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**Stores Group Limited**

**Directors' report and financial statements**

**Registered number 1697262**

**52 weeks ended 31 January 2010**

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**Stores Group Limited**  
**52 weeks ended 31 January 2010**

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## **Directors' report**

The Directors present their annual report and the audited financial statements for the 52 weeks ended 31 January 2010

### **Result and dividend**

The profit for the financial period after taxation amounted to £2,746,000 (2009 £nil)

The Directors authorised a dividend be paid during the year of £27.46 per share, totalling £2,746,000 (2009 £nil) and do not propose a final dividend (2009 £nil)

### **Business review and principal activities**

The principal activity of the Company was that of an investment company. The Company has received and paid a dividend during the year, although there has been no other activity. The Company was dormant for the 52 weeks ended 1 February 2009.

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

### **Directors**

The Directors who held office during the period were as follows:

M Gunter

R Pennycook

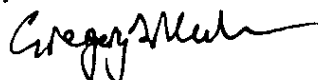
### **Disclosure of information to auditors**

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 auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office. A resolution to authorise the Directors to set their remuneration is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



**G McMahon**

Hilmore House  
Gain Lane  
Bradford  
BD3 7DL

Company secretary

11 October 2010

## **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 they 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 then apply them consistently,
- make judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Stores Group Limited**

We have audited the financial statements of Stores Group Limited for the 52 weeks ended 31 January 2010 set out on pages 4 to 8. 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 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 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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 January 2010 and of its profit for the 52 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 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.



Chris Heard (Senior Statutory Auditor)  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW  
11 October 2010

## **Stores Group Limited**

**52 weeks ended 31 January 2010**

### **Accounting policies**

The term 'Company' refers to Stores Group Limited and the term 'Group' refers to Wm Morrison 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**

The accounting period of the Company ends on the Sunday falling between 29 January and 4 February each year. The financial statements are prepared under the historical cost convention, on the going concern basis and presented in accordance with UK GAAP.

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

Under FRS 1 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 Directors have chosen not to prepare consolidated financial statements for Safeway Group Limited in accordance with the provisions of section 400 of the Companies Act 2006. The results of the Company are included in the consolidated accounts of Safeway Limited and of Wm Morrison Supermarkets PLC.

#### **Other operating income**

Other operating income consists of dividends received from subsidiary undertakings.

#### **Investments in subsidiaries**

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

**Stores Group Limited**  
**52 weeks ended 31 January 2010**

**Profit and loss account**

	Note	52 weeks ended 31 January 2010 £000	52 weeks ended 1 February 2009 £000
Other operating income		2,746	-
<b>Profit on ordinary activities before taxation</b>	1	2,746	-
Taxation on ordinary activities	2	-	-
<b>Profit on ordinary activities after taxation</b>		2,746	-

All recognised gains and losses relating to the period and the preceding period arise from continuing operations and are shown in the profit and loss account

There are no material differences between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation stated above and their historical cost equivalents

**Stores Group Limited**

**52 weeks ended 31 January 2010**

**Balance sheet**

**31 January 2010**

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Investments in subsidiaries	4	1,144,050	1,144,050
Creditors amounts falling due within one year	5	(879,670)	(879,670)
<b>Net assets</b>		<b>264,380</b>	<b>264,380</b>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
Profit and loss account	7	264,280	264,280
<b>Equity shareholders' funds</b>	8	<b>264,380</b>	<b>264,380</b>

The accounting policies on page 4 and notes on pages 7 and 8 form part of these financial statements

These financial statements were approved by the Board of Directors on 11 October 2010 and were signed on its behalf by

**R Pennycook**  
Director



**Stores Group Limited**

**52 weeks ended 31 January 2010**

**Notes to the financial statements**

**1. Operating expenses**

Administrative expenses of the Company, including auditors' remuneration, have been borne by the immediate holding company

There were no emoluments received or receivable by any of the Directors in respect of their services to the Company during the period (2009 £nil)

The Company has no employees

**2. Taxation**

There was no taxable income in the period, thus no tax charge to the Company (2009 £nil)

**3 Dividends**

	2010 £000	2009 £000
Amounts recognised as distributed to equity holders in the year		
Dividend paid in the year ended 31 January 2010 of £27 46 per share (2009 nil)	2,746	-

**4 Investments in subsidiaries**

	2010 £000	2009 £000
At start and end of period	1,144,050	1,144,050

	Country of registration	Country of operation	Business
Safeway Stores Limited	England	England	Grocery retailer
North West Vintners (Retail) Ltd	England	England	Dormant
Presto Ltd	England	England	Dormant
Safeway Food Stores Ltd	England	England	Dormant
SK Assets Ltd	England	England	Dormant

**5. Creditors amounts falling due within one year**

	2010 £000	2009 £000
Amounts owed by Group undertakings	879,670	879,670

Amounts owed by Group undertakings are non-interest bearing

**Stores Group Limited**

**52 weeks ended 31 January 2010**

**Notes to the financial statements (continued)**

**6 Called up share capital**

	2010 £000	2009 £000
<b>Authorised , allotted, called-up and fully paid</b>		
100,000 ordinary shares of £1 each	100	100

**7. Profit and loss account**

	2010 £000	2009 £000
At start of period	264,280	264,280
Profit on ordinary activities after taxation	2,746	-
Dividends paid	(2,746)	-
<b>At end of period</b>	<b>264,280</b>	<b>264,280</b>

**8 Reconciliation of movements in equity shareholders' funds**

	2010 £000	2009 £000
Profit on ordinary activities after taxation	2,746	-
Dividends paid	(2,746)	-
Net movement in equity shareholders' funds	-	-
Opening shareholders' funds	264,380	264,380
<b>Closing equity shareholders' funds</b>	<b>264,380</b>	<b>264,380</b>

**9 Guarantees and other financial commitments**

The Company is party to a Group-wide guarantee comprising a net-off and/or set-off arrangement in connection with its bank facilities

**10 Ultimate holding company**

The immediate parent 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 Morrison Supermarkets PLC which is incorporated in Great Britain and registered in England and Wales

Copies of the financial statements of Wm Morrison Supermarkets PLC are available from

The Company Secretary  
Wm Morrison Supermarkets PLC  
Hilmore House  
Gain Lane  
Bradford, BD3 7DL