Co-operative Brands Limited

Directors' report and financial statements

Registered number 5279000

50 weeks ending 13 January 2007

Contents

Directors' report

The dırectors present theır report and financıal statements for the 50 weeks endıng 13 January 2007

Prıncıpal actıvıtıes

The company was ıncorporated on 5 November 2004 and began tradıng on 11 March 2005 The prıncıpal actıvıty of the company ıs the holdıng of certaın ıntangıble assets for lıcence to other group companıes

Enhanced Busıness Revıew

The results for the perıod are set out on page 6 of the financıal statements

Revenue

The Company achıeved £24 5 mıllıon sales ın the perıod, an ıncrease of £2 8 mıllıon (12 9%) from the prevıous perıod The reason for the ıncrease due to the prıor perıod beıng the first perıod of tradıng

Profitabılıty / Operatıng margın

Operatıng profit ıs the profit the Company has made before any ınterest ıncome or expense, taxatıon and dıvıdends receıved or paıd Operatıng profit for the perıod was £11 2 mıllıon, £2 0 mıllıon up on the prevıous perıod Operatıng margın ıs defined as operatıng profit / (loss) dıvıded by revenue The Company achıeved operatıng margın of 45 8 % up from 42 6% achıeved ın the prevıous perıod

Parent Key Performance Indıcators

In addıtıon to monıtorıng revenue and profitabılıty of the company, the dırectors also monıtor a number of Key Performance Indıcators of the group These ınclude financıal performance, growth ın and engagement of members of the group and the Corporate Reputatıon of the group Further detaıls on these key measures can be find on pages 24-27 of the group's annual report

Prıncıpal rısks and uncertainties

The key busıness rısks and uncertaıntıes affectıng the company are consıdered to relate to trends ın consumer spendıng and damage to our reputatıon or brand Further dıscussıon of these rısks and uncertaıntıes, ın the context of the group as a whole, ıs provıded on page 34 of the group's annual report whıch does not form part of thıs report

Dıvıdend

The dırectors do not recommend the payment of a dıvıdend (*2005 £nıl*)

Dırectors and dırectors' interests

The dırectors who held office durıng the perıod were as follows

P Allen (appoınted 14 September 2007)

Z Morgan (resıgned 28 July 2007)

J Tomlınson (appoınted 14 September 2007)

C C Whıtfield

None of the dırectors who held office at the end of the financıal perıod had any dısclosable ınterest ın the shares of the company

Accordıng to the regıster of dırectors' ınterests, no rıghts to subscrıbe for shares ın or debentures of the company were granted to any of the dırectors or theır ımmedıate famılıes, or exercısed by them, durıng the financıal perıod

Employees

Employees are provıded wıth busıness specıfic communıcatıon and these are supported by two corporate publıcatıons *Agenda* magazıne, targeted at managers, and *Scheme*, the staff magazıne All managers are kept ınformed about the Co-operatıve Group's performance through annual, ınterım and socıal accountabılıty reports, management bulletıns and Newslıne, the electronıc weekly servıce Managers also receıve *Magma* magazıne

Directors' report *(continued)*

Employees continued

The company's policy is to recruit disabled workers for those vacancies they are able to fill All necessary assistance with initial training courses is given Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person Arrangements are made, where possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

Creditor payment terms

The Co-operative Group Code on Business Conduct sets out the Society's and its subsidiaries' relationships with its suppliers and its undertaking to pay its suppliers on time and according to agreed terms of trade

Elective regime

The company has passed Elective Resolutions in accordance with the Companies Act 1985 (as amended by tbe Companies Act 1989) These have the effect of dispensing with the holding of Annual General Meetings, the laying of accounts at such meetings, and the annual reappointment of directors

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2005 nil)

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

C C Whitfield
Director

Registered Office
New Century House
Corporation Street
Manchester
M60 4ES

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

The dırectors are responsıble for preparıng the Dırectors' Report and the financıal statements ın accordance wıth applıcable law and regulatıons

Company law requıres the dırectors to prepare financıal statements for each financıal year Under that law they have elected to prepare the financıal statements ın accordance wıth IFRSs as adopted by the EU and applıcable laws

The financıal statements are requıred by law to present faırly the financıal posıtıon and the performance of the company, the Companıes Act 1985 provıdes ın relatıon to such financıal statements that references ın the relevant part of that Act to financıal statements gıvıng a true and faır vıew are references to theır achıevıng a faır presentatıon

In preparıng these financıal statements, the dırectors are requıred to

- select suıtable accountıng polıcıes and then apply them consıstently,
- make judgments and estımates that are reasonable and prudent,
- state whether they have been prepared ın accordance wıth IFRSs as adopted by the EU, and
- prepare the financıal statements on the goıng concern basıs unless ıt ıs ınappropriate to presume that the company wıll contınue ın busıness

The dırectors are responsıble for keepıng proper accountıng records that dısclose wıth reasonable accuracy at any tıme the financıal posıtıon of the company and enable them to ensure that ıts financıal statements comply wıth the Companıes Act 1985 They have general responsıbılıty for takıng such steps as are reasonably open to them to safeguard the assets of the company and to prevent and prevent and detect fraud and other ırregularıtıes

KPMG Audit Plc

St James' Square
Manchester
M2 6DS
United Kingdom

Report of the independent auditors to the members of Co-operative Brands Limited

We have audited the financial statements of Co-operative Brands Limited for the period ended 13 January 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement and the Statement of Recognised Income and Expense and the related notes These financial statements have been prepared under 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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 3

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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

Report of the independent auditors to the members of Co-operative Brands Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 13 January 2007 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc   29/10/07

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Income statement
for the 50 week period ended 13 January 2007

	Note	**50 weeks ended 13 January 2007**	64 weeks ended 31 January 2006
		2006	2005
		£000	£000
Revenue		**24,536**	21,724
Cost of sales		**(2,887)**	(1,382)
Gross profit		**21,649**	20,342
Administrative expenses		**(10,416)**	(11,082)
Operating profit		**11,233**	9,260
Financial income	*6*	**423**	362
Financial expenses	*7*	**(10,691)**	(10,612)
Profit/ (Loss) before taxation		**965**	(990)
Income tax expense	*8*	**-**	-
Profit/ (Loss) after taxation		**965**	(990)
Profit/ (Loss) for the period		**965**	(990)

All revenue relates to continuing activities

Statement of recognised income and expense

The company has no recognised gains or losses in the current period other than those included in the income statement shown above

Balance sheet
at 13 January 2007

	Notes	2006 £000	2005 £000
Non-current assets			
Intangible assets	*9*	**176,498**	185,767
Total non-current assets		**176,498**	185,767
Current assets			
Trade and other receivables	*10*	**8,168**	7,705
Total current assets		**8,168**	7,705
Total assets		**184,666**	193,472
Current liabilities			
Trade and other payables	*11*	**(184,691)**	(194,462)
Total current liabilities		**(184,691)**	(194,462)
Total liabilities		**(184,691)**	(194,462)
Net liabilities		**(25)**	(990)
Equity			
Called up share capital	*12*	**-**	-
Retained earnings	*13*	**(25)**	(990)
Total equity	*14*	**(25)**	(990)

These financial statements were approved by the board of directors on 14/9/07 and were signed on its behalf by

C C Whitfield

Director

Cash flow statement

at 13 January 2007

	50 weeks ended 13 January 2007	64 weeks ended 31 January 2006
	2006	2005
	£000	£000
Cash flows from operating activities		
Profit/ (loss) for the period	**965**	(990)
Adjustments for		
Amortisation	**9,269**	8,680
Interest receivable	-	(362)
Interest payable	-	10,612
Operating profit before changes in working capital and provisions	**10,234**	17,940
Increase in trade & other receivables	**(463)**	-
Decrease in trade & other payables	**(9,771)**	-
Cash generated from operations	-	17,940
Cash flows from investing activities		
Acquisition of intangible asset	-	(266,588)
Disposal of intangible asset	-	72,141
Interest received	-	302
Net cash from investing activities	-	(194,145)
Cash flows from financing activities		
Interest paid	-	(8,931)
Payment of loan from group undertakings	-	(7,645)
Receipt of loan from group undertakings	-	192,781
Net cash from financing activities	-	176,205
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 31 January 2006	-	-
Cash and cash equivalents at 13 January 2007	-	-

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The company financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the EU (IFRS for the year ended 13 January 2007) and are prepared on the historical cost basis

The accounting policies set out below, have been applied consistently to all periods presented in these financial statements

The standards and interpretations applicable for the first time in the current year have no impact on the financial statements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

Standards and interpretations issued but not yet effective

The Company has not early adopted the following statements,

- IAS 1 'Presentation of Financial Statements – Capital Disclosures'

The amendments to IAS 1 set out additional requirements for disclosures of

a) the entity's objectives, policies and processes for managing capital,
b) whether the entity has complied with any capital requirements, and
c) if it has not complied, the consequences of such non-compliance

The amendments are effective for annual periods beginning on or after 1 January 2007

- IFRS 7 'Financial Instruments Disclosure'

This standard includes all the disclosure requirements related to financial instruments of Banks and Similar Financial Institutions and the disclosure requirements in IAS 32 Financial Instruments Disclosure and Presentation The objective of IFRS 7 is to require entities to disclose

(a) the significance of financial instruments for an entity's financial position and performance,
(b) qualitative and quantitative information about the nature and extent of risks arising from financial instruments

IFRS 7 applies to annual periods beginning on or after 1 January 2007

These statements relate to disclosures only, and adoption of them would have no impact on the income statement, balance sheet or cash flow statement

Notes *(Continued)*

1 Accounting Policies *(continued)*

Intangible assets and amortisation

(i) Intangible Assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred Amounts paid in respect of acquiring licences are capitalised and stated at cost less accumulated amortisation and impairment losses

(ii) Amortisation

Amortisation is charged to the income statement on a straight-line basis over 20 years, this being the estimated useful life of the intangible asset

(iii) Disposals

Where the company grants a sub licence to fellow subsidiary undertakings, the sub licence is treated as a disposal

Where there is indication of impairment an impairment review will be performed

Revenue

Revenue represents licence fees due from other group undertakings Revenue is recognised as the licence income becomes due

All revenue is derived from the company's principal activity

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis

Taxation

Provision for corporation and deferred taxation is not made because the ultimate parent organisation has indicated that it will meet any taxation liabilities

Pensions and other post-retirement benefits

The Company's employees are members of a Group wide pensions scheme, the Co-operative Group Pension (Average Career Earnings) Scheme (the PACE Scheme) The Company contributes to the PACE Scheme in respect of its employees who are members of the Scheme The PACE Scheme is a defined benefit scheme but the Company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore contributions to the scheme are accounted for as if it were a defined contribution scheme There is no contracted agreement or stated Group policy for charging the net defined benefit cost for the plan as a whole measured in accordance with IAS 19 to individual Group entities, therefore Co-operative Brands Limited, in its individual financial statements, cannot recognize the net defined cost so charged

2 Accounting date

The financial statements for the company are made up for the 50 weeks to 13 January 2007 The comparatives are shown for the 64 weeks to 31 January 2006 Since the financial year is virtually co-terminus with the calendar year 2006, the financial year figures are headed 2006 and the corresponding figures for the previous period are headed 2005

Notes *(Continued)*

3 Profit /(Loss) on ordinary activities before taxation

	50 weeks ended 13 January 2007	64 weeks ended 31 January 2006
	2006	2005
	£000	£000
Profit/ (Loss) on ordinary activities before taxation is stated after charging		
Amortisation	**9,269**	8,680
	9,269	8,680

Auditors' remuneration are borne by the Group

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows

No of Employees	**2006**	2005
Full-time	**16**	14

The aggregate payroll costs of these persons were as follows

	50 weeks ended 13 January 2007	64 weeks ended 31 January 2006
	2006	2005
	£000	£000
Wages and salaries	**727**	732
Social security costs	**59**	68
Other pension costs	**95**	108
	939	908

Directors' remuneration is respect of services provided to the Company were £nil *(2005 £nil)*

Notes *(Continued)*

5 Pension scheme

The Company is a wholly owned subsidiary of Co-operative Group (CWS) Limited which operates a defined benefit pension scheme, the assets of which are held in a separate trust fund

In common with the majority of other UK employers, the Group faces increasing costs and risk in the provision of occupational pension schemes for its employees, including Executives In view of this, a strategic review of employee pension provision was completed during 2005 The review covered pension arrangements for all employees, including Executives, in the Group and its financial services subsidiaries, Co-operative Financial Services, Co-operative Insurance Society and The Co-operative Bank plc

As a consequence of this review, some significant changes to the Group's occupational pension arrangements were implemented with effect from 6 April 2006, with the approval of the Trustees of the Co-operative Group Pension Fund, the CIS Employees' Pension Scheme and The Co-operative Bank Pension Scheme (the Former Schemes)

The key changes are

i) The Former Schemes transferred into a new pension scheme on 6 April 2006 The first full valuation will be carried out as at 5 April 2007

ii) The new scheme, The Co-operative Group Pension (Average Career Earnings) Scheme (PACE), is available to employees of the Trading Group and Financial Services businesses It provides pensions and other benefits based on career average earnings, revalued for inflation, in respect of pensionable service from 6 April 2006

iii) Executives and employees are provided with benefits from PACE on the same terms

iv) Accrued benefits under the existing schemes as at 5 April 2006 will continue to be linked to final pensionable salary at the Executives' or employees' actual date of leaving or retirement, whichever is earlier

v) PACE members contribute 6% of their pensionable salary

The assets of the new pension scheme are held in a separate trust fund

The pension costs are assessed in accordance with actuarial advice using the projected unit method

The most recent valuations of the Former Schemes carried out by a qualified actuary The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice

The actuarial valuation of the Former Schemes as noted above has been updated to 13 January 2007

The main assumptions used by the actuary were

	2006	2005
Rate of increase in salaries	**4 5%**	4 2%
Future pension increases where capped at 5% pa	**3 0%**	2 7%
Future pension increases where capped at 2 5% pa	**2 5%**	n/a
Discount rate	**5 1%**	4 6%
Expected return on scheme assets	**6 3%**	5 9%

The current life expectancies (in years) underlying the value of the accrued liabilities stated here for the main scheme are

Life expectancy at age 65	**Male**	**Female**
Member currently aged 65	20 2	23 0
Member currently aged 45	21 2	24 0

Notes *(Continued)*

5 Pension scheme *(continued)*

As documented above, on 6 April 2006, the former Co-operative Group Pension Fund (the Fund) transferred to the Co-operative Group Pension (Average Career Earning) Scheme Therefore the 2005 figures relate to the Fund and are not therefore comparable to the 2006 figures The 2006 figures include the Fund figures from 15 January 2006 to 5 April 2006 and PACE figures thereafter The assets of the Fund at the date of transfer to PACE were valued at £2,623 7m and liabilities were £2,480 0m

	2006 £m	2005 £m
The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(5,020 6)	(2,292 8)
Fair value of plan assets	5,315.7	2,537 6
Present value of unfunded liabilities	(2 8)	(4 2)
Net pension asset	**292 3**	240 6
Reconciliation of fair value of scheme liabilities		
Fair value of scheme liabilities at the beginning of the year	2,297 0	1,990 1
Current service cost	55 4	51 2
Past service cost	2 6	-
Interest on liabilities	192 3	102 8
Contributions by members	19.7	11 9
Actuarial (gains)/losses recognised in equity	(1 8)	219 2
Benefits paid	(186 4)	(78 2)
Gains on settlements and curtailments	2,644 6	-
Fair value of scheme liabilities at the end of the year	**5,023 4**	2,297 0

	2006 £m	2005 £m
Reconciliation of fair value of scheme assets:		
Fair value of scheme assets at the beginning of the year	2,537 6	2,154 7
Expected return on plan assets	265 2	140 1
Actuarial gains/(losses)	93 4	289 4
Contributions by the employer	56 6	19 7
Contributions by plan participants	19 7	11 9
Benefits paid	(186 4)	(78 2)
Gains on settlement and curtailments	2,529 6	-
Fair value of scheme assets at the end of the year	**5,315 7**	2,537 6
This constitutes of		
UK equities	23%	37%
Overseas equities	22%	27%
UK bonds	47%	29%
Overseas bonds	2%	2%
Property	5%	4%
Cash	1%	1%
Fair value of scheme assets at the end of the year	**100%**	100%

Notes *(Continued)*

5 Pension scheme *(continued)*

The Group expects to contribute £62 3m to its defined benefit pension scheme in 2007

There is no contractual agreement or stated Group policy for charging the net defined benefit cost for the plan as a whole measured in accordance with IAS 19 to individual group entities, therefore Co-operative Brands Limited, in its individual financial statements, cannot recognise the net defined cost so charged The net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is the Co-operative Group (CWS) Limited

The Company contributes towards the same pension scheme as the ultimate parent Society, Co-operative Group (CWS) Limited The scheme is a defined benefit scheme but the Company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore contributions to the scheme are accounted for as if it were a defined contribution scheme The Company then recognises a cost equal to its contribution payable for the period, which was £95,000 (2005 £108,000) Based on advice from a qualified actuary, the contributions payable by the participating entities were 16% of pensionable salaries The contribution rate will be reviewed following the results of the next actuarial valuation

6 Financial income

	50 weeks ended 13 January 2007	64 weeks ended 31 January 2006
	2006	2005
	£000	£000
Interest receivable	**423**	362

7 Financial expenses

	50 weeks ended 13 January 2007	64 weeks ended 31 January 2006
	2006	2005
	£000	£000
Interest payable	**10,691**	10,612

8 Taxation

The current year tax charge based on the profit for the period of £965,000 (2006 loss of £990,000) has been offset by group relief for which no payment will be required

Notes *(continued)*

9 Intangible asset

	Licenses
	£000
Cost	
At 31 January 2006 and 13 January 2007	**194,447**
Amortisation	
At 31 January 2006	(8,680)
Charge for period	(9,269)
At 13 January 2007	**(17,949)**
Net book value	
At 13 January 2007	**176,498**
At 31 January 2006	185,767

	£000
Cost	
At 5 November 2004	-
Additions	266,588
Disposals	(72,141)
At 31 January 2006	194,447
Depreciation	
At 5 November 2004	-
Charge for period	(8,680)
At 31 January 2006	(8,680)
Net book value	
At 31 January 2006	185,767
At 5 November 2004	-

10 Trade and other receivables

	2006	2005
	£000	£000
Due within one year		
Interest receivable	**45**	60
Loans to group undertakings (note 15)	**8,123**	7,645
	8,168	7,705

Notes *(continued)*

11 Trade and other payables

	2006 £000	2005 £000
Amounts falling due within one year		
Interest payable	**1,178**	1,681
Loans from group undertakings (note 15)	**183,513**	192,781
	184,691	194,462

12 Called up share capital

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1 each	**1**	1

13 Retained earnings

	2006 £000	2005 £000
Brought forward retained earnings	**(990)**	-
Profit/(Loss) for the period	**965**	(990)
Retained earnings at 13 January 2007	**(25)**	(990)

14 Statement of movement in net assets

	2006 £000	2005 £000
At beginning of period	**(990)**	-
Total recognised income and expense for the period	**965**	(990)
At end of period	**(25)**	(990)

Notes *(continued)*

15 Related parties

Transactions with other Group undertakings

	2006 £000	2005 £000
Interest receivable		
Convenience Stores West Ltd[1]	**259**	230
Devon and Cornwall Convenience Stores Limited	**54**	47
Plymouth and Cornwall Convenience Stores Limited	**52**	45
Somerset and Bristol Convenience Stores Limited	**46**	40
Bell Travel	**6**	-
House of Travel	**6**	-
	423	362
Interest payable		
Co-operative Group (CWS) Limited	**10,676**	10,589
Magic Breaks Limited	**2**	5
Medinland Limited	**13**	18
	10,691	10,612
Granting of options		
Convenience Stores West Ltd[1]		4,520
Devon and Cornwall Convenience Stores Limited		928
Plymouth and Cornwall Convenience Stores Limited		903
Somerset and Bristol Convenience Stores Limited		799
CMTG Limited		84
Co-operative Marketing and Trading Limited		110
Alldays Stores Limited		31,568
National Co-operative Chemists Limited		28,251
Balfour Convenience Stores Limited		4,356
Belfast Co-operative Chemists Limited		622
		72,141

Notes *(continued)*

15 Related parties *(continued)*

	2006	2005 £000
Acquisition of licence		
Co-operative Group (CWS) Limited		266,126
Magic Breaks Limited		114
Medinland Limited		348
		266,588
Year end net debtor position		
Convenience Stores West Ltd[1]	**4,981**	4,711
Devon and Cornwall Convenience Stores Limited	**1,023**	967
Plymouth and Cornwall Convenience Stores Limited	**995**	941
Somerset and Bristol Convenience Stores Limited	**880**	832
CMTG Limited	**88**	84
Co-operative Marketing and Trading Limited	**115**	110
Magic Breaks Limited	**41**	-
	8,123	7,645
Year end net creditor position		
Co-operative Group (CWS) Limited	**183,492**	192,535
Magic Breaks Limited	**-**	42
Medinland Limited	**21**	204
	183,513	192,781

[1] On 11 January 2007 Northern Ireland Co-operative Society Limited transferred its engagements to Convenience Stores West Limited

16 Group entities

Control of the Group

The company is a wholly owned subsidiary of Co-operative Group (CWS) Limited, an Industrial and Provident Society registered in England and Wales This is the smallest and largest group of which the company is a member and for which consolidated accounts are prepared A copy of the Group accounts can be obtained from the Secretary, Co-operative Group (CWS) Limited, PO Box 53, New Century House, Manchester, M60 4ES

17 Continuing support

The company's parent undertaking, Co-operative Group (CWS) Limited, has indicated its intention to provide sufficient finance to the company to allow it to meets its liabilities for a period of at least one year from the date of signature of these financial statement, or until leaving the group, if earlier

18 Commitments and Contingent liabilities

There are no capital commitments or contingent liabilities at the end of the current and preceding financial year

Notes *(continued)*

19 Post Balance Sheet Event

On 29 July 2007 the parent of the company, Co-operative (CWS) Limited, accepted the transfer of engagement of United Co-operatives Limited