208,504)	4,668,495	4,355,938	-	4,355,938
Creditors: amounts falling due after more than one year		(3,713,795)	-	(3,713,795)	(3,368,782)	-	(3,368,782)
Provisions for liabilities	2	(108,462)	41,701	(66,761)	(126,491)	-	(126,491)
Net assets		1,054,742	(166,803)	887,939	860,665	-	860,665
Capital and reserves		1,054,742	(166,803)	887,939	860,665	-	860,665

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

33. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 28 February 2015 £	Effect of transition 28 February 2015 £	FRS 102 (as restated) 28 February 2015 £
Turnover		15,614,840	-	15,614,840
Cost of sales		(13,705,004)	-	(13,705,004)
		1,909,836	-	1,909,836
Administrative expenses		(1,895,745)	-	(1,895,745)
Other operating income		7,102	-	7,102
Exceptional items		(169,530)	-	(169,530)
Operating profit		(148,337)	-	(148,337)
Interest receivable and similar income	1	299,905	208,504	508,409
Interest payable and similar charges		(327,957)	-	(327,957)
Taxation	2	(17,688)	(41,701)	(59,389)
Loss on ordinary activities after taxation and for the financial year		(194,077)	166,803	(27,274)

Explanation of changes to previously reported profit and equity:

- 1 Interest rate swap derivative contracts are now recognised at fair value at the end of the year with changes in fair value recognised in profit or loss. Previously interest swap contracts were not recognised in the balance sheet. A liability of £208,504 was made for the fair value of the interest rate swaps at 1 March 2014. There has been no fair value attributed to the interest rate swap at 28 February 2015 as the Group was awarded compensation for product mis-selling in that year and the relevant contract was then cancelled before it matured. Hence the full £208,504 was released to the statement of comprehensive income in the year to 28 February 2015.
- 2 The deferred tax provision at 1 March 2014 has been reduced by £41,701 to recognise the deferred tax asset arising on the fair value adjustment for the interest rate swap contract.

**CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND
ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2016

33. FIRST TIME ADOPTION OF FRS 102 (continued)

Company

	As previously stated 1 March 2014 £	Effect of transition 1 March 2014 £	FRS 102 (as restated) 1 March 2014 £	As previously stated 28 February 2015 £	Effect of transition 28 February 2015 £	FRS 102 (as restated) 28 February 2015 £
Note						
Fixed assets	424,359	-	424,359	424,359	-	424,359
Current assets	329,420	-	329,420	329,420	-	329,420
Creditors: amounts falling due within one year	(699)	-	(699)	(699)	-	(699)
Net current assets	328,721	-	328,721	328,721	-	328,721
Total assets less current liabilities	753,080	-	753,080	753,080	-	753,080
Net assets	753,080	-	753,080	753,080	-	753,080
Capital and reserves	753,080	-	753,080	753,080	-	753,080

CHILTERN COLD STORAGE GROUP HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2016

33. FIRST TIME ADOPTION OF FRS 102 (continued)

	As previously stated 28 February 2015 £	Effect of transition 28 February 2015 £	FRS 102 (as restated) 28 February 2015 £
Loss on ordinary activities after taxation and for the financial year			

Explanation of changes to previously reported profit and equity:

- 1 There are no changes to the Company's previously reported profit and equity due to the transition to FRS 102.