

George Davies Partnership Limited

Report and Accounts

1 May 1999

Registered No. 2798305



George Davies Partnership Limited

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DIRECTORS

G W Davies (resigned 21 February 1998)
A V Mossman (resigned 21 February 1998)
L A Campbell
P R Cox (resigned 17 December 1998)
A De Nunzio (appointed 17 December 1998)

SECRETARY

N I Cooper

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London
SE1 7EU

BANKERS

Bank of Scotland Plc
38 Threadneedle Street
London

SOLICITORS

Slaughter & May
35 Basinghall Street
London
EC2B 7DB

REGISTERED OFFICE

ASDA House
Southbank
Great Wilson Street
Leeds
LS11 5AD

DIRECTORS' REPORT

The directors present their report and the accounts for the 52 weeks ended 1 May 1999.

RESULTS AND DIVIDENDS

No dividend has been paid and the profit for the period of £ nil (1998 - £43,000) has been transferred to reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company did not trade during the financial period, and will not trade during the next financial period.

POST BALANCE SHEET EVENT

On 14 June 1999, Wal-Mart Stores (UK) Limited, a subsidiary of Wal-Mart Stores, Inc., announced a cash offer for 100% of the issued share capital of ASDA Group plc. The offer became fully unconditional on 27 July 1999 and Wal-Mart Stores, Inc. is now the ultimate parent undertaking of George Davies Partnership Limited.

DIRECTORS AND THEIR INTERESTS

The interests of Messrs L A Campbell and A De Nunzio are shown in the ASDA Group plc accounts.

Messrs G W Davies and A V Mossman resigned as directors on 21 February 1998. Mr P R Cox resigned and Mr A De Nunzio was appointed director on 17 December 1998.

YEAR 2000

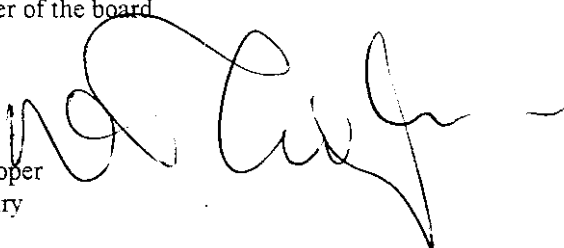
The issues arising from the year 2000 are being dealt with by the 'Year 2000' project team. For further details please refer to the report and accounts of ASDA Group plc. No recharge has been or is to be made for associated costs.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution for their reappointment will be put to members at the Annual General Meeting.

By order of the board

N I Cooper
Secretary



1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on page 5, is made for the purpose of clarifying for members the respective responsibilities of the directors and the auditors in the preparation of the accounts.

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company at the end of each financial year and of its profit for the year. In preparing the financial statements, the directors ensure that applicable accounting standards have been followed and that appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used. The accounts have been prepared on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of George Davies Partnership Limited

We have audited the accounts on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

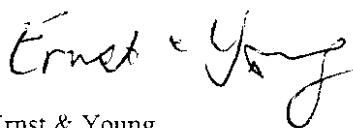
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 1 May 1999 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

4/11/1999

George Davies Partnership Limited

PROFIT AND LOSS ACCOUNT for the 52 weeks ended 1 May 1999

	<i>Notes</i>	<i>1 May 1999 £</i>	<i>2 May 1998 £</i>
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION	2	-	-
Taxation	3	-	43,000
RETAINED PROFIT FOR THE PERIOD		-	43,000

There were no recognised gains or losses in the 52 weeks ended 1 May 1999 and 2 May 1998 other than the profit or loss for each period.

George Davies Partnership Limited

BALANCE SHEET

At 1 May 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Debtors	4	1,188,371	1,188,371
		<u>1,188,371</u>	<u>1,188,371</u>
CREDITORS: amounts falling due within one year	5	(168,493)	(168,493)
		<u>(168,493)</u>	<u>(168,493)</u>
NET ASSETS		<u>1,019,878</u>	<u>1,019,878</u>
CAPITAL AND RESERVES			
Called up share capital	6	4,000,002	4,000,002
Profit and loss account	8	(2,980,124)	(2,980,124)
		<u>(2,980,124)</u>	<u>(2,980,124)</u>
EQUITY SHAREHOLDERS' FUNDS	8	<u>1,019,878</u>	<u>1,019,878</u>

A De Nunzio - Director

1999

A De Nunzio
18/10/99

NOTES TO THE ACCOUNTS

at 1 May 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

In accordance with FRS1 no cash flow statement has been prepared as the company is a wholly owned subsidiary undertaking of ASDA Group plc which produces a consolidated cash flow statement.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors' emoluments and the auditors' remuneration are borne by ASDA Group plc.

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>1 May 1999 £</i>	<i>2 May 1998 £</i>
Based on the profit for the period:		
Corporation tax at 30.9% (1998 - 31%)		
Prior year	-	(43,000)
	-	(43,000)

4. DEBTORS

	<i>1999 £</i>	<i>1998 £</i>
Amounts owed by fellow subsidiaries	1,188,371	1,188,371

George Davies Partnership Limited

NOTES TO THE ACCOUNTS

at 1 May 1999

5. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Amounts owed to parent undertakings	168,000	168,000
Taxation	493	493
	<u>168,493</u>	<u>168,493</u>

6. SHARE CAPITAL

	1999 £	1998 £
Authorised:		
"A" Ordinary shares	4,000,000	4,000,000
"B" Ordinary shares	2	2
	<u>4,000,002</u>	<u>4,000,002</u>
Allotted, issued and fully paid:		
"A" Ordinary shares	4,000,000	4,000,000
"B" Ordinary shares	2	2
	<u>4,000,002</u>	<u>4,000,002</u>

In respect of the above shares:

- Neither class of share carries a guaranteed rate of dividend. The holders of "B" ordinary shares are only entitled to a dividend in any period after the holders of the "A" ordinary shares have received a distribution of £1000 per share for that same period.
- Neither class of share is redeemable by the company.
- On the winding up of the company the "A" ordinary shares rank immediately below the unsecured creditors in consideration of the distribution of assets. The holders of "B" ordinary shares are not entitled to a distribution of assets upon the winding up of the company.
- Each "A" ordinary share carries the right to one vote in general meeting of the company. Each "B" ordinary share carries the right to a number of votes equivalent to half of the votes exercised by the holders of "A" ordinary shares. The holders of "B" ordinary shares are restricted to one vote per share on resolutions concerning the declaration of dividends.

7. CAPITAL COMMITMENTS

There were no capital commitments at the balance sheet date.

NOTES TO THE ACCOUNTS

at 1 May 1999

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 3 May 1997	4,000,002	(3,023,124)	976,878
Profit for the period	-	43,000	43,000
At 2 May 1998 and at 1 May 1999	4,000,002	(2,980,124)	1,019,878

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of ASDA Group plc and is therefore exempt from disclosing transactions with other group companies. There were no other related party transactions during the year which require disclosure.

10. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is ASDA Group plc, a company registered in England and Wales.

Copies of ASDA Group plc's accounts can be obtained from ASDA House, Southbank, Great Wilson Street, Leeds LS11 5AD.