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L C SEWARD & SONS LIMITED

**Directors' Report and Financial Statements
Year Ended 31 December 2011**

TUESDAY



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DIRECTORS AND OTHER INFORMATION

Board of Directors at 28 June 2012

C N Martin
J Wirth
D Horgan
T Kenny
D O'Flynn

Solicitors

Pinsent Masons Solicitors
3 Colmore Circus
Birmingham B4 6BH

Secretary and Registered Office

J Wirth
Musgrave House
Widewater Place
Moorhall Road
Harefield
Middlesex UB9 6NS

Registered Number: 1103018

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Republic of Ireland

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Principal activities and review of the business

The company did not trade during the year

There were no movements in shareholders' funds of £1,285,000 during the year ended 31 December 2011

Profits and dividends

The company did not earn income during the year The directors do not recommend the payment of dividends

Post balance sheet events

There were no significant events affecting the company since the year-end

Political and charitable donations

No donations for charitable or political purposes were made during the year

Directors and secretary

The names of persons who are currently or were directors at any time during the year ended 31 December 2011 are set out below Except where indicated, they served as directors for the entire year

C N Martin

J Wirth

T Kenny

D Horgan (appointed 14 September 2011)

D O'Flynn (appointed 11 October 2011)

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

DIRECTORS' REPORT - continued

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 accepted accounting standards and Company law in the United Kingdom. Under Company law the directors must 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 period. In preparing those 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 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 company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

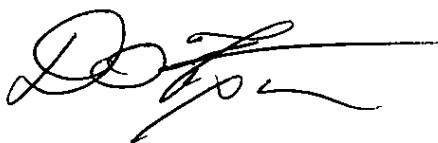
The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper 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 determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution concerning their re-appointment will be submitted to the Annual General Meeting.



On behalf of the board

D O'Flynn

28 June 2012



Independent auditors' report to the shareholders of L C Seward & Sons Limited

We have audited the financial statements of L C Seward & Sons Limited for the year ended 31 December 2011 on pages 7 to 10, which comprise the profit and loss account, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act, 2006, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 annual report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 December 2011 and of its result 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



Independent auditors' report to the shareholders of L C Seward & Sons Limited - continued


Opinion on other matters 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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Kevin Egan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Firm Audit
Dublin**

29 June 2012

PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Income		-	-
Expenditure		<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Result for the financial year		<u>-</u>	<u>-</u>

The company did not trade during the year. There were no recognised gains and losses other than those dealt with in the profit and loss account.

There were no movements in the profit and loss account during the year ended 31 December 2011.

The notes on pages 9 and 10 form part of these financial statements.

BALANCE SHEET
31 December 2011

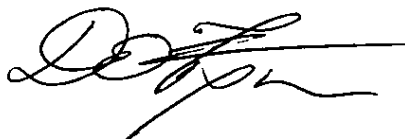
	Notes	2011 £'000	2010 £'000
Current assets			
Debtors	5	1,285	1,285
Creditors - Amounts falling due within one year		<u>-</u>	<u>-</u>
Net current assets		<u>1,285</u>	<u>1,285</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		<u>1,285</u>	<u>1,285</u>
Shareholders' funds		<u>1,285</u>	<u>1,285</u>

There were no movements in shareholders' funds during the year ended 31 December 2011

The notes on pages 9 and 10 form part of these financial statements

The financial statements on pages 7 to 10 were approved by the board of directors on 28 June 2012 and were signed on its behalf by

D O'Flynn



Company Registered Number 1103018

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The significant accounting policies adopted by the company are as follows

Basis of preparation

The financial statements have been prepared under the historical cost convention in pounds Sterling and in accordance with the Companies Act, 2006, and accepted accounting standards in the United Kingdom. Accounting standards generally accepted in the United Kingdom, in preparing financial statements giving a true and fair view, are those issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in England and Wales.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Corporation tax

Corporation tax is provided for at the standard rate applicable in the United Kingdom.

Financial assets and liabilities

Financial assets and liabilities are presented on a gross basis unless the company has the right to receive or pay a single net amount and intends to do so.

Cash flow statement

The company is a wholly owned subsidiary of Musgrave Group plc and its financial statements are included in the consolidated financial statements of Musgrave Group plc. Consequently, the company has availed of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

2 Scope of financial statements, ultimate parent undertaking and going concern

The financial statements have been prepared for the year ended 31 December 2011.

Budgens Stores Limited, incorporated in England and Wales, is the company's immediate parent undertaking and Musgrave Group plc, incorporated in the Republic of Ireland, is the ultimate parent undertaking. The company's financial statements reflect the effects of this relationship. Musgrave Group plc is the only company for which group financial statements are drawn up and of which the company is a member. The registered office of Musgrave Group plc is Musgrave House, Ballycurreen, Airport Road, Cork, Republic of Ireland.

Transactions with entities that are part of the group or investees of the group, qualifying as related parties, are not disclosed as the company is exempt from such disclosure under paragraph 3 (c) of FRS 8 - 'Related Party Disclosures'.

The directors, after making enquiries and taking into account the company's financial position, have a reasonable expectation that the company has adequate resources to enable it to continue to meet its obligations as they fall due for the foreseeable future.

3 Profit on ordinary activities before taxation	2011 £'000	2010 £'000
Profit on ordinary activities before taxation has been arrived at after charging		
Auditors' remuneration - audit	-	-
Auditors' remuneration - fees for non audit services	-	-
Directors' remuneration (note 7)	-	-

Auditors' remuneration was borne by Musgrave Retail Partners GB Limited

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Tax on profit on ordinary activities

No charge to corporation tax arises for the year. The tax charge for the year has been reduced by £11,000 (2010 £11,000) for losses surrendered by a group undertaking. No payment for the surrender of these losses is to be made by the company.

The company is liable to corporation tax on profits at the standard rate of corporation tax in the United Kingdom. With effect from 1 April 2011, the standard rate of corporation tax is 26 per cent, giving a weighted average rate of 26.5 per cent for the company for the year. The differences between the current tax charge for the year and the current charge that would result from applying the standard rate of corporation tax to the profit on ordinary activities are explained below.

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax for the year of 26.5 per cent (2010 28 per cent)	-	-
Effects of		
Transfer pricing adjustments	11	11
Utilisation of tax losses surrendered by group undertakings	(11)	(11)
Current tax charge for the year	-	-

A number of changes to the UK corporation tax system were introduced in Finance Act 2011 including a change in the UK main rate of corporation tax to 26%, effective from 1 April 2011. In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 22% from 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

5 Debtors

	2011 £'000	2010 £'000
Amounts due from group undertakings	1,285	1,285

Amounts due from fellow subsidiary undertakings are unsecured and have no fixed date of repayment.

6 Called up share capital

	2011 £'000	2010 £'000
Authorised		
5,000 ordinary shares of £1 each	5	5
Allotted and fully paid		
100 ordinary shares of £1 each - Total £100	-	-

7 Information regarding directors

The emoluments of company directors are paid by group undertakings and are not specifically recharged to the company. These directors are directors of a number of group and fellow subsidiary undertakings and it is not possible to make an accurate apportionment of their emoluments in respect of each of these subsidiaries.

8 Approval of financial statements

The directors approved the financial statements on 28 June 2012.