

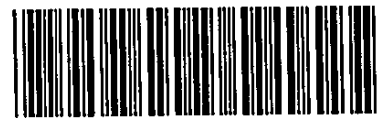
Registration number 1697262

Stores Group Limited

Directors' report and financial statements

for the 53 weeks ended 3 February 2013

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Stores Group Limited
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Stores Group Limited
Directors' report for the 53 weeks ended 3 February 2013

The Directors have pleasure in presenting their report and the Company's audited financial statements for the period from 30 January 2012 to 3 February 2013

Principal activity

The principal activity of the Company is that of an investment company

Business review

The Company received a dividend of £500,020,000 (2012 £nil) from its trading subsidiary Safeway Stores Limited during the 53 weeks ended 3 February 2013. Safeway Stores Limited has declared a final dividend of £500,000,000 in respect of the period ended 3 February 2013, which was paid on 19 June 2013.

The profit for the period after taxation amounted to £500,020,000 (2012 £nil). The Directors authorised a dividend during the period of £500,000,000 (2012 £nil) and propose a final dividend of £5,000 per share which will absorb a further £500,000,000 of shareholders' funds (2012 £nil). This dividend was paid on 19 June 2013.

There have been no additions or disposals of investments in the period. The performance of the trading subsidiary, Safeway Stores Limited, is dealt with in the accounts of that company.

Directors of the Company

The Directors who held office during the period and up to the date of signing of these financial statements were as follows:

R Pennycook (resigned 10 April 2013)

G McMahon (resigned 11 January 2013)

T Strain (appointed 11 January 2013)

M Amsden (appointed 2 February 2013)

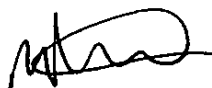
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board on 17 October 2013 and signed on its behalf by



M Amsden
Director

Registered office
Hilmore House
Gain Lane
Bradford
BD3 7DL

Stores Group Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditor's report to the members of Stores Group Limited

We have audited the financial statements of Stores Group Limited for the 53 weeks ended 3 February 2013, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company 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 auditor

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 3 February 2013 and of its profit for the 53 weeks then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
Stores Group Limited (continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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

Adrian Stone (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

Date

17 October 2013

Stores Group Limited
Profit and loss account for the 53 weeks ended 3 February 2013

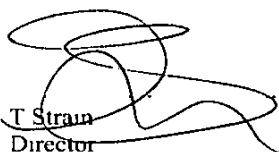
		53 weeks ended 3 February 2013 £000	52 weeks ended 29 January 2012 £000
	Note		
Income from shares in group undertakings		500,020	-
Profit on ordinary activities before taxation		500,020	-
Taxation on profit on ordinary activities	4	-	-
Profit on ordinary activities for the financial period after taxation	10	500,020	-

The company has no recognised gains or losses for the period other than the results above

Stores Group Limited
(Registration number: 1697262)
Balance sheet at 3 February 2013

	Note	3 February 2013 £000	29 January 2012 £000
Fixed assets			
Investments in subsidiaries	6	<u>1,144,050</u>	<u>1,144 050</u>
Current assets			
Debtors	7	500,020	-
Creditors amounts falling due within one year	8	<u>(1,379,670)</u>	<u>(879,670)</u>
Net current liabilities		<u>(879,650)</u>	<u>(879,670)</u>
Net assets		<u><u>264,400</u></u>	<u><u>264,380</u></u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	<u>264,300</u>	<u>264,280</u>
Equity shareholders' funds	11	<u><u>264,400</u></u>	<u><u>264,380</u></u>

Approved by the Board on 17 October 2013 and signed on its behalf by


T Strain
Director

Stores Group Limited

Notes to the financial statements for the 53 weeks ended 3 February 2013

1 Accounting policies

The term 'Company' refers to Stores Group Limited and the term 'Group' refers to Wm Morrisons Supermarkets PLC and its subsidiary undertakings

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

Basis of preparation

These separate financial statements which have been prepared on the going concern basis, under the historic cost convention, except as disclosed in the accounting policies below, and in accordance with applicable accounting standards under UK GAAP, are presented as required by the Companies Act 2006

Under FRS 8 the Company is exempt from the requirement to disclose related party transactions with wholly owned entities that are part of the Wm Morrison Supermarkets PLC Group on the grounds that it is a wholly owned subsidiary itself

Under FRS 1 Cashflow statements, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that Wm Morrison Supermarkets PLC includes the Company in its own published consolidated financial statements and these are publicly available

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company

Accounting reference date

The accounting period of the Company ends on the Sunday falling between 29 January and 4 February each year

Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment

2 Profit and loss account

Audit fees and expenses were paid by the ultimate parent company Fees paid were £1,000 (2012 £nil) in relation to audit services There are no fees in relation to non-audit services

3 Employees and Directors

There are no employees of the Company (2012 none)

Director's emoluments

The emoluments of the Directors are paid by Wm Morrison Supermarkets PLC which makes no recharge to the Company It is not possible to make an accurate apportionment of the emoluments of the Directors between Wm Morrison Supermarkets PLC and fellow subsidiaries Accordingly, the above details include no emoluments in respect of Directors

Where the Directors are also Directors of the ultimate parent company, Wm Morrison Supermarkets PLC, details of the emoluments and accrued benefits under the defined benefit pension schemes that the Directors received for the 53 weeks ending 3 February 2013 are disclosed in the Annual report and financial statements of that company

Stores Group Limited

Notes to the financial statements for the 53 weeks ended 3 February 2013 *(continued)*

4 Taxation

Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is lower than (2012 - the same as) the standard rate of corporation tax in the UK of 24.33% (2012 - 26.33%)

The differences are reconciled below

	53 weeks ended 3 February 2013 £000
Profit on ordinary activities before taxation	<u>500,020</u>
Corporation tax at standard rate	121,655
Dividend from UK company	<u>(121,655)</u>
Resulting current tax charge for period	<u>-</u>

5 Dividends

Amounts recognised as distributed to equity shareholders in the period

	3 February 2013 £000	29 January 2012 £000
Dividends paid		
Interim dividend for the period ended 3 February 2013 of £5,000 per share (2012 £nil)	<u>500,000</u>	<u>-</u>

The Directors authorised a dividend during the period of £500m (2012 £nil) and propose a final dividend in respect of the financial period ending 3 February 2013 of £5,000 per share which will absorb a further £500m of shareholders funds (2012 £nil)

6 Investments in subsidiaries

	3 February 2013 £000	29 January 2012 £000
Shares in group undertakings and participating interests	<u>1,144,050</u>	<u>1,144,050</u>

Stores Group Limited
Notes to the financial statements for the 53 weeks ended 3 February 2013 *(continued)*

6 Investments in subsidiaries continued

Details of undertakings

Details of subsidiary investments are as follows

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Safeway Stores Limited England	Ordinary	100%	Grocery retail
Presto Limited England	Ordinary	100%	Dormant
Safeway Food Stores Limited England	Ordinary	100%	Dormant
SK Assets Limited England	Ordinary	100%	Dormant

The Directors consider the value of the investments to be supported by their underlying assets

7 Debtors

	3 February 2013 £ 000	29 January 2012 £ 000
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>500,020</u>	<u>-</u>

The amounts owed by Group undertakings are non-interest bearing, unsecured and have no fixed date of repayment

8 Creditors: amounts falling due within one year

	3 February 2013 £ 000	29 January 2012 £ 000
Amounts owed to group undertakings and undertakings	<u>1,379,670</u>	<u>879,670</u>

Amounts owed to Group undertakings are non-interest bearing, unsecured and have no fixed date of repayment

Stores Group Limited

Notes to the financial statements for the 53 weeks ended 3 February 2013 *(continued)*

9 Called up share capital

Allotted, called up and fully paid shares

	2013		2012	
	Number of shares thousands	£000	Number of shares thousands	£000
Authorised, called-up and fully paid of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Profit and loss account

	Total £000
At start of period	264,280
Profit on ordinary activities for the period after taxation	500,020
Dividends	<u>(500,000)</u>
At 3 February 2013	<u>264,300</u>

11 Reconciliation of movement in shareholders' funds

	3 February 2013 £m	29 January 2012 £m
Profit on ordinary activities after taxation	500,020	-
Dividend paid	<u>(500,000)</u>	-
Net movement in equity shareholders' funds	20	-
Opening shareholders' funds	<u>264,380</u>	<u>264,380</u>
Closing equity shareholders' funds	<u>264,400</u>	<u>264,380</u>

Stores Group Limited

Notes to the financial statements for the 53 weeks ended 3 February 2013 *(continued)*

12 Ultimate holding company

The immediate parent undertaking and head of the smallest group in which the results of the Company are consolidated is Safeway Limited, which is incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of Safeway Limited are available from the address below.

The ultimate parent and head of the largest group in which the results of the Company are consolidated is Wm Morrisons Supermarkets PLC which is incorporated in Great Britain and registered in England and Wales.

Copies of the financial statements of Wm Morrisons Supermarkets PLC are available from:
The Company Secretary
Wm Morrison Supermarkets PLC
Hilmore House
Gain Lane
Bradford, BD3 7DL