

NEIGHBOURHOOD STORES PLC

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

Registered No. 1703174



Neighbourhood Stores plc

Annual report for the year ended 31 December 2009

Registered No 1703174

DIRECTORS AND OTHER INFORMATION

DIRECTORS

C Martin
T Kenny
P Smith
J Wirth

SECRETARY

J Wirth

REGISTERED OFFICE

Musgrave House
Widewater Place
Moorhall Road
Harefield
Middlesex
UB9 6NS

Neighbourhood Stores plc

Directors' report for the year ended 31 December 2009

The directors present their report and financial statements of the company for the financial year ended 31 December 2009

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is to act as a non-trading holding company for its wholly owned subsidiary, Linnco Limited. The company did not trade during the current financial period and will remain dormant for the foreseeable future.

On 23 March 2008 the assets and liabilities of the company were transferred to the new legal entity, Musgrave Retail Partners GB Limited, a wholly owned subsidiary within the Musgrave UK group of companies. The purpose of the restructure is to enable the Group's businesses in Great Britain to trade from a single legal entity consistent with how the businesses have been managed since 2005.

RESULTS AND DIVIDENDS

The company has not traded throughout the financial year ended 31 December 2009. The directors do not recommend the payment of a dividend (year ended 31 December 2008: £nil).

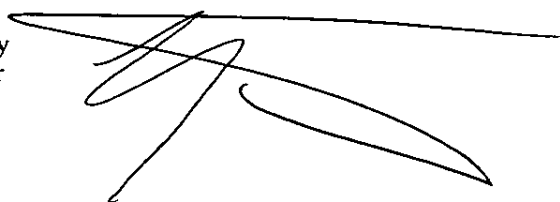
DIRECTORS AND THEIR INTERESTS

The directors of the company who are currently or were directors during the year ended 31 December 2009 are set out below. Except where indicated, they served as directors for the entire year.

C Martin
T Kenny
P Smith
J Wirth

By order of the board

T Kenny
Director

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned to the right of the name 'T Kenny'.

Neighbourhood Stores plc

BALANCE SHEET

As at 31 December 2009

		<i>31 December</i>	<i>31 December</i>
		<i>2009</i>	<i>2008</i>
	<i>Note</i>	<i>£000</i>	<i>£000</i>
FIXED ASSETS			
Investment in a subsidiary	4	5,083	5,083
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	5	(5,094)	(5,094)
NET LIABILITIES		<u>(11)</u>	<u>(11)</u>
CAPITAL AND RESERVES			
Called up share capital	6	16,000	16,000
Share premium account	7	4,168	4,168
Capital reserve	7	8,000	8,000
Profit and loss account	7	(28,179)	(28,179)
SHAREHOLDERS' FUNDS	8	<u>(11)</u>	<u>(11)</u>

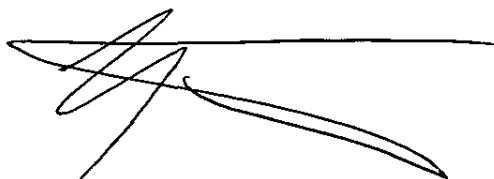
For the year ended 31 December 2009 the company was entitled to exemption to audit under Section 480 of the Companies Act 2006

Members have not required the company to obtain an audit for the year ended 31 December 2009 in accordance with Section 476 of the Companies Act 2006

The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements on pages 3 to 6 were approved by the Board of Directors on 04 June 2010

T Kenny
Director



Neighbourhood Stores plc

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

Basis of preparation

The balance sheet shows that liabilities exceed assets by £11,000 at 31 December 2009. Budgens Stores Limited, the immediate parent undertaking, has confirmed its intention to ensure that the company will have sufficient finance available to finance its operations and meet its obligations for the foreseeable future. Consequently, the financial statements have been prepared on a going concern basis.

The following are the principal accounting policies used by the company, which, unless otherwise stated, are consistent with those of the previous years.

Consolidation

The financial statements contain information about Neighbourhood Stores plc as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, Musgrave Group plc, a company registered in the Republic of Ireland.

Investments in subsidiaries

Investments in subsidiaries are held at cost less provision for permanent diminution in value.

Investments are subject to an annual review for impairment in accordance with Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill".

2. PROFIT AND LOSS ACCOUNT

The company has not traded throughout the current financial year ended 31 December 2009, or the preceding period ended 31 December 2008. As a result the company has made neither a profit nor a loss or any other recognised gains and losses during the current financial year or the preceding financial period ended 31 December 2008.

3. DIRECTORS AND EMPLOYEES

In respect of the company, none of the directors received any emoluments in respect of their services for the current financial year (year ended 31 December 2008: £ nil). The emoluments of the company directors are paid by group and fellow subsidiary undertakings and are not specifically recharged to the company.

The company employed no staff during the current financial year (year ended 31 December 2008: nil).

Neighbourhood Stores plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 December 2009

4. INVESTMENT IN SUBSIDIARY

	<i>Total</i>
	<i>£000</i>
At 31 December 2009 and 31 December 2008	
Cost	33,000
Provision for diminution in value	(27,917)
Net book value	5,083

At 31 December 2009 the company owned 100% (31 December 2008 100%) of Lincco Limited, a company incorporated in England and Wales, which is no longer trading

5. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Loan from parent undertaking	5,094	5,500

6. SHARE CAPITAL

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>£000</i>	<i>£000</i>
Authorised		
25,000,000 ordinary shares of £1 each	25,000	25,000
Allotted, called up and fully paid		
16,000,000 ordinary shares of £1 each	16,000	16,000

Neighbourhood Stores plc

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 December 2009

7. RESERVES

	<i>Share premium account £000</i>	<i>Capital reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 31 December 2008	4,168	8,000	(28,179)	(16,011)
Profit for the financial year	-	-	-	-
At 31 December 2009	4,168	8,000	(28,179)	(16,011)

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>31 December 2009 £000</i>	<i>31 December 2008 £000</i>
Opening shareholders' funds	(11)	(11)
Increase in shareholders' funds	-	-
Closing shareholders' funds	(11)	(11)

9. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary undertaking of Musgrave Group plc and is included in the consolidated financial statements of Musgrave Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing cash flow statement under the terms of FRS1 (revised 1996). The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Musgrave Group plc or investees of the Musgrave Group plc.

11. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Budgens Stores Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Musgrave Group plc, a company registered in the Republic of Ireland. The smallest and largest group which consolidates the results of the Company is Musgrave Group plc. Copies of the annual report and group financial statements of Musgrave Group plc are available to the public from the registered office at Ballycurreen, Airport Road, Cork, Ireland.