

ASDA SUPERMARKETS LIMITED

Reports and Financial Statements
31 December 2014

Registered Number: 4144792

MONDAY



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COMPANIES HOUSE

ASDA SUPERMARKETS LIMITED

Registered No. 4144792

DIRECTORS

A Clarke

K Hubbard

R Mayfield

A Russo

Resigned 31 March 2014

Resigned 2 February 2014

Appointed 2 February 2014

SECRETARY

A Simpson

AUDITORS

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

LS11 5QR

BANKERS

National Westminster Bank plc

Leeds City Office

8 Park Row

Leeds

LS1 1QS

REGISTERED OFFICE

ASDA House

Southbank

Great Wilson Street

Leeds

LS11 5AD

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2014.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

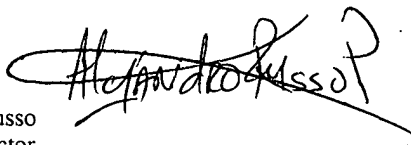
The principal activities of the company are retail property investment, development and management. The business will continue to trade on the same basis for the foreseeable future.

The company holds the title for a property and receives rental income in relation to this site from a fellow group undertaking. Due to the intercompany nature of the business, key performance indicators are not applicable. The key performance indicators of ASDA Group Limited ("The Group"), which includes this company, are noted in the Strategic Report of the Group's Report and Financial Statements, which does not form part of this Report.

RESULTS AND DIVIDENDS

The company's profit for the financial year, after taxation, amounted to £138,000 (2013: £487,000). No dividends were paid in the year (2013: £nil).

On behalf of the board

A handwritten signature in black ink, appearing to read 'A Russo', with a large, stylized flourish extending from the end.

A Russo
Director

24 September 2015

ASDA SUPERMARKETS LIMITED

Registered No. 4144792

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2014.

FUTURE DEVELOPMENTS

The company's future developments are detailed in the Strategic Report on page 2.

GOING CONCERN

The financial statements are prepared on the going concern basis as the immediate holding company has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due.

DIVIDENDS

Dividends paid are detailed in the Strategic Report on page 2.

DIRECTORS' LIABILITIES

The company has granted an indemnity to each of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the Directors' Report.

The indemnity is controlled and paid centrally by the ultimate parent company. However a proportion of this indemnity is paid by the Group.

For a list of directors who held office during the year please refer to the beginning of these financial statements.

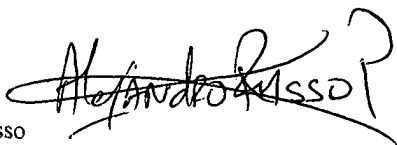
DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the members at the Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'A Russo', with a large, stylized flourish at the end.

A Russo
Director

24 September 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASDA SUPERMARKETS LIMITED

We have audited the financial statements of ASDA Supermarkets Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Reconciliation of Shareholder's Funds, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

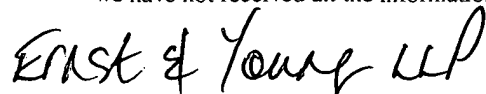
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christabel Cowling (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Leeds

25 September 2015

ASDA SUPERMARKETS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2014

| | <i>Notes</i> | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|--|--------------|--|--|
| Administrative expenses | 2 | (380) | (384) |
| Other income | | 1,320 | 1,320 |
| Operating profit | | 940 | 936 |
| Interest receivable | 3 | 256 | 177 |
| Interest payable | 4 | (665) | (626) |
| Profit on ordinary activities before taxation | | 531 | 487 |
| Taxation | 5 | (393) | - |
| Profit for the financial year | | 138 | 487 |

There were no recognised gains and losses, other than the profit for the year ended 31 December 2014 of £138,000 (2013: £487,000).

The results above are all attributable to continuing operations.

RECONCILIATION OF SHAREHOLDER'S FUNDS for the year ended 31 December 2014

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|------------------------------------|--|--|
| Opening shareholder's funds | 1,015 | 528 |
| Total recognised gains and losses | 138 | 487 |
| Closing shareholder's funds | 1,153 | 1,015 |

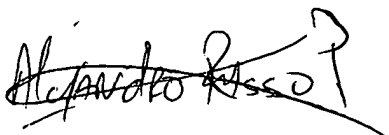
ASDA SUPERMARKETS LIMITED

BALANCE SHEET as at 31 December 2014

| | Notes | 31 December 2014 £'000 | 31 December 2013 £'000 |
|---|-------|------------------------------|------------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 7,972 | 8,348 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 4,821 | 3,449 |
| CREDITORS: amounts falling due within one year | 8 | (11,640) | (10,782) |
| NET CURRENT LIABILITIES | | (6,819) | (7,333) |
| NET ASSETS | | 1,153 | 1,015 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | - | - |
| Profit and loss account | 10 | 1,153 | 1,015 |
| TOTAL SHAREHOLDER'S FUNDS | | 1,153 | 1,015 |

The financial statements were approved by the Board of Directors and signed on its behalf by:

A Russo
Director
24 September 2015



ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on the going concern basis as the immediate holding company has agreed that it will continue to provide financial support to this company to enable it to meet its liabilities as they fall due.

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

Cash flow statement

In accordance with FRS1 'Cash Flow Statements', no cash flow statement has been prepared as the company is a wholly owned subsidiary undertaking of ASDA Group Limited, which produces a consolidated cash flow statement.

Other income

Other income represents rents receivable from other group undertakings, recognised on an accruals basis.

Interest income and expense

Interest income and expenses are recognised on an accruals basis, monthly and on a compound basis.

Debtors

Intercompany receivables are interest bearing (6%), unsecured and have no fixed repayment date.

Debtors and creditors are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Interest receivable or payable is charged and would be settled on the net balance.

Creditors

Trade and other creditors, other than intercompany loans, are not interest bearing and are stated at their nominal value. Intercompany payables are interest bearing (6%), unsecured and have no fixed repayment date.

Debtors and creditors are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Interest receivable or payable is charged and would be settled on the net balance.

Tangible fixed assets

Tangible fixed assets are included in the balance sheet at cost less depreciation.

Depreciation

Tangible fixed assets are depreciated over their estimated useful lives, on a straight line basis, as follows:

| | |
|----------------------|---------------|
| Freehold property | 20 - 50 years |
| Fixtures & Equipment | 10 years |

There is no depreciation on freehold land.

ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2014

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Taxation comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2014

2. ADMINISTRATIVE EXPENSES

Operating profit is stated after charging:

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|---------------------------------------|--|--|
| Depreciation of tangible fixed assets | 376 | 376 |
| Management fee expense | 4 | 8 |
| | <u>380</u> | <u>384</u> |

The directors did not receive any remuneration for their qualifying services as statutory directors of the company during the period (2013: £nil). The directors provided qualifying services to other group companies and their remuneration is paid and disclosed in the financial statements of ASDA Stores Limited.

Other than the directors, the company has no employees (2013: nil).

The company's audit costs of £750 (2013: £750) are paid by ASDA Stores Limited.

3. INTEREST RECEIVABLE

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|---|--|--|
| Interest receivable from group undertakings | <u>256</u> | <u>177</u> |

4. INTEREST PAYABLE

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|--|--|--|
| Interest payable to group undertakings | <u>665</u> | <u>626</u> |

ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2014

5. TAXATION

Corporation tax for the period arises as follows:

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|---|--|--|
| CURRENT TAX | | |
| UK corporation tax on profit for the period | 193 | - |
| Adjustments in respect of prior periods | 200 | - |
| TOTAL CURRENT TAX CHARGE | <u>393</u> | <u>-</u> |

A reconciliation of the current tax charge compared to the standard rate of corporation tax in the UK of 21.493% (2013: 23.247%) applied to the profit on ordinary activities before tax is as follows:

| | <i>Year Ended 31 December 2014 £'000</i> | <i>Year Ended 31 December 2013 £'000</i> |
|--|--|--|
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAX | <u>531</u> | <u>487</u> |
| PROFIT ON ORDINARY ACTIVITIES MULTIPLIED BY THE STANDARD RATE OF UK CORPORATION TAX 21.493% (2013: 23.247%) | 114 | 113 |
| Effects of: | | |
| Prior period adjustments | 200 | - |
| Non-qualifying depreciation | 81 | 87 |
| Group relief not paid for | (2) | (200) |
| CURRENT TAX CHARGE FOR PERIOD | <u>393</u> | <u>-</u> |

The Finance Act 2015, receiving Royal Assent on 26th March 2015, states that the tax rate in 2016 will be set at 20%.

DEFERRED TAXATION

There have been no timing differences giving rise to either a deferred tax asset or liability in the company.

ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS as at 31 December 2014

6. TANGIBLE FIXED ASSETS

| | <i>Freehold properties £'000</i> | <i>Fixtures & Equipment £'000</i> | <i>Total £'000</i> |
|---|--|---|------------------------|
| Cost | | | |
| At 1 January 2014 and 31 December 2014 | 8,472 | 816 | 9,288 |
| Depreciation | | | |
| At 1 January 2014 | 735 | 205 | 940 |
| Charge for the year | 294 | 82 | 376 |
| At 31 December 2014 | 1,029 | 287 | 1,316 |
| Net book value at 31 December 2014 | 7,443 | 529 | 7,972 |
| Net book value at 31 December 2013 | 7,737 | 611 | 8,348 |

7. DEBTORS

| | <i>31 December 2014 £'000</i> | <i>31 December 2013 £'000</i> |
|---|---------------------------------------|---------------------------------------|
| Amount receivable from group undertakings | 4,821 | 3,449 |

8. CREDITORS: amounts falling due within one year

| | <i>31 December 2014 £'000</i> | <i>31 December 2013 £'000</i> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Amounts payable to group undertakings | 11,447 | 10,782 |
| Corporation tax | 193 | - |
| | 11,640 | 10,782 |

ASDA SUPERMARKETS LIMITED

NOTES TO THE ACCOUNTS

as at 31 December 2014

9. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid

Ordinary shares of £1 each

| | <i>No.</i> | <i>£</i> |
|--|------------|----------|
| At 31 December 2013 and 31 December 2014 | 1 | 1 |

10. RESERVES

| | <i>Profit and loss reserve £'000</i> |
|---------------------|--|
| At 1 January 2014 | 1,015 |
| Profit for the year | 138 |
| At 31 December 2014 | 1,153 |

11. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 8 "*Related Party Disclosures*" from disclosing transactions with other wholly owned subsidiaries of the Broadstreet Great Wilson Europe Limited group.

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is ASDA Stores Limited, a company incorporated in England and Wales.

The smallest group at which consolidated financial statements are prepared is ASDA Group Limited. Copies of these financial statements are available from the registered office, ASDA House, Southbank, Great Wilson Street, Leeds, LS11 5AD.

In the directors' opinion, the ultimate parent undertaking and controlling party is Wal-Mart Stores, Inc. which is incorporated in the USA. Copies of its consolidated financial statements, which include this company, can be obtained from the Company Secretary, Wal-Mart Stores, Inc., Corporate Offices, 702 SW 8th Street, Bentonville, AR72716, USA.