

STORES GROUP LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

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STORES GROUP LIMITED

COMPANY INFORMATION

Directors

J Burke
J Goff
T Strain

Secretary

J Burke

Company number

01697262

Registered office

Hilmore House
71 Gain Lane
Bradford
West Yorkshire
England
BD3 7DL

Independent Auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
West Yorkshire
England
LS1 4DL

STORES GROUP LIMITED

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STORES GROUP LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

The Directors present their Annual Report and the Company's unaudited financial statements for the 52 week period ended 3 February 2019. These financial statements are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101)

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

Business review, results and dividends

The Company was dormant throughout the financial period. The Company was previously an intermediate holding company.

Director and their interests

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

Mr J Burke

Miss J Goff

Mr T Strain

(Appointed 2 January 2019)

(Resigned 2 January 2019)

The Company is ultimately wholly owned by Wm Morrison Supermarkets PLC and none of the Directors who held office at the period end held any interest in the shares of the Company or any of its subsidiaries. The interest in the shares of the ultimate parent undertaking held by Directors of that company is disclosed in the Wm Morrison Supermarkets PLC Annual report and Financial Statements 2018/19, which does not form part of this report.

At no time during the period or subsequently did any Director have a material interest in any contract or arrangement with the Company or any of its subsidiaries which was significant in relation to the Group's business.


Directors' and Officers' liability insurance

The Group maintains insurance cover for the protection of Directors and senior management from personal liabilities and costs which may arise in the course of fulfilling their duties. This insurance was in force during the 52 weeks ended 3 February 2019 and to the date of approval of the Company financial statements.

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.

This report was approved by the Board and signed on its behalf by:



.....
Mr J Burke

Director

...22... October 2019

STORES GROUP LIMITED

INCOME STATEMENT

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

		52 Weeks ended 3 February 2019 £000	53 Weeks ended 4 February 2018 £000
	Note		
Income from shares in Group undertakings		-	150,000
Result/profit on ordinary activities before taxation	3	-	150,000
Tax on result/profit on ordinary activities	4	-	
Result/profit for the financial period		-	150,000

The income statement has been prepared on the basis that all operations are dormant for the 52 weeks ended 3 February 2019.

There were no amounts recognised in other comprehensive income other than those included in the income statement.

The notes on pages 5 to 8 form part of these financial statements.

STORES GROUP LIMITED

BALANCE SHEET

AS AT 3 FEBRUARY 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	6	1,133,168	1,133,168
Current assets			
Debtors	8	716,900	716,900
Creditors: amounts falling due within one year	9	(1,585,568)	(1,585,568)
Net current liabilities		(868,668)	(868,668)
Net assets		264,500	264,500
Shareholders' equity			
Called-up share capital	10	100	100
Retained earnings		264,400	264,400
Total shareholders' funds		264,500	264,500

The Company was dormant throughout the financial period.

For the period ended 3 February 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 ('the Act') relating to dormant companies.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibility for the complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 2 to 8 were approved by the Board of Directors and authorised for issue on 22 October 2019 and are signed on its behalf by:



J Goff
Director

Company Registration No. 01697262

STORES GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

	Notes	Called-up share capital £000	Retained earnings £000	Total shareholders' funds £000
Balance at 30 January 2017		100	264,400	264,500
Profit for the financial period		-	150,000	150,000
Dividends	5	-	(150,000)	(150,000)
Balance at 4 February 2018 and 3 February 2019		<u>100</u>	<u>264,400</u>	<u>264,500</u>

The notes on pages 5 to 8 form part of these financial statements.

STORES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

1 Accounting policies

Company information

Stores Group Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom. The registered office is Hilmore House, 71 Gain Lane, Bradford, West Yorkshire, England, BD3 7DL.

Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with the Companies Act 2006 (the Act) as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

As the Company meets the definition of a dormant company under the Companies Act it has elected to retain its accounting policies for reported assets, liabilities and equity under FRS 101 until there is any change to those balances or the Company undertakes any new transactions.

Accounting reference date

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

Current taxation

The current income tax charge is calculated on the basis of the tax laws in effect during the period and any adjustments to tax payable in respect of previous periods. Taxable profit differs from the profit as reported in the profit for the period as it is adjusted both for items that will never be taxable or deductible, and temporary differences. Current tax is charged to profit for the period, except when it relates to items charged or credited directly in other comprehensive income or equity in which case the current tax is reflected in other comprehensive income or equity as appropriate.

Deferred taxation

Accruals for tax contingencies require management to make judgements and estimates of the probable outcome of tax compliance issues. All accruals are included in current liabilities.

Amounts owed to/by Group undertakings

Amounts owed to/by Group undertakings are initially recorded at fair value, which is generally the proceeds received. They are subsequently carried at amortised cost. The amounts are non-interest-bearing and repayable on demand.

Investments

Investments comprise investments in equity instruments held for long term investment. They are measured at fair value through other comprehensive income, where the fair value can be measured reliably. Where the fair value of the instruments cannot be measured reliably, for example, when there is variability in the range of estimates, the investments are recognised at cost less accumulated impairment losses.

Impairment of non-financial assets

The Company tests non-financial assets if events or changes in circumstances indicate that the carrying amount may not be recoverable. Testing is performed at the level of a cash generating unit (CGU) in order to compare the CGU's recoverable amount against its carrying value. An impaired CGU is written down to its recoverable amount, which is the higher of value in use or its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

STORES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

2 Employees and Directors

The Company does not have any employees (2018: none).

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 period ended 3 February 2019 are disclosed in the Annual report and financial statements of that company.

3 Result/profit on ordinary activities before taxation

During the 52 weeks ended 3 February 2019, the Company did not receive a dividend from its subsidiary, Safeway Stores Limited (2018: £150,000,000).

Audit fees and expenses of £1,000 (2018: £1,000) were borne by Safeway Limited. There are no fees in relation to non-audit services (2018: none).

4 Tax on result/profit on ordinary activities

There was no corporation tax payable or receivable in the 52 weeks ended 3 February 2019 (2018: £nil).

The tax for both periods is different to the standard rate of corporation tax in the UK of 19% (2018: 19.16%). The differences are explained below:

	2019 £000	2018 £000
Result/profit before taxation	-	150,000
Expected tax charge based on a corporation tax rate of 19.00% (2018: 19.16%)	-	28,740
Income not taxable	-	(28,740)
Total tax charge for the period	-	-

Factors affecting current and future tax charges

Legislation to reduce the standard rate of corporation tax to 17% from 1 April 2020 was included in Finance Act 2016.

There have not been any further announcements of changes to the rate of corporation tax after 1 April 2020.

STORES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

5 Dividends

Amounts recognised as distributions to equity holders in the period:

	2019 £000	2018 £000
Interim dividend for the period ended 3 February 2019 of £nil per share (2018: £1,500 per share)	-	150,000

6 Investments

	2019 £000	2018 £000
Investments in subsidiaries	1,133,168	1,133,168

In accordance with section 409 of the Companies Act 2006, a full list of related undertakings including the country of incorporation, the principal activity and the effective percentage of equity owned as at 3 February 2019 is disclosed below in note 7. The registered address of all undertakings is Hilmore House, Gain Lane, Bradford, BD3 7DL unless otherwise stated.

7 Related undertakings

Details of the Company's related undertakings at 3 February 2019 are as follows:

Related undertaking	Country of incorporation	Ownership interest (%)	Principal activity
Safeway Stores Limited	United Kingdom	100	Operation of supermarket stores
Presto Stores Limited	United Kingdom	100	Dormant
Safeway Food Stores Limited	United Kingdom	100	Dormant

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

8 Debtors

	2019 £000	2018 £000
Amounts owed by Group undertakings	716,900	716,900

Amounts owed by Group undertakings are non-interest bearing, unsecured and are repayable on demand.

Provisions for impairment of amounts owed by Group undertakings have been assessed on lifetime expected credit losses. As all balances are repayable on demand, and the Company expects to be able to recover the outstanding intercompany balances if demanded, no provision has been recognised in the 52 weeks ended 3 February 2019 (2018: £nil).

STORES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 52 WEEKS ENDED 3 FEBRUARY 2019

9 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to Group undertakings	1,585,568	1,585,568

Amounts owed to Group undertakings are non-interest bearing, unsecured and are repayable on demand.

10 Called-up share capital

	2019 £000	2018 £000
100,000 (2018: 100,000) Ordinary shares of £1 each	100	100

All issued shares are fully paid.

11 Ultimate holding company

The immediate parent undertaking is Safeway Limited. The 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 undertaking, controlling party and head of the largest group in which the results of the Company are consolidated is Wm Morrison Supermarkets PLC which is incorporated in United Kingdom 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
West Yorkshire
BD3 7DL