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MISSOURI BIDCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

52 WEEKS ENDED 28 FEBRUARY 2009

MISSOURI BIDCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 FEBRUARY 2009

MISSOURI BIDCO LIMITED

DIRECTORS AND ADVISERS

Directors
J Mills (Chairman)
A McGeorge
P Gilbert

Secretary
P Gilbert

Registered office
Gillibrands Road
Skelmersdale
West Lancashire
WN8 9TB

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester M2 3PW

Solicitors
DLA Piper LLP
101 Barbirolli Square
Lower Mosley Street
Manchester M2 3DL

MISSOURI BIDCO LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2009

The directors present their report and the audited financial statements for the 52 weeks ended 28 February 2009. The report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company to Matalan Limited and its subsidiary companies. The company holds external loans and recharges the cost of the loans to a subsidiary company. The company has made a profit during the year of £1.0 million (2008: loss of £6.1million).

DIVIDENDS

The directors do not recommend payment of a dividend (2008: £nil).

TAXATION STATUS

In the opinion of the directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DIRECTORS

The company's directors who served during the period and up to the date of signing the financial statements are noted on page 1.

DONATIONS

During the period the company made no political donations and no charitable donations (2008: £nil).

DIRECTORS' INDEMNITIES

During the period, the company maintained insurance for its directors and officers.

GOING CONCERN

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Missouri Topco Limited. The directors have received confirmation that Missouri Topco Limited intends to support the company for at least one year after these financial statements are signed.

POST BALANCE SHEET EVENT

Following the balance sheet date the holders of the interest rate swap have defaulted on the contract and therefore the mark to market valuation became nil.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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.

MISSOURI BIDCO LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2009 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

For all persons who are directors at the time of the approval of the directors' report and financial statements:

a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and

b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next annual general meeting.

On behalf of the board

P Gilbert
Director
20 May 2009

MISSOURI BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MISSOURI BIDCO LIMITED FOR THE 52 WEEKS ENDED 28 FEBRUARY 2009

We have audited the financial statements of Missouri Bidco Limited for the 52 weeks ended 28 February 2009 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report and all of the other information listed on the contents page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MISSOURI BIDCO LIMITED FOR THE 52 WEEKS ENDED 28 FEBRUARY 2009 (CONTINUED)

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 28 February 2009 and of its profit for the 52 weeks 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
20 May 2009

MISSOURI BIDCO LIMITED

INCOME STATEMENT

	Notes	**52 Weeks ended 28 February 2009 £'m**	73 Weeks ended 1 March 2008 £'m
Administrative expenses pre-exceptional		-	(0.2)
Exceptional administrative expenses	13	-	(5.8)
Total administrative costs		-	(6.0)
Operating result		-	(6.0)
Finance costs	1	**(30.6)**	(46.8)
Finance income	1	**30.6**	46.8
Net finance costs		-	-
Profit/(loss) before taxation	4	-	(6.0)
Taxation	5	**1.0**	(0.1)
Profit/(loss) for the period		**1.0**	(6.1)

All results are derived from continuing operations.

The statement of accounting policies and the notes on pages 9 to 20 form part of these financial statements.

MISSOURI BIDCO LIMITED

BALANCE SHEET

	Notes	2009 £'m	2008 £'m
Assets			
Investment	6	**817.2**	817.2
Deferred tax asset	5	**0.9**	0.9
Total assets		**818.1**	818.1
Liabilities			
Financial liabilities – borrowings	7	**(6.3)**	(4.2)
Financial liabilities – derivative financial instruments	9	**(3.1)**	(1.9)
Trade and other payables	8	**(107.7)**	(91.8)
Current tax liabilities		**-**	(1.0)
Total current liabilities		**(117.1)**	(98.9)
Financial liabilities – borrowings	7	**(268.7)**	(287.9)
Total liabilities		**(385.8)**	(386.8)
Net assets		**432.3**	431.3
Shareholders equity			
Share capital	10	**21.9**	21.9
Share premium		**415.5**	415.5
Retained earnings		**(5.1)**	(6.1)
Total shareholders equity		**432.3**	431.3

The statement of accounting policies and the notes on pages 9 to 20 form part of these financial statements.

The financial statements on pages 6 to 20 were approved by the board of directors on 20 May 2009 and signed on its behalf by:

A McGeorge
Director

MISSOURI BIDCO LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital £'m	Share Premium £'m	Retained earnings £'m	Total equity £'m
As at 10 October 2006	-	-	-	-
Issue of share capital	21.9	415.5	-	437.4
Loss for the period	-	-	(6.1)	(6.1)
As at 1 March 2008	**21.9**	**415.5**	**(6.1)**	**431.3**
As at 2 March 2008	21.9	415.5	(6.1)	431.3
Profit for the period	-	-	1.0	1.0
As at 28 February 2009	**21.9**	**415.5**	**(5.1)**	**432.3**

MISSOURI BIDCO LIMITED

STATEMENT OF ACCOUNTING POLICIES

The Company is a private limited liability company and is incorporated and domiciled in the UK. The address of its registered office is Gillibrands Road, Skelmersdale, West Lancashire, WN8 9TB.

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS) and IFRIC interpretations and the Companies Act 1985 applicable to companies reporting under IFRS. The financial statements have been prepared on the going concern basis under the historical cost convention.

The accounts have been prepared on a going concern basis under the historical cost convention as Missouri Topco Limited, the ultimate parent undertaking, has confirmed that it intends to continue to provide financial support for at least twelve months from the report signing date to enable the company to meet its liabilities as they fall due.

No cash flow statement has been presented as there have been no cash flows in the period.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

The financial statements contain information about Missouri Bidco Limited as an individual company and do not contain consolidated financial information as the parent of the group. The Company is exempt under section 228a of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Missouri Topco Limited, a company incorporated in Guernsey.

New standards, amendments to standards or interpretations

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ended 28 February 2009 but have not had any impact on the Company:

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', effective for annual periods beginning on or after 1 March 2007.

IFRIC 12, 'Service concession arrangements', effective for annual periods beginning on or after 1 January 2008.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year ended 28 February 2009, and are not currently relevant to the Company:

IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009.

IFRS 2 (amendment), 'Share-based payment', effective for annual periods beginning on or after 1 January 2009.

IFRS 3 (amendment), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures', effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

IAS 23 (amendment), 'Borrowing costs', effective for annual periods beginning on or after 1 January 2009.

IAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to IAS 1, 'Presentation of financial statements'.

New standards, amendments to standards or interpretations (continued)

IFRIC 13, 'Customer loyalty programmes'.

IFRIC 14, IAS 19 – 'The limit on a defined benefit asset, minimum funding requirements and their interaction', effective for annual periods beginning on or after 1 January 2009.

IAS 1 (amendment), 'Presentation of financial statements'.

IAS 39 (amendment), 'Financial instruments: recognition and measurement'.

IFRIC 15, 'Construction of real estate'.

IFRIC 16, 'Hedges of a net investment in foreign operations'.

Investments

Investments in subsidiaries are stated at cost, where cost is the aggregate nominal value of the relevant number of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings.

Current income tax

Current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the UK. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected.

Deferred taxation

Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred tax liability is settled or asset is realised.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

Deferred tax is charged or credited to the income statement when the liability is settled or the asset is realised. Deferred tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Derivative financial instruments

The company uses derivative financial instruments to manage its exposure to interest rate risks arising from financing and investment activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for speculative or trading purposes.

Derivative financial instruments are initially recognised and measured at fair value on the date a derivative financial contract is entered into and subsequently measured at fair value at each balance sheet date. The gain or loss on re-measurement is treated as financing in the income statement and then recharged to the trading subsidiaries as appropriate.

MISSOURI BIDCO LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Derivative financial instruments (continued)

The company accounts for those derivative financial instruments used to manage its exposure to foreign exchange risk on foreign currency stock purchases as cash flow hedges under IAS 39. The company has not applied hedge accounting under IAS 39 to its derivatives, consequently the changes in their fair value at period end have been recognised in the income statement within finance costs.

Derivatives are deemed to be current unless the financial instrument is due to mature more than 12 months after the balance sheet date, then they are deemed to be non current.

Financial assets and liabilities

Interest bearing bank 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 and then recharged to the trading subsidiaries as appropriate. The fair values of trade and other receivables, loans and overdrafts and trade and other payables with a maturity of less than one year are assumed to approximate to their book values. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Financial assets and liabilities are deemed to be current unless the financial instrument is due to mature more than 12 months after the balance sheet date, then they are deemed to be non current.

Impairment of assets

The carrying amounts of the company's assets, other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated using the higher of the asset's fair value less costs to sell and the value in use and the carrying value of the asset revised.

Dividends

Final dividends payable to the company's shareholders are recognised in the company's financial statements in the period in which the dividends are approved by the company's shareholders. Interim dividends payable are recognised in the period in which the dividends are paid.

Interest income

Interest income is recognised on a time-proportioned basis using the effective method.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital policy

Ordinary shares are classified as equity.

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Exceptional items

Items that are material in size and non-operating or non-recurring in nature are presented as exceptional items in the income statement. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the company's underlying business performance. Events which may give rise to the classification of items as exceptional include restructuring of businesses, gains or losses on the disposal or, impairment of assets and other significant non recurring gains or losses.

Financial and capital risk management

The financial and capital risk management of the company are managed by group. Details of the financial and risk management policies are included on pages 22 to 25 of the Missouri Topco Limited financial statements.

MISSOURI BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Finance income and costs

	52 weeks ended 28 February 2009 £'m	73 weeks ended 1 March 2008 £'m
Finance income:		
Loan interest recharged to group companies	**30.6**	46.8
Finance costs:		
Interest payable on loans	**(28.6)**	(38.9)
Revolving credit facility arrangement costs	**-**	(3.6)
Amortisation of debt costs	**(1.6)**	(1.6)
Fair value losses – interest rate swaps held at fair value through the income statement	**(0.4)**	(2.7)
	(30.6)	(46.8)
Net finance costs	**-**	-

2. Directors' emoluments

The directors received no remuneration for their services to the company (2008: £nil).

3. Employee information

There were no employees during the period (2008: none).

4. Result before taxation

The audit fee for the company is borne by a fellow group company. The total fee for the group is £0.1m (2008: £0.1m).

MISSOURI BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Taxation

Analysis of (credit)/charge in the period

	2009 £'m	2008 £'m
Current taxation		
UK corporation taxation – current period	-	1.0
Prior year adjustment	(1.0)	-
	(1.0)	1.0
Deferred taxation		
Deferred taxation relating to the origination and reversal of temporary differences	(0.4)	(0.9)
Prior year adjustment	0.4	-
	-	(0.9)
Total taxation (credit)/charge	(1.0)	0.1

The taxation credit for the period is higher (2008: lower) than the rate of corporation taxation of 28.17% (2008: 30%). The differences are explained below:

	2009 £'m	2008 £'m
Loss on ordinary activities before taxation	-	(6.1)
Loss on ordinary activities multiplied by a rate of corporation taxation of 28.17% (2008: 30%)	-	(1.8)
Effects of:		
Expenses not deductible for taxation purposes	(8.9)	1.7
Transfer pricing adjustment	-	0.1
Effect of change in rate of corporation tax from 30% to 28%	-	0.1
Prior year adjustment	(0.6)	-
Group relief surrendered	8.5	-
Total taxation (credit)/charge in the period	(1.0)	0.1

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for the accounting period are taxed at an effective rate of 28.17% and will be taxed at 28% in the future.

5. Taxation (continued)

Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a taxation rate of 28% (2008: 28%).

The analysis of the deferred taxation account is shown below:

	2009 £'m	2008 £'m
Unpaid interest	-	0.9
Fair value gains and losses	**0.9**	-
At the end of the period	**0.9**	0.9

Deferred taxation assets and liabilities are only offset where there is a legally enforceable right of offset and the deferred income taxes relate to the same fiscal authority.

Deferred taxation assets are attributable to the following:

Deferred tax assets

	Fair value gains and losses £'m	**Unpaid interest £'m**	**Total £'m**
At incorporation on 10 October 2006	-	-	-
Credited to the income statement	-	0.9	0.9
At 1 March 2008	**-**	**0.9**	**0.9**
Credited / (Debited) to the income statement	0.9	(0.9)	-
At 28 February 2009	**0.9**	**-**	**0.9**

6. Investment

	Investment in subsidiaries £'m
Cost and net book value	
At incorporation on 10 October 2006	-
Investment in subsidiary undertaking	817.2
At 1 March 2008	**817.2**
At 2 March 2008	817.2
Investment in subsidiary undertaking	-
At 28 February 2009	**817.2**

6. Investments (continued)

The company holds 100% of the ordinary share capital of Matalan Limited. The principal activity of Matalan Limited is to act as a holding company and it is incorporated in England and Wales.

The aggregate of capital and reserves for Matalan Limited is £84.0m (2008: £83.2m) and profit is £0.8m (2008: £2.2m).

7. Financial liabilities - borrowings

	2009 **£'m**	2008 £'m
Current		
Bank loans due within one year or on demand		
Sterling	**(6.3)**	(4.2)
Non current		
Bank loans (net of £10.6m (2008: £11.6m) of issue costs)	**(268.7)**	(287.9)
	(275.0)	(292.1)

Bank loans are all denominated in sterling at 28 February 2009.

Bank loan amounts include rolled up interest charges as appropriate to the instrument and also include an element of borrowing costs in accordance with IAS39. The bank loans are secured by fixed and floating charges on group assets. Interest charges are based on floating LIBOR and the company policy with respect to interest rate risk is outlined in note 9 and the statement of accounting policies. Average interest rates on bank loans during the period were 9.4% (2008: 10.2%).

During the prior period the company entered into an interest rate swap and an interest rate cap which were executed to partially hedge the company's interest rate exposure against unfavourable movements in LIBOR. The directors have not sought to apply hedge accounting under IAS39 to these derivatives, consequently the changes in their fair value at each period end have been recognised in the income statement within finance costs.

The remaining issue costs are amortised over the term of the loans to February 2016.

8. Trade and other payables - current

	2009 £'m	2008 £'m
Amounts owed to group undertakings	**(107.5)**	(80.6)
Accruals and deferred income	**(0.2)**	(11.2)
	(107.7)	(91.8)

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Financial instruments

Financial risk factors

Exposure to interest rate risks arises in the normal course of the company's business. Derivative financial instruments (principally caps and swaps) are used to manage exposure to fluctuations in interest rates. It is the company's policy that no trading in financial instruments shall be undertaken.

The company's policy is to use interest rate swaps and interest rate caps to manage its interest rate risk exposure.

Fair values

The fair values of the company's financial assets and liabilities together with the carrying amounts shown in the balance sheet are as follows:

	Carrying value 2009 £'m	Fair value 2009 £'m	Carrying value 2008 £'m	Fair value 2008 £'m
Bank loans	**(275.0)**	**(275.0)**	(292.1)	(292.1)
Interest rate swap	**(3.1)**	**(3.1)**	(1.9)	(1.9)

The fair value of the interest rate swap and cap as at 28 February 2009 were £3.1m and £nil respectively. The directors have based their assessment of the fair value of these derivatives on the valuation provided by an independent third party.

The floating to fixed rate swap has an initial notional principal of £159,996,000 which amortises over the period of the swap. The forward start date is 5 March 2007 and the final maturity date is 28 February 2010. The fixed rate payable under the swap is 5.96%. The interest rate cap has an initial notional principal of £78,804,000 and amortises over the same period to maturity as the swap. Under the terms of the cap the group will receive interest on the notional amount should the floating LIBOR rate move above 5.82%, such that the total interest payable on this portion of the group's debt will be capped at 5.82%.

9. Financial instruments (continued)

Maturity of financial liabilities

	2009	2008
	£'m	£'m
Less than one year	**(6.3)**	(4.2)
One to five years	**(107.1)**	(32.0)
Five to ten years	**(172.2)**	(267.5)
	(285.6)	(303.7)
Issue costs	**10.6**	11.6
	(275.0)	(292.1)
Current	**(6.3)**	(4.2)
Non current	**(268.7)**	(287.9)
	(275.0)	(292.1)

10. Share capital and reserves

	10p A ordinary shares Number	**Total value £'m**
Authorised		
At incorporation on 10 October 2006	nil	nil
At 28 February 2009 and 1 March 2008	**218,688,222**	**21.9**
Allotted, called up and fully paid		
At incorporation on 10 October 2006	nil	nil
At 28 February 2009 and 1 March 2008	**218,688,222**	**21.9**

Missouri Bidco Limited is a subsidiary of Missouri PIKco Limited. Missouri PIKco Limited is a subsidiary of Missouri Topco Limited. Missouri Topco Limited purchased all of the share capital of Matalan PLC held by John Hargreaves and the Hargreaves family on 10 October 2006 for a consideration of an allotment and issue of 218,688,222 A ordinary shares of 10 pence each in Missouri Topco Limited. Under a share for share exchange Missouri Topco Limited transferred the Hargreaves family shares to Missouri PIKco Limited, its 100% owned subsidiary in consideration for the allotment to the company of 218,688,223 A ordinary shares each of Missouri PIKco Limited. There was a further share exchange as Missouri PIKco Limited transferred the Hargreaves shares to Missouri Bidco Limited in consideration for the allotment of 218,688,222 A ordinary shares of 10 pence each in Missouri Bidco Limited.

11. Contingent liabilities

An unlimited guarantee under a composite accounting agreement operates for all group company bank accounts. Group bank loans and overdrafts are secured by fixed and floating charges on all the assets of the group.

12. Related party transactions

The company has a related party relationship with other group undertakings, its parent company and with its directors and executive officers. During the financial period the company entered into transactions, in the ordinary course of business, with other related parties as follows:

	2009	2008
	£'m	£'m
Transactions with parent company:		
Funds borrowed	-	(46.1)
	-	(46.1)
Transactions with subsidiary group undertakings:		
Funds borrowed	**(58.3)**	(77.5)
Interest receivable	**31.4**	43.0
	(26.9)	(34.5)
Amounts due to group undertakings	**(107.5)**	(80.6)

The company is party to a group cash pooling arrangement with other group companies. The company does not settle transactions in cash, instead amounts are settled by other group companies on its behalf with a corresponding adjustment to intercompany receivables / payables.

Net liabilities settled by other group companies under the cash pooling arrangement:

	2009	2008
	£'m	£'m
Transactions with subsidiary undertakings:		
Operating expenses paid by other group undertakings	-	(1.8)
Loan interest payments	**(35.6)**	(24.2)
Loan repayment	**(22.0)**	(60.5)
Fees paid by other group undertakings	**(0.7)**	-
	(58.3)	(86.5)

13. Exceptional items

Exceptional items are comprised as follows:

	2009 £'m	2008 £'m
Costs incurred in relation to group reorganisation	-	5.8
Exceptional items	-	5.8

In the prior year the company incurred £5.8m of costs as a result of the reorganisation of Matalan PLC group which due to their nature and size were all classified as exceptional in nature.

14. Cash generated from operations

There have been no cash flows in the company in the current or prior year and hence no cash flow statements have been prepared.

	2009 £'m	2008 £'m
Profit/(Loss) for the period	**1.0**	(6.1)
Adjustment for		
(Increase) in trade and other receivables	**(30.6)**	(46.8)
Increase in trade, corporation tax and other payables	**29.6**	52.9
Net Cash Flows	-	-

On arrangement of the banking facilities, and all subsequent transactions in relation to these facilities, the cash was transferred directly to or from another group company and did not directly flow through this company.

15. Ultimate parent company

The directors regard Missouri PIKco Limited, a company registered in England and Wales, as the immediate parent company. According to the register kept by the company, Missouri PIKco Limited has a 100% interest in the equity capital of Missouri Bidco Limited at 28 February 2009. The directors regard Missouri Topco Limited, a company registered in Guernsey, as the ultimate parent company.

The directors regard the Hargreaves family as the ultimate controlling party throughout the period.

The parent of the largest and smallest group to consolidate these financial statements at 28 February 2009 is the ultimate parent company Missouri Topco Limited. The consolidated financial statements of Missouri Topco Limited are available from Matalan, Gillibrands Road, Skelmersdale, West Lancashire, WN8 9TB.

16. Post balance sheet events

Following the balance sheet date the holders of the interest rate swap have defaulted on the contract and therefore the mark to market valuation of the contract became nil.