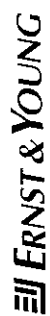


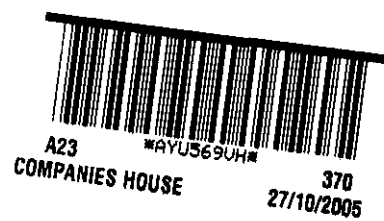
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ASDA GROUP LIMITED

Report and Financial Statements

31 December 2004

 ERNST & YOUNG



ASDA GROUP LIMITED

REGISTERED NUMBER : 1396513

DIRECTORS

A Bond
D J Dible
J B Menzer
H L Scott
D Smith
A Spindler
D Downie
J J McKenna
J Longworth
T Page (appointed 1 January 2005)
A De Nunzio (resigned 1 April 2005)
D Cheesewright (resigned 1 October 2004)

SECRETARY

J Longworth

AUDITORS

Ernst & Young LLP
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

REGISTERED OFFICE

Asda House
Southbank
Great Wilson Street
Leeds
LS11 5AD

REGISTRARS

Lloyds TSB Registrars
54 Pershore Road
South Birmingham
B30 3EP

BANKERS

National Westminster Bank plc
Leeds City Office
8 Park Row
Leeds
LS1 1QS

ASDA GROUP LIMITED

DIRECTORS' REPORT

The directors present their report, together with the financial statements of the group, for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group are the operation of food, clothing, home and leisure superstores throughout Great Britain and property development. The directors are optimistic that the business will continue to grow in the foreseeable future.

GROUP PROFIT AND DIVIDENDS

Group profit on ordinary activities before taxation for the year amounted to £638.3 million (31 December 2003 – £670.8 million). The directors do not recommend the payment of a dividend (31 December 2003 – dividend paid of £1,360.0 million - £0.43 per share).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year, at the year end and at the date of this report are shown on page 1. None of the directors have any interests in the share capital of the company.

The directors' shareholdings and share options are holdings and options in Wal-Mart Stores, Inc. As Wal-Mart Stores, Inc. is incorporated in the USA, disclosure of these interests is not required.

POLITICAL AND CHARITABLE DONATIONS

During the year, fundraising from colleagues and customers around the business, together with donations from Asda Foundation, was approximately £6.2 million (31 December 2003 - approximately £4.6 million). The company did not make any political donations in the year.

RESEARCH AND DEVELOPMENT

Essential to the company's success is the delivery of fresh, innovative, good value products, which are unique to Asda. Our buying teams, food technologists and marketers are continuously searching to improve the quality of the company's products and to develop new ideas, many of which are sold under the Asda Smartprice, Extra Special and George labels.

TRADING TERMS

The group deals with over sixteen thousand separate suppliers and has established trading terms which are appropriate to the particular relationship and product supplied. Whenever an order is placed the parties will be aware of the payment terms and it is the group's policy to abide by those terms.

DISABLED EMPLOYEES

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy wherever possible to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

ASDA GROUP LIMITED

DIRECTORS' REPORT

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has been continued through briefings on the Asda internal website. Employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees benefit directly in the success of the business through participation in the share option schemes.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board,

J McKenna
Director
9th June 2005



ASDA Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASDA GROUP LIMITED

We have audited the group's financial statements for the year ended 31 December 2004 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Reconciliation of Consolidated Shareholders' Funds, Note of Historical Cost Profits and Losses, Group and Company Balance Sheets and the related notes 1 to 23. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor

Leeds

13 June 2005

ASDA Group Limited

GROUP PROFIT AND LOSS ACCOUNT for the year ended 31 December 2004

		<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2003</i>
	<i>Notes</i>	<i>£m</i>	<i>£m</i>
SALES		15,438.0	14,432.7
Value added tax		(1,119.8)	(1,107.0)
TURNOVER	2	14,318.2	13,325.7
Operating costs	3	(13,632.7)	(12,670.4)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		685.5	655.3
Net interest (payable) / receivable	4	(47.2)	15.5
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		638.3	670.8
Taxation	5	(142.7)	(59.8)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		495.6	611.0
Dividends	6	-	(1,360.0)
RETAINED PROFIT / (LOSS) FOR THE FINANCIAL YEAR		495.6	(749.0)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2004

There are no other recognised gains and losses arising in the year other than the profit for the year ended 31 December 2004 of £495.6m (31 December 2003: loss of £749.0m).

ASDA Group Limited

RECONCILIATION OF SHAREHOLDERS' FUNDS for the year ended 31 December 2004

	<i>Year ended 31 December 2004 £m</i>	<i>Year ended 31 December 2003 £m</i>
Shareholders' funds at beginning of the year	3,309.4	4,058.4
Profit for the financial year	495.6	611.0
Dividends	-	(1,360.0)
Shareholders' funds at end of the year	<u>3,805.0</u>	<u>3,309.4</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

for the year ended 31 December 2004

	<i>31 December 2004 £m</i>	<i>31 December 2003 £m</i>
Reported profit on ordinary activities before taxation	638.3	670.8
Adjustment of depreciation to historical cost basis	(5.1)	(5.1)
Historical cost profit on ordinary activities before taxation	<u>633.2</u>	<u>665.7</u>
Historical cost retained profit/ (loss) after taxation and dividends	<u>490.5</u>	<u>(754.1)</u>

ASDA Group Limited

GROUP AND COMPANY BALANCE SHEETS

as at 31 December 2004

	Notes	Group		Company	
		31 December 2004	31 December 2003	31 December 2004	31 December 2003
		£m	£m	£m	£m
FIXED ASSETS					
Tangible assets	8	5,904.0	5,180.4	-	-
Investments	9	-	8.9	1,662.7	1,671.6
		5,904.0	5,189.3	1,662.7	1,671.6
CURRENT ASSETS					
Stocks	11	787.9	684.4	-	-
Debtors	12	578.0	144.1	3,239.0	2,269.0
Investments	13	313.0	767.0	313.0	767.0
Cash at bank and in hand		134.3	146.0	-	-
		1,813.2	1,741.5	3,552.0	3,036.0
CREDITORS: amounts falling due within one year					
Borrowings	16	(0.2)	(0.3)	-	-
Other creditors	14	(3,248.3)	(2,970.3)	(2,642.8)	(2,118.6)
		(3,248.5)	(2,970.6)	(2,642.8)	(2,118.6)
NET CURRENT (LIABILITIES)/ASSETS		(1,435.3)	(1,229.1)	909.2	917.4
TOTAL ASSETS LESS CURRENT LIABILITIES		4,468.7	3,960.2	2,571.9	2,589.0
CREDITORS: amounts falling due after more than one year					
Borrowings	16	(424.0)	(423.8)	(424.0)	(423.6)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(239.7)	(227.0)	-	-
NET ASSETS		3,805.0	3,309.4	2,147.9	2,165.4
CAPITAL AND RESERVES					
Called up share capital	18	783.9	783.9	783.9	783.9
Share premium account	20	568.4	568.4	568.4	568.4
Revaluation reserve	20	437.1	437.1	156.2	156.2
Profit and loss account	20	2,015.6	1,520.0	639.4	656.9
TOTAL EQUITY SHAREHOLDERS' FUNDS		3,805.0	3,309.4	2,147.9	2,165.4



J J Mckenna
Director
9th June 2005

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

1. ACCOUNTING POLICIES

ACCOUNTING BASIS

The financial statements are prepared on the going concern basis as the immediate holding company has agreed that it will continue to provide financial support to this group to enable it to meet its liabilities as they fall due.

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

In accordance with FRS1 no cash flow statement has been prepared as the company is a wholly owned subsidiary undertaking of Wal-Mart Stores, Inc. which produces a consolidated cash flow statement.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings together with the group's share of the profits less losses of associated undertakings, adjusted where appropriate to conform to group accounting policies for the year ended 31 December 2004.

TURNOVER

Turnover comprises the value of sales excluding value added tax and intra-group transactions.

TANGIBLE FIXED ASSETS

The group's tangible fixed assets are included in the balance sheet at cost less depreciation, with exception of its food retailing properties which have been included at valuation less depreciation and amounts written off. In accordance with the transitional provisions of FRS 15 the directors have elected to freeze all future revaluations. The revalued assets are deemed to be recorded at cost by virtue of the fair value exercise completed at the date of acquisition.

DEPRECIATION

The group's tangible fixed assets are depreciated over their estimated useful lives, on a straight line basis, as follows:

Freehold and long leasehold property	20 - 50 years
Short leasehold property	Over period of lease
Plant, fixtures and fittings	3 - 20 years

There is no depreciation on freehold land. The carrying values of tangible fixed assets are periodically reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

LEASED ASSETS

Assets held under finance leases are capitalised as tangible fixed assets and are included in borrowings at the cost of outright purchase. Rentals are apportioned between reductions in the capital obligations included in borrowings and those relating to finance charges, which are charged to the profit and loss account at a constant periodic rate of charge.

The capitalised cost of leased assets is written off over the shorter of their estimated useful lives or the lease terms. The costs of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

1. ACCOUNTING POLICIES (CONTINUED)

CAPITALISATION OF INTEREST

Interest costs relating to the financing of properties in the course of construction for trading occupation by the company or its subsidiary undertakings are capitalised gross (previously net of tax relief).

Interest costs incurred in funding land and construction work in progress in respect of property development projects are capitalised during the year of development. The interest rate applied is based on the average rate of general borrowings outstanding during a period. This was 8.2% during the year ended 31 December 2004 (31 December 2003 – 8.2%).

STOCKS

Stocks comprise goods held for resale and development properties and are valued at the lower of cost and net realisable value.

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;
- 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.

PENSIONS

The group operates a defined benefit pension scheme, which requires contributions to be made to separately administered funds. Contributions to these funds are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The regular cost is attributed to individual years using the projected unit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet.

The group operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

1. ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Investments in associated undertakings are dealt with under the equity method of accounting in the consolidated financial statements less amounts written off. In the company's financial statements investments in associated undertakings are stated at cost less amounts written off.

Short term investments are stated at the lower of cost and net realisable value. All income from these investments is included in the profit and loss account as interest receivable and similar income.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the period in which it is incurred.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

RESTATEMENT OF COMPARATIVES

Note 2 on turnover and segmental analysis has been restated to more accurately disclose the elements by class of business. Note 5 on taxation and note 17 on deferred taxation have been reclassified to give a fairer presentation of the 2003 tax reconciliation and deferred tax provision. The notes include more detailed analysis on the tax impact of pensions. Note 19 on financial commitments has also been restated in 2003 to give a fairer presentation.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover, which is attributable to continuing activities, comprises the value of sales excluding value added tax. Turnover is derived from the principal operations in the United Kingdom.

The group operates in two principal areas of activity, categorised as follows:

- ASDA - operation of food, clothing, home and leisure stores;
- Gazeley - property developments in the United Kingdom.

	<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2003 As restated</i>
	<i>£m</i>	<i>£m</i>
TURNOVER		
Retailing (ASDA) – operation of food, clothing, home and leisure stores	14,225.9	13,270.3
Property development (Gazeley) – development of properties	92.3	55.4
	<u>14,318.2</u>	<u>13,325.7</u>
OPERATING PROFIT		
Retailing (ASDA) – operation of food, clothing, home and leisure stores	670.3	638.4
Property development (Gazeley) – development of properties	15.2	16.9
	<u>685.5</u>	<u>655.3</u>
NET ASSETS		
Retailing (ASDA) – operation of food, clothing, home and leisure stores	3,781.4	2,841.3
Property development (Gazeley) – development of properties	134.6	125.2
	<u>3,916.0</u>	<u>2,966.5</u>
Unallocated net (liabilities) / assets	(111.0)	342.9
Total net assets	<u>3,805.0</u>	<u>3,309.4</u>

Unallocated net (liabilities) /assets comprise balances in respect of investments and borrowings.

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

3. OPERATING COSTS

Profit is stated after (charging)/crediting:

	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£m</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£m</i>
Change in stocks	103.5	41.4
Other operating income	12.5	202.1
Raw materials and consumables	(10,927.8)	(10,329.2)
Employment costs	(1,556.4)	(1,421.0)
Depreciation of tangible fixed assets	(227.1)	(218.8)
Loss on sale of tangible fixed assets	(1.8)	(19.5)
Other operating charges	(1,035.6)	(925.4)
	<u>(13,632.7)</u>	<u>(12,670.4)</u>

WITHIN OTHER OPERATING CHARGES

OPERATING LEASE CHARGES

land and buildings	61.3	62.0
plant and machinery	55.2	54.9
	<u>116.5</u>	<u>116.9</u>

AMOUNTS PAID TO AUDITORS

Fees charged to profit and loss account in respect of:

Audit fees	0.2	0.2
Non-audit fees	0.1	0.1
	<u>0.3</u>	<u>0.3</u>

EMPLOYMENT COSTS

Wages and salaries	1,420.9	1,300.7
Social security costs	90.3	79.6
Pension costs	45.2	40.7
	<u>1,556.4</u>	<u>1,421.0</u>

The average number of colleagues employed by the group during the year ended 31 December was:

	<i>Total</i>		<i>Full time equivalents</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>No.</i>	<i>No.</i>	<i>No.</i>	<i>No.</i>
ASDA	143,089	134,032	93,853	86,349
Gazeley	36	36	35	35
	<u>143,125</u>	<u>134,068</u>	<u>93,888</u>	<u>86,384</u>

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

4. NET INTEREST (PAYABLE) / RECEIVABLE

	<i>Year ended 31 December 2004 £m</i>	<i>Year ended 31 December 2003 £m</i>
Bonds	(33.3)	(34.9)
Interest capitalised	6.0	7.6
	<u>(27.3)</u>	<u>(27.3)</u>
Interest receivable and similar income	30.2	41.2
Intercompany interest (payable) / receivable	(50.1)	1.6
	<u>(47.2)</u>	<u>15.5</u>

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

5. TAXATION

The charge / (credit) to UK corporation tax for the year arises as follows:

	Year ended 31 December 2004	Year ended 31 December 2003 <i>As restated</i>
	£m	£m
CURRENT TAX		
UK corporation tax on profits for the year	114.2	109.8
Adjustments in respect of prior periods	(0.4)	(97.0)
TOTAL CURRENT TAX	<u>113.8</u>	<u>12.8</u>
DEFERRED TAX		
Origination and reversal of timing differences	29.7	31.2
Adjustments in respect of prior periods	(0.8)	15.8
TOTAL DEFERRED TAX (NOTE 17)	<u>28.9</u>	<u>47.0</u>
TAX CHARGE ON PROFITS ON ORDINARY ACTIVITIES	<u>142.7</u>	<u>59.8</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below.

PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	<u>638.3</u>	<u>670.8</u>
PROFIT ON ORDINARY ACTIVITIES MULTIPLIED BY THE STANDARD RATE OF UK CORPORATION TAX OF 30% (2003: 30%)	<u>191.5</u>	<u>201.2</u>
Effects of:		
Expenses not deductible for tax purposes	1.1	3.8
Non-qualifying depreciation	13.6	14.0
Accelerated capital allowances and other timing differences	(36.2)	(40.5)
Pensions contributions in excess of pensions charge	6.5	9.3
Profit on sale of non-qualifying fixed assets	(3.5)	0.0
Stock option provision (release) / increase	(2.0)	3.0
Non taxable income	(0.1)	(15.3)
Tax interest received	0.0	(1.8)
Losses surrendered from parent at nil consideration	(57.6)	(64.5)
Adjustments in respect of prior periods	(0.4)	(97.0)
Other	0.9	0.6
CURRENT TAX CHARGE FOR YEAR	<u>113.8</u>	<u>12.8</u>

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

6. DIVIDENDS

	<i>Year ended 31 December 2004 £m</i>	<i>Year ended 31 December 2003 £m</i>
Dividends paid - £nil per ordinary share (2003: £0.43 per ordinary share)	-	1,360

7. DIRECTORS' REMUNERATION

The total remuneration of the directors for each of the last two financial years are as follows:

	<i>Year ended 31 December 2004 £000</i>	<i>Year ended 31 December 2003 £000</i>
Total directors' remuneration excluding pension costs	5,213	4,101
	<i>No.</i>	<i>No.</i>
Number of directors who are members of the defined benefit scheme	9	9
Number of directors who exercised share options	4	5
Number of directors entitled to receive shares under long term incentive schemes	4	8

Amounts in respect of the highest paid director are as follows:

Total remuneration excluding pensions	915	871
Accumulated total accrued pension	77	36

The highest paid director exercised share options during the year and did not receive or become entitled to any shares from qualifying services under a long term incentive scheme. The remuneration of the directors listed below were in respect of their services to the Broadstreet Great Wilson Europe Group as a whole: A Bond; J J McKenna; D Smith; A Spindler; D Downie; J Longworth; T Page; A De Nunzio and D Cheesewright. It is not possible to allocate their remuneration to the companies within the group.

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

8. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Freehold properties £m</i>	<i>Leasehold properties £m</i>	<i>Plant, fixtures & fittings £m</i>	<i>Total £m</i>
COST OR VALUATION				
At 1 January 2004	4,334.7	589.6	1,398.1	6,322.4
Additions	594.8	7.9	244.7	847.4
Disposals	(63.7)	(2.7)	(80.1)	(146.5)
At 31 December 2004	4,865.8	594.8	1,562.7	7,023.3
COST OR VALUATION AT THE END OF THE YEAR IS REPRESENTED BY:				
Valuation	2,349.6	-	-	2,349.6
Cost	2,516.2	594.8	1,562.7	4,673.7
	4,865.8	594.8	1,562.7	7,023.3
DEPRECIATION				
At 1 January 2004	491.1	197.9	843.8	1,532.8
Charge for the year	63.5	15.1	148.5	227.1
Disposals	(19.3)	(2.2)	(64.0)	(85.5)
At 31 December 2004	535.3	210.8	928.3	1,674.4
Net book amounts at 31 December 2004	4,330.5	384.0	634.4	5,348.9
Assets under construction at 31 December 2004				555.1
NET BOOK VALUE AT 31 DECEMBER 2004				5,904.0
Net book amounts at 31 December 2003	3,843.6	391.7	554.3	4,789.6
Assets under construction at 31 December 2003				390.8
NET BOOK VALUE AT 31 DECEMBER 2003				5,180.4

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

8. TANGIBLE FIXED ASSETS (CONTINUED)

Food retailing properties were revalued at 1 June 1999 by External Valuers, Messrs G.L. Hearn and Partners, Chartered Surveyors. The open market valuations were carried out on the basis of "Existing Use Value" as defined in Practice Statement 4 of, and in accordance with, the RICS Appraisal and Valuation Manual (the New Red Book) published by the Royal Institute of Chartered Surveyors, with the exception of certain superstores which, in the opinion of the directors, have a limited future economic life in existing use. In respect of these properties, the directors have estimated their lower, alternative use value.

In accordance with the transitional provisions of FRS 15, the directors have elected to freeze all future revaluations and the revalued assets have not been restated to their historical cost.

The cumulative amount of capitalised interest included in the cost of fixed assets is £182.2 million (31 December 2003: £178.7 million). Details of interest capitalised during the year are given in note 4.

The historical cost of food retailing properties included at valuation is as follows:

	31 December 2004	31 December 2003
	£m	£m
Freehold properties	1,912.4	1,912.4

The net book amount of plant, fixtures and fittings for the group includes £nil (2003 - £nil) in respect of leased assets after charging depreciation of £nil (2003 - £nil).

The analysis of the net book value of leasehold properties is:

	31 December 2004	31 December 2003
	£m	£m
Leases with 50 years or more unexpired	307.7	309.5
Leases with less than 50 years unexpired	76.3	82.2
	384.0	391.7

Company

The company holds no tangible fixed assets.

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

9. FIXED ASSET INVESTMENTS

	<i>Group</i>		<i>Company</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Subsidiary undertakings (note 10)	-	-	1,662.7	1,662.7
Qualifying Employee Share Ownership Trust	-	8.9	-	8.9
	-	8.9	1,662.7	1,671.6

10. SUBSIDIARY UNDERTAKINGS

As at 31 December 2004, the following companies, being those whose results principally affect the financial position of the group, were subsidiary undertakings whose ordinary share capital was wholly owned, and which were registered in England and Wales and operating in the UK.

	<i>Principal activities</i>	<i>Holding Company</i>
ASDA Stores Limited	Retailing	ASDA Group Limited
Gazeley UK Limited	Property Development	Gazeley Limited
(formerly Gazeley Properties Limited)	(formerly Gazeley Holdings Limited)	
McLagan Investments Limited	Property Investment	ASDA Group Limited
The Burwood House Group Limited	Property Investment	McLagan Investments Limited

11. STOCKS

Group

	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>
	<i>£m</i>	<i>£m</i>
Goods held for resale	681.1	594.0
Development properties	106.8	90.4
	787.9	684.4

Company

The company held no stocks.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

12. DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Amounts owed by subsidiary undertakings	-	-	3,232.0	2,266.7
Amounts owed by group undertakings	428.2	32.2	-	-
Other debtors	107.4	74.4	7.0	-
Prepayments and accrued income	42.4	37.5	-	2.3
	<u>578.0</u>	<u>144.1</u>	<u>3,239.0</u>	<u>2,269.0</u>

13. INVESTMENTS

Investments held by the group are in short term instruments with approved counterparties.

<i>Group</i>	<i>Total</i>
	<i>£m</i>
At 1 January 2004	767.1
Disposals during the year	(454.1)
At 31 December 2004	<u>313.0</u>

Company

The company held no current asset investments.

14. OTHER CREDITORS: Amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Bank overdraft	-	-	1.2	-
Trade creditors	1,402.2	1,557.7	-	-
Amounts owed to subsidiary undertakings	-	-	2,619.9	2,092.7
Amounts owed to group undertakings	1355.0	936.0	-	-
Corporation tax	61.8	63.2	-	3.8
Other taxes and social security	26.8	23.9	-	-
Other creditors	120.5	97.2	-	0.3
Accruals	282.0	292.3	21.7	21.8
	<u>3,248.3</u>	<u>2,970.3</u>	<u>2,642.8</u>	<u>2,118.6</u>

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

15. PROVISIONS FOR LIABILITIES AND CHARGES

Group

	31 December 2004	31 December 2003
	£m	£m
Provisions	29.8	46.0
Deferred taxation (note 17)	209.9	181.0
	<u>239.7</u>	<u>227.0</u>

	Share contribution provision £m	Onerous lease provision £m	Total £m
At 1 January 2004	40.7	5.3	46.0
Utilised during the year	(14.9)	(1.3)	(16.2)
At 31 December 2004	<u>25.8</u>	<u>4.0</u>	<u>29.8</u>

The share contribution provision represents the provision required to fund the economic cost of the ASDA share schemes which were established to allow colleagues to own shares in the ultimate parent company. The onerous lease provision represents provisions for lease obligations arising from discontinued activities.

Company

The company has no provisions.

16. BORROWINGS

	Group	
	31 December 2004	31 December 2003
	£m	£m
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Obligations under finance leases	<u>0.2</u>	<u>0.3</u>

Company

The company has no borrowings due within one year.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

16. BORROWINGS (CONTINUED)

	<i>Group</i>		<i>Company</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
AMOUNTS REPAYABLE BETWEEN ONE AND TWO YEARS				
Obligations under finance leases	-	-	0.2	-
AMOUNTS REPAYABLE BETWEEN TWO AND FIVE YEARS				
Bonds due 2007 (a)	199.3	199.0	199.3	199.0
AMOUNTS REPAYABLE IN FIVE YEARS OR MORE				
Bonds due 2010 (b)	75.8	75.8	75.8	75.8
Bonds due 2015 (c)	148.9	148.8	148.9	148.8
	<u>424.0</u>	<u>423.8</u>	<u>424.0</u>	<u>423.6</u>

(a) On 24 April 1997, the company issued £200 million of unsecured 8 3/8 % bonds at 98.872% of nominal value redeemable at par on 24 April 2007 unless previously redeemed at the company's request.

(b) On 31 March 1989, the company issued £125 million of unsecured 10 7/8% bonds at 101.753% of nominal value redeemable at par on 20 April 2010, unless previously redeemed at the company's request, at the higher of par or a price calculated to provide a yield equal to that earned on 12% Exchequer Stock 2013/2017.

(c) On 17 July 1998, the company issued £150 million of unsecured 6 5/8% bonds at 99.441% of nominal value redeemable at par on 17 July 2015 unless previously redeemed at the company's request.

As at 31 December 2004 all gross borrowings were in sterling at fixed rates of interest.

The average interest rate of fixed rate debt is 8.2% for which the rate is fixed on average for 6 years.

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

17. DEFERRED TAXATION

Group

	31 December 2004	31 December 2003 <i>As restated</i>
	£m	£m
AMOUNT PROVIDED		
Accelerated capital allowances	190.0	164.9
Pension costs	15.8	7.5
Short term timing differences	4.1	8.6
	<u>209.9</u>	<u>181.0</u>

	<i>Total</i> £m
MOVEMENT IN DEFERRED TAX PROVISION	
At beginning of the year	181.0
Provision charged through the profit and loss account (note 5)	28.9
At end of the year	<u>209.9</u>

Deferred tax has been provided at 30%.

No provision has been made for deferred tax on potential capital gains which would arise as a consequence of the disposal of properties at revalued amounts as any capital gain should be covered by indexation allowance, rollover relief or capital losses. The group considers it impractical to quantify the amount of tax which would become payable if rollover relief was not available.

Corporation tax of £91.1m (2003: £91.1 million) has been deferred as a consequence of rollover relief claims made in respect of the disposal of certain fixed assets in prior periods.

The company has no deferred tax balances.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

18. CALLED UP SHARE CAPITAL

Group and company

Authorised

At 31 December 2003 and 31 December 2004

	<i>No.</i>	<i>£m</i>
Ordinary shares of 25p each	5,000,000,000	1,250.0

Allotted, called up and fully paid

At 31 December 2003 and 31 December 2004

	<i>No.</i>	<i>£m</i>
Ordinary shares of 25p each	3,135,704,692	783.9

19. FINANCIAL COMMITMENTS

Group

	<i>31 December 2004</i>	<i>31 December 2003 As restated</i>
	<i>£m</i>	<i>£m</i>
a) Group capital commitments		
Contracted for but not provided in the financial statements	60	131
b) Obligation under leases		

The annual commitments under non-cancellable operating leases, which relates primarily to land and buildings, is as follows:

	<i>31 December 2004</i>	<i>31 December 2003</i>
	<i>£m</i>	<i>£m</i>
Leases expiring:		
Within one year	0.8	1.7
Between two and five years	2.1	2.2
After five years	48.1	43.0
	51.0	46.9

Company

The company has no financial commitments.

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

20. RESERVES

<i>Group</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
At 1 January 2004	783.9	568.4	437.1	1,520.0	3,309.4
Retained profit for the year	-	-	-	495.6	495.6
At 31 December 2004	783.9	568.4	437.1	2,015.6	3,805.0
<i>Company</i>					
At 1 January 2004	783.9	568.4	156.2	656.9	2,165.4
Loss for the year	-	-	-	(17.5)	(17.5)
At 31 December 2004	783.9	568.4	156.2	639.4	2,147.9

In accordance with the exemptions given by Section 230 (3) of the Companies Act 1985 the company has not presented its own profit and loss account.

The loss for the financial year in the financial statements of the company was £17.5 million (31 December 2003: loss of £716.0 million).

The cumulative amount of goodwill written off to reserves in the group, pre 1 January 1989 is £114.5 million (31 December 2003: £114.5 million).

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS

The group operates a defined benefit pension scheme open to all full time and part time salaried colleagues and a defined contribution plan open to all hourly paid colleagues. These schemes provide a pension in addition to the basic state pension together with other benefits such as life assurance. There is also an unfunded final salary arrangement for salaried colleagues whose salary is in excess of the earnings cap.

The assets of the defined contribution plan are invested with the Prudential Life Assurance Company whilst the assets of the defined benefit pension scheme are placed by the trustees under the management of professional fund managers. The assets of these schemes are held separate from the group's assets.

The trustees of these schemes have been selected to represent the wide range of members and consist of eight colleagues (nine for the defined contribution plan) performing a range of roles in stores, depots and ASDA House. In addition there is one pensioner trustee and a professional independent trustee.

The pension cost relating to the defined benefit pension scheme is assessed in accordance with the advice of an independent qualified actuary who conducted a triennial valuation as at 5 April 2004 using the projected unit method.

The key actuarial assumptions relating to the defined benefit scheme are that: the investment return pre-retirement will be 7.29% per annum; the investment return post-retirement will be 4.89% per annum; pension increases will be 3% per annum; and salary increases will be 4.5% per annum. At 5 April 2004, the market value of the scheme's assets was £495.9 million and this represented 76% of the benefits that had accrued to members, after allowing for expected future increases in salaries. In order to address the deficit the directors have agreed to continue to monitor the deficit on an ongoing basis and make additional contributions to eliminate the deficit when appropriate. To derive the pension cost, the deficit is being spread as a percentage of salaries over the future working lifetime of the existing members.

The pension cost of the unfunded arrangement is assessed in accordance with the advice of an independent qualified actuary.

The group has no significant exposure to any other post-retirement benefit obligations.

FRS17 Retirement Benefits

The Group operates a defined benefit pension scheme in the UK. A full actuarial valuation was carried out at 5 April 2004 and updated to 31 December 2004 by a qualified independent actuary.

Under the transitional arrangements of FRS 17, the company is required to disclose the following information about the defined benefit pension scheme and the figures that would have been shown under FRS17 in the financial statements.

FRS17 gives the present value of the schemes assets and liabilities by discounting pension commitments, including salary growth, at an AA corporate bond yield.

The FRS17 value of liabilities, including those that are unfunded at 31 December 2004 is £803.6m (31 December 2003: £690m) and the market value of assets is £598.6m (31 December 2003: £473.8m) giving a pension scheme deficit of £205.0m (31 December 2003: £216.2m).

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

21. PENSIONS (CONTINUED)

In calculating the liabilities of the defined benefit pension scheme the following assumptions have been used:

31 DECEMBER 2004	UK SCHEME % PER ANNUM
Discount rates for liabilities	5.30
Future salary growth	4.30
Future price inflation	2.80
Future pension growth	2.80

The assets and liabilities in the scheme as at 31 December 2004 were:

	Rate of Return %	Value £m
Equities	7.5	521.5
Bonds	4.9	67.3
Gilts and other	7.0	9.8
Market value of assets		598.6
Present value of scheme liabilities		(803.6)
Pension liability before deferred tax		(205.0)
Deferred tax asset		61.5
Net pension liability		(143.5)

31 DECEMBER 2003	UK SCHEME % PER ANNUM
Discount rates for liabilities	5.40
Future salary growth	4.30
Future price inflation	2.80
Future pension growth	2.80

The assets and liabilities in the scheme as at 31 December 2003 were:

	Rate of Return %	Value £m
Equities	7.3	414.7
Bonds	5.1	51.0
Gilts and other	7.3	8.1
Market value of assets		473.8
Present value of scheme liabilities		(690.0)
Pension liability before deferred tax		(216.2)
Deferred tax asset		64.9
Net pension liability		(151.3)

ASDA Group Limited

NOTES TO THE ACCOUNTS as at 31 December 2004

21. PENSIONS (CONTINUED)

31 DECEMBER 2002

UK SCHEME % PER ANNUM

Discount rates for liabilities	5.50
Future salary growth	3.85
Future price inflation	2.35
Future pension growth	2.35

The assets and liabilities in the scheme as at 31 December 2002 were:

	<i>Rate of Return %</i>	<i>Value £m</i>
Equities	7.0	304.8
Bonds	5.0	47.0
Gilts and others	7.0	8.1
Market value of assets		359.9
Present value of scheme liabilities		(534.0)
Pension liability before deferred tax		(174.1)
Deferred tax asset		52.2
Net pension liability		(121.9)

If the above amounts had been recognised in the financial statements, the group's net assets and profit and loss account at 31 December 2004 and 31 December 2003 would have been as follows:

	<i>31 December 2004 £m</i>	<i>31 December 2003 £m</i>
Net assets excluding pension liability	3,805.0	3,309.4
Reversal of SSAP24 prepayment	(50.8)	(28.5)
Deferred tax in relation to SSAP 24	15.2	8.6
FRS 17 pension liability net of deferred tax	(143.5)	(151.3)
Net assets including pension liability	3,625.9	3,138.2
Profit and loss account excluding pension liability	2,015.6	1,520.0
Reversal of SSAP 24 prepayment	(50.8)	(28.5)
Deferred tax in relation to SSAP 24	15.2	8.6
FRS 17 pension liability net of deferred tax	(143.5)	(151.3)
Profit and loss account including pension liability	1,836.5	1,348.8

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS (CONTINUED)

	<i>£m</i>
Movement in deficit during the year 2004:	
Deficit in scheme at 1 January 2004	(216.2)
Movement in year:	
Current service costs	(39.6)
Contributions	64.8
Net return on assets	(2.5)
Actuarial loss	(11.5)
Deficit in scheme at 31 December 2004	<u>(205.0)</u>

	<i>£m</i>
Movement in deficit during the year 2003:	
Deficit in scheme at 1 January 2003	(174.1)
Movement in year:	
Current service costs	(29.4)
Contribution	31.7
Net return on assets	(4.9)
Actuarial loss	(39.5)
Deficit in scheme at 31 December 2003	<u>(216.2)</u>

	<i>(restated)</i> <i>£m</i>
Movement in deficit during the year 2002:	
Deficit in scheme at 1 January 2002	(69.3)
Movement in year:	
Current service costs	(26.5)
Contributions	52.7
Net return on assets	1.7
Actuarial loss	(132.7)
Deficit in scheme at 31 December 2002	<u>(174.1)</u>

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS (CONTINUED)

The following amounts would have been recognised in the financial statements in the year ended 31 December 2004 under the requirements of FRS17:

	<i>31 December 2004 £m</i>
PROFIT AND LOSS ACCOUNT	
Amounts charged to operating profit:	
Service cost	39.6
	<hr/>
Amounts charged/(credited) to other finance income:	
Expected return on pension plan assets	35.9
Interest on pension plan liabilities	(38.4)
	<hr/>
Net return	(2.5)
	<hr/>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES:	
Actual return less expected return on assets	21.2
Experience gains and losses on liabilities	(2.3)
Changes in assumptions	(30.4)
	<hr/>
Actuarial loss recognised in Statement of total recognised gains and losses	(11.5)
	<hr/>

Details of experience gains and losses for the year ended 31 December 2004:

Difference between actual and expected return on scheme assets	
Amount (£m)	21.2
Percentage of scheme assets	4%
Experience gains and losses on scheme liabilities:	
Amount (£m)	(2.3)
Percentage of scheme liabilities	0%
Total amount recognised in statement of total recognised gains and losses	
Amount (£m)	(11.5)
Percentage of scheme liabilities	(1%)

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS (CONTINUED)

The following amounts would have been recognised in the financial statements in the year ended 31 December 2003 under the requirements of FRS17:

	<i>31 December 2003 £m</i>
PROFIT AND LOSS ACCOUNT	
Amounts charged to operating profit:	
Service cost	29.4
	<hr/>
Amounts charged/(credited) to other finance income:	
Expected return on pension plan assets	25.4
Interest on pension plan liabilities	(30.3)
	<hr/>
Net return	(4.9)
	<hr/>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES:	
Actual return less expected return on assets	53.4
Changes in assumptions	(92.9)
	<hr/>
Actuarial loss recognised in Statement of total recognised gains and losses	(39.5)
	<hr/>

Details of experience gains and losses for the year ended 31 December 2003:

Difference between actual and expected return on scheme assets	
Amount (£m)	53.4
Percentage of scheme assets	11%
Total amount recognised in statement of total recognised gains and losses	
Amount (£m)	(39.5)
Percentage of scheme liabilities	(6%)

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS (CONTINUED)

The following amounts would have been recognised in the financial statements in the year ended 31 December 2002 under the requirements of FRS17:

	<i>31 December 2002 £m</i>
PROFIT AND LOSS ACCOUNT	
Amounts charged to operating profit:	
Service cost	26.5
	<hr/>
Amounts charged/(credited) to other finance income:	
Expected return on pension plan assets	28.9
Interest on pension plan liabilities	(27.2)
	<hr/>
Net return	1.7
	<hr/>
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES:	
Actual return less expected return on assets	(107.8)
Changes in assumptions	(24.9)
	<hr/>
Actuarial loss recognised in Statement of total recognised gains and losses	(132.7)
	<hr/>
Details of experience gains and losses for the year ended 31 December 2002:	
Difference between actual and expected return on scheme assets	
Amount (£m)	(107.8)
Percentage of scheme assets	(30%)
Total amount recognised in statement of total recognised gains and losses	
Amount (£m)	(133.0)
Percentage of scheme liabilities	(25%)

ASDA Group Limited

NOTES TO THE ACCOUNTS

as at 31 December 2004

21. PENSIONS (CONTINUED)

The group operates a defined contribution and a defined benefit pension scheme. The assets of the schemes are held separately from those of the group in an independently administered fund. The unpaid contributions outstanding at the year end, included in other creditors are £0.5m (2003: £0.2m) for the defined contribution scheme. The charge for the year for the defined contribution scheme is £10.5m (2003: £9.0m). The charge for the defined benefit scheme is £34.7m (2003: £31.7m).

22. RELATED PARTIES

The group has taken advantage of the exemption in FRS 8 from disclosing transactions with entities where 90% or more of their voting rights are controlled within the Wal-Mart Store group of companies or with investees of the group.

Details of the transactions with joint ventures are disclosed below: HH (LP) Limited; Magna 1400 Limited; Magna 1500 Limited; Magna 3520 Limited; Magna 5420 Limited; Magna 6130 Limited and Marsh Leys Property Development Limited. All these companies are joint venture companies of Metropolitan Life Insurance company and Gazeley UK Limited, a subsidiary of ASDA Group Limited. These transactions were all made during the year ended 31 December 2004, all were at arms' length and made in the normal course of business.

Funds were paid from HH (LP) Limited to Gazeley UK Limited of £24.6m for the purchase of land, construction works and relevant fees.

Payments were made from Magna 1400 Limited to Gazeley UK Limited of £8.7m for the purchase of land and £13.5m in respect of construction work.

Payments were made from Magna 1500 Limited to Gazeley UK Limited of £5.8m for the purchase of land and £1.5m in respect of construction work.

Payments were made from Magna 3520 Limited to Gazeley UK Limited of £3.1m for the purchase of land and £5.9m in respect of construction work.

Payments were made from Magna 5420 Limited to Gazeley UK Limited of £4.6m for the purchase of land and £1.4m in respect of infrastructure costs and legal fees.

Payments were made from Magna 6130 Limited to Gazeley UK Limited of £1.3m for the purchase of land and £1.4m in respect of construction work.

Payments were made from Marsh Leys Property Development Limited to Gazeley UK Limited to the value of £9.2m for the purchase of land and £8.3m in respect of construction work, environmental work, development management fee and legal fees.

23. PARENT UNDERTAKING AND CONTROLLING PARTY

The group's immediate parent undertaking is Wal-Mart Stores (UK) Limited, for which consolidated group financial statements have been prepared and are available for inspection at its registered office: Asda House, Southbank, Great Wilson Street, Leeds, LS11 5AD.

In the directors' opinion, the ultimate parent undertaking and controlling party is Wal-Mart Stores, Inc. which is incorporated in the USA. Copies of its consolidated financial statements, which include this group, can be obtained from the Company Secretary, Wal-Mart Stores, Inc., Corporate Offices, 702 SW 8th Street, Bentonville, AR72716, USA.