Primark Stores Limited

Directors' Report and financial statements for the period of 52 weeks ended 12 September 2020

Registered number: 453448

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the period of 52 weeks ended 12 September 2020

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COMPANY INFORMATION

DIRECTORS	Mr. J. G. Bason Mr. B. J. M. Mansfield Mr. S. S. Gibbs
SECRETARY	Ms. R. S. Schofield
REGISTERED OFFICE	Weston Centre, 10 Grosvenor Street, London, W1K 4QY.
REGISTERED NUMBER	453448
BANKERS	Lloyds TSB Bank plc, PO Box 72, Bailey Drive, Gillingham Business Park, Kent, ME8 0LS. Royal Bank of Scotland, Ulster Bank Group Centre, George's Quay, Dublin 2, Ireland. Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN.
AUDITORS	Ernst & Young, Chartered Accountants, Harcourt Centre, Harcourt Street, Dublin 2.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020

PRINCIPAL ACTIVITIES
The principal activity of the Company is the operation of retail outlets in the United Kingdom under the Primark name. The directors intend to continue to develop these activities for the foreseeable future.

BUSINESS MODEL
Primark's business model is based on doing things differently, allowing us to keep prices low and offer the best value on the high street. We achieve this by doing very little advertising, focusing instead on marketing through our website and popular social media channels and store windows; only selling our products in-store; and making savings on things like simple packaging. Primark delivers a vision of making high-quality affordable fashion accessible to everyone; put simply: Amazing Fashion, Amazing Prices. Although a bricks and mortar retailer, we have a strong digital presence and a high level of customer engagement with more than 22 million followers across our social media channels.

The Company's growth over many years has been achieved through a combination of increasing selling space along with continuing investment in refreshing existing stores to ensure they remain exciting places to shop. The increase in selling space has been driven by capital investment in freehold and leasehold properties as they have become available on the high streets of the UK, in shopping centres, and more recently in retail parks. With a unique combination of the latest fashion and lean operations, Primark offers customers quality, up-to-the-minute designs at value-for-money prices. Primark's range includes a wide selection of products available across womenswear, menswear, kidswear, home, health & beauty and gifting.

BUSINESS REVIEW
In the 52 weeks ended 12 September 2020:

- turnover was £2,540.7 million (2019: £3,449.3 million);
- profit before taxation was £91.1 million (2019: £331.3 million); and
- net equity was £1,070.1 million (2019: £1,102.8 million).

UK store trading performance during the year was negatively impacted by the COVID-19 pandemic. All the Company's stores were closed on 22 March 2020 in line with government guidelines. All 152 stores in England reopened on 15 June 2020. Stores in Northern Ireland with street access re-opened on 18 June 2020, with remaining stores re-opening on 22 June 2020. Stores in Wales reopened on 26 June 2020. Stores in Scotland re-opened on a phased basis between 29 June 2020 and 13 July 2020. The impact of the COVID-19 pandemic is discussed in the 'Principal Risks and Uncertainties' section of the directors report below.

The Company continues to benefit significantly from access to Primark Limited in Ireland and its Leadership Team, including the business format they developed and run, and access to the intellectual property, knowhow and services they provide.

The Company will continue its current activities in future periods.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

BUSINESS REVIEW (Continued)
Retail selling space increased by 0.09 million sq. ft. during the period to 7.54 million sq. ft. A new store was opened in Manchester Trafford Centre during the year and a significant extension was carried out in Norwich. This brought the total number of stores to 190 at year end. Birmingham remains our flagship and largest store in the whole estate at 0.16 million sq. ft.

SECTION 172 STATEMENT
The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The Company is a subsidiary of Associated British Foods plc and, as such, the Company has adopted and directors have due regard to applicable group policies and procedures which impact on the Company's stakeholders, including those referred to on page 72 of the Associated British Foods plc Annual Report and Accounts 2020.

Stakeholders and engagement
As part of the identification of key stakeholders, the directors have identified the following stakeholder groups with whom engagement is fundamental to the Company's ongoing success:

- Employees
- Suppliers
- Customers
- Communities and Environment
- Governments
- Other group companies, and, in particular, Primark Limited.

The Retail Director for the UK and Northern Europe for the Primark group of companies sits on the board of the Company and is the director with whom most engagement with stakeholders takes place either directly or indirectly through their direct reports. The Finance Director of Associated British Foods plc sits on the board of the Company and has regular engagement with the CEO and CFO of Primark Limited in Ireland on all issues relating to the UK stores operated by the Company. The presence of the former Primark Group Sales Director on the board of the Company offers access to a wide range of retail sales experience.

Employees
The Company employs more than 35,000 people.

Our people are central to the Company's success and employee engagement is crucial to embedding our Company culture and values, and to helping our people see how their efforts contribute to their Company's strategic objectives.

During the reporting period, Primark launched a number of initiatives to help employees stay connected and motivated, including providing leadership updates, regular internal communications (such as emails and via the intranet), Health & Safety programs and training.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

SECTION 172 STATEMENT (Continued)

Employees (Continued)

Primark live streams 'Primark Live'/town hall sessions to area managers and above giving them the opportunity to hear directly from the CEO of Primark Limited in Ireland and the wider Primark leadership team about the business strategy. Select events are recorded and can be reviewed by store management. Store colleagues are updated via daily "huddles", training programmes and in-store engagement collateral.

The directors review the outcome of these communications/events annually to focus resources on the areas where improvement would provide the most benefit for our people.

The health and safety of both employees and customers has been paramount, in particular in the context of the COVID-19 pandemic. All UK employees are also offered access to a confidential employee assistance programme.

Suppliers

The Company purchases products from suppliers for resale at its retail stores. As well as product suppliers being important stakeholders, the Company operates its retail stores from a mix of freehold and leasehold properties. Where the property is leasehold, landlords are an important stakeholder.

Primark has a Code of Conduct which every supplier factory making products must commit to as a condition of doing business with us. The standards in Primark's Code of Conduct are based on the United Nations International Labour Organization's standards and cover workers rights', wages, freedom of association and the environment. Every factory is audited by specialist auditors at least once a year against these standards.

Customers

As well as providing products that are great value for money, the physical health and safety of customers is of paramount importance to the Company. The Company engages with its customers through customer surveys, social media and through customer information lines, ensuring their feedback is properly taken into account.

Communities and Environment

Supporting society and respecting the environment are two of the key ways the Company lives its values and makes a difference. The Company is committed to seeking sustainable solutions to environmental challenges and adapting our operations to respond to changes in the natural environment. During the COVID-19 pandemic when stores were closed, many of the Company's employees volunteered to prepare and deliver care packs for those in need. Thousands of everyday products were donated to hospitals for frontline workers and patients. During the year, a new in-store recycling scheme was introduced allowing customers to re-cycle pre-loved clothing, textiles, footwear and bags with signage in-store to communicate the scheme to customers.

The Company extended its UK fleet with 15 new Longer Semi Trailers (LSTs), which each carry twice the stock of existing trailers. It is estimated that this will result in 1,600 fewer journeys every year, 728,000 fewer kilometres travelled and the elimination of 680 $CO2_e$ tonnes from Primark's UK transport operations.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

SECTION 172 STATEMENT (Continued)

Governments

The Company can be impacted by changes in laws and public policy including issues such as COVID-19 and Brexit. To mitigate the Company's exposure to such risks, the directors engage with government authorities either directly, or through being part of the broader Associated British Foods group, to contribute to, and anticipate, important changes in public policy.

Other Associated British Foods plc group entities

The Company benefits significantly from access to Primark Limited and its Leadership Team in Ireland, including the business format they developed and run, and the access to the intellectual property, know-how and services they provide. The Company forms part of the broader group of companies headed by Associated British Foods plc. Group companies can provide financial and other support to the Company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged.

Principal decisions

Below are some examples of the principal decisions taken during the year, how the directors considered stakeholder views/interests and how such consideration impacted on decision-making.

Change of store operating model

On re-opening of stores in June and July 2020, the health and safety of customers and employees was paramount. With support and guidance from Primark Limited, the directors oversaw a new operating model which was generated with Government guidelines being treated as the bare minimum. Entrances and exits to stores were completely re-configured and hand sanitisers introduced. Customers were counted into and out of stores to manage numbers and new roles were introduced such as floor marshals to monitor social distancing. Cashpoints were re-configured (including introduction of Perspex screens), queuing systems were re-designed and signage was introduced throughout the stores to remind people about the importance of social distancing. Gloves and masks were provided to all employees and the frequency and rigour of store cleaning was also increased. The care the Company took in both the measures put in place and in communicating them to customers, media and local and regional government were welcomed by the communities in which the Company trades. The UK government invited Primark to showcase the safety measures through a video and written case study to promote the safe reopening of retail stores around the country. Directors were briefed on feedback received from customers and employees and, following such feedback, additional dividers were installed at tills in a majority of Primark's stores to enable more tills to be opened and to reduce queues.

Access to job retention schemes and discussions with landlords

With the complete closure of all Primark stores in the UK for a period of months, resulting in a total loss of sales during that period, the Company accessed support from the UK government job retention scheme and sought discussions with landlords to seek help with its lease payments. Views of such stakeholders were taken into account whilst recognising the longer term need for there to be a healthy thriving retail environment.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

SECTION 172 STATEMENT (Continued)
Decision to cease placing new orders with suppliers following closure of all stores and subsequent reinstatement of orders
Primark's product and sourcing teams were in close and regular contact with suppliers. Those teams then reported through to the CEO of Primark Limited, the Director of Primark Ethical Trade and the Director of Primark Supply Chain, Sourcing and Quality, including on any concerns raised by suppliers. The CEO of Primark Limited, Director of Primark Ethical Trade and Director of Primark Supply Chain, Sourcing and Quality liaised closely with a director of the Company.

As mentioned in the Associated British Foods plc Annual Report and Accounts 2020, stakeholder views were taken into account, alongside weekly reports of group cash flow, in making various decisions throughout the period from stores closing through to their reopening including:

- the decision, announced by Primark on 22 March 2020, to cease placing new orders with suppliers, reflected the need to reduce costs in order to secure the longer-term success of the business. This also reflected the fact that some £1.5bn worth of stock was already in stores, depots or in transit worldwide with no avenue through which to sell while stores were closed;
- the decision, announced by Primark on 3 April 2020, to establish a fund to cover the wages component of orders that had been cancelled, taking into account concerns raised by suppliers and reflecting a reputation for high standards of business conduct;
- the decision, announced by Primark on 20 April 2020, to commit to pay for some £370m of additional orders, meaning that Primark had committed to take all product that was both in production and finished and planned for handover by 17 April;
- the decision, announced by Primark on 31 July 2020, to commit to pay its garment suppliers in full for all outstanding finished garments and to utilise or pay for any finished fabric liabilities; and
- the decision, announced by Primark on 31 July 2020, to place some £1.2bn of orders for coming seasons, reflecting the trading performance of stores after reopening.

The above actions reflected the decision to prioritise more funds to support the supply chain, as costs began to be mitigated and a reopening timetable could be seen. They also recognised the longer term need for there to be a healthy, thriving retail environment (which is also in customers' interests) in order to underpin a healthy, thriving supply chain.

KEY PERFORMANCE INDICATORS
Primark management monitors a range of key performance indicators against budgets, forecasts and prior periods. These performance indicators include:

Sales volumes and values
Sales were satisfactory during the period with reference to market conditions in the UK considering the COVID-19 related store closures.

Margins
Gross profit margin as presented in the Income Statement decreased from 18.5% to 13.4% primarily due to the impact of COVID-19 closures mentioned previously.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

RESULTS AND DIVIDENDS
The Income Statement for the period of 52 weeks ended 12 September 2020 and the Balance Sheet at that date are set out on pages 19 and 22, respectively.

Profit on ordinary activities before taxation amounted to £91.1 million (2019: £331.3 million). The profit for the period after taxation is £43.8 million (2019: £262.5 million) which is available for distribution.

There were no dividends declared or paid in the current year (2019: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES
The directors consider the principal risks and uncertainties facing the Company (which are typical of those facing the retail sector) are:

- margin reduction due to competition and/or currency exposure
- increases in raw material costs
- changes in consumer spending patterns, including in relation to environmental sustainability
- retaining key employees and succession planning
- VAT rate changes
- socio-political uncertainty
- workplace health and safety
- product safety and quality
- retail rent and rates
- breaches of I.T and information security
- Brexit and the resulting uncertainties at the time of approval of the financial statements. We have completed all practical preparations and have contingency plans in place should we experience some disruption at the time of exit.

The directors believe that these risks are effectively managed through a strong focus on competition, on the Company's cost base and on its key employees.

The COVID-19 pandemic continues to be a worldwide crisis and the extent of the future impact is still uncertain. Authorities continue to impose restrictions on both a regional and local basis. Whilst our businesses had not planned for a global pandemic, under extraordinary circumstances, our teams reacted with immediacy to adapt to the evolving situation. Primark stores were able to reopen safely as restrictions were lifted.

Many lessons have been learned and we have developed a flexible set of possible responses that are ready to be deployed in the event of further restrictions being imposed, whether that be locally, regionally or globally.

Having reviewed Associated British Food plc's detailed risk assessment and overall response to the pandemic and the fact that the parent company has agreed to provide the necessary financial support to enable the Company to discharge its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements, we are satisfied that COVID-19 will not have an impact on the Company's ability to continue as a going concern.

STRATEGIC REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

FINANCIAL RISK MANAGEMENT
The directors consider the Company's financial risk profile to be low. Liquidity, cash flow and credit risks are usually low due to the cash-based nature of the business and the strong cash flows generated. Critical actions were taken to manage liquidity risk during store closures including control of inventory purchasing, store staff wages reduction through the UK Government's job retention scheme, rate reductions and rent deferrals.

The directors at a group level are closely monitoring the potential impact of COVID-19 on financial results and cashflows and have prepared a detailed risk assessment and revised projections for the entire business. The Company's parent company has agreed to provide the Company with financial support, as required, to mitigate this liquidity risk. Where the Company is exposed to currency fluctuations it is Primark's policy to hedge the underlying transaction using foreign currency forward contracts, thereby fixing the rate of any material payments in a foreign currency. Hedge accounting is used when certain criteria are met, as explained in the accounting policy, note 1(o).

Other financial risks include price risk - as a value retailer, Primark constantly monitors developments in market pricing and responds accordingly.

FUTURE DEVELOPMENTS
No new stores in the UK have opened since the year end. On 14 October 2020, the Southend-on-Sea store relocated to a bigger location.

On behalf of the board

S. S. Gibbs
Director

Date: 17/12/2020

DIRECTORS' REPORT
for the period of 52 weeks ended 12 September 2020

The directors present their report together with the audited financial statements of Primark Stores Limited for the 52 week period ended 12 September 2020.

Included in the Strategic Report are the following areas which would otherwise have been disclosed in the Directors' Report:

- Principal Risks and Uncertainties
- Financial Risk Management
- Future Developments

DIRECTORS, SECRETARY AND THEIR INTERESTS
The directors and secretary who held office during the period and subsequent to the period end are as follows:

Directors:
- Mr J. G. Bason
- Mr B. J. M. Mansfield
- Mr S. S. Gibbs

Secretary:
- Ms R. S. Schofield

In accordance with the Articles of Association, the directors are not required to retire by rotation.

The directors and secretary who held office at 12 September 2020 had no beneficial interest in the share capital of the Company during the financial period.

No director or secretary had at any time during the period any material interest in a contract with the Company, other than service contracts.

CORPORATE GOVERNANCE
The Company is part of the Associated British Foods plc group of companies. As a company with a premium listing on the London Stock Exchange, Associated British Foods plc, is subject to the UK Corporate Governance Code 2018 (the "Governance Code").

As a member of the Associated British Foods plc group of companies, the Company has adopted and the directors have due regard to group-wide governance policies and procedures and best practice. As the Company itself is not a listed company, it does not consider it appropriate to adopt the Governance Code itself, though in practice, it is influenced by group-wide governance arrangements in place in order for Associated British Foods plc to meet its obligations under the Governance Code and other governance rules and requirements. The Company is also mindful of the Wates Corporate Governance Principles for Large Private Companies but does not consider it appropriate to adopt those Principles given its status as a member of the Associated British Foods plc group of companies. Instead, the Company's corporate governance framework is generally based on that of Associated British Foods plc.

DIRECTORS' REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

CORPORATE GOVERNANCE (Continued)
Purpose and leadership
The purpose of the Company is to operate the Primark retail stores in the UK so as to be able to provide clothing to customers that is great value for money, in line with the relevant part of the purpose of the broader Associated British Foods plc group. Primark's business model is based on doing things differently, allowing it to keep prices low and offer the best value on the high street. Further information can be found on page 55 of the Associated British Foods plc Annual Report and Accounts 2020.

Culture and values
In delivering our vision of making high-quality, affordable fashion available to everyone, we share the Associated British Foods plc group values: respecting everyone's dignity; acting with integrity; progressing through collaboration; and pursuing with rigour. We live and breathe our values through the work we do every day, from investing in the health and safety of our colleagues and customers, promoting diversity and respecting human rights.

Board composition
The board of the Company comprises the Retail Director for the UK and Northern Europe for the Primark group of companies, the Finance Director of Associated British Foods plc and a former Primark Sales Director. This is considered appropriate as the Company is part of the Associated British Foods plc group of companies. The composition of the board enables effective decision-making and ensures a range of views and retail experience can be taken into account in making decisions, as well as the know-how of the broader Associated British Foods plc group. The business format of the Company is developed and run by Primark Limited in Ireland, together with that company's Leadership Team, and Primark Stores Limited has access to the intellectual property, know-how and services which Primark Limited provides.

Director responsibilities - policies and procedures
The directors formally meet at least once a year and more frequently as and when required. Due to the involvement of the Primark Retail Director for the UK and Northern Europe on the board, the board has ready access to a broad range of information sources through his day-to-day management role. As members of the Leadership Team of Primark Limited also regularly report in to the Finance Director of Associated British Foods plc, who also sits on the board of the Company, this serves as an additional source of information and allows for the identification of opportunities and risks from experiences of the broader Primark businesses across different markets. The Company is heavily reliant on the business format developed by and services provided by the Company's sister company, Primark Limited, and the input of its Leadership Team and, in effect, the implementation and day-to-day execution of the Company's business model is delegated on a day-to-day basis to the Primark Retail Director for the UK and Northern Europe.

Opportunity and risk
The business format developed by Primark Limited and its Leadership Team, and the services provided by them, are a key source for the Company in terms of the creation and preservation of value over the long term. In terms of oversight and management of risk, the Company has adopted the relevant group-wide policies. Key policies, such as minimum standards on whistleblowing, competition law and Anti-Bribery and Corruption policies, are set centrally, as are financial controls. Support in respect of these areas is provided by group central functions such as legal, finance and internal audit.

DIRECTORS' REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

Stakeholder relationships and engagement
Please see the section 172 statement on pages 5 to 8 for details of engagement with stakeholders.

Engagement with employees
Please see the section 172 statement on pages 5 to 8 for details of how the directors have engaged with employees and how the directors have had regard to employee interests, and the effect of that regard including on the principal decisions taken by the Company.

Engagement with suppliers, customers and others in a business relationship with the Company
Please see the section 172 statement on pages 5 to 8 for details of how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard including on the principal decisions taken by the Company.

EMPLOYMENT POLICIES
The Company is committed to offering equal opportunities in recruitment, training, career development and promotion to all people, including those with disabilities, having regard for their particular aptitudes and abilities. As a matter of policy, full and fair consideration is given to applicants with disabilities and every effort is made to give employees who become disabled whilst employed by the Company an opportunity for retraining and for continuation in employment. It is company policy that the training, career development and promotion of disabled persons should, as far as possible, be the same as that of other employees.

The Company is committed to the further development of employee communication and consultation ensuring at all times that employees are informed of developments affecting the Company.

HEALTH AND SAFETY
The Company keeps its safety, health and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective. The Company's board of directors reviews these at least annually, as does the board of Associated British Foods plc.

DIRECTORS' INDEMNITIES
The directors have benefited from the Associated British Foods plc group's Directors and Officers Insurance policy.

POLITICAL DONATIONS
The Company made no political donations during the period (2019: £nil).

PARENT UNDERTAKING
The immediate holding company is ABF Investments plc, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the Company are consolidated is headed by Wittington Investments Limited. The smallest group in which they are consolidated is headed by Associated British Foods plc.

DIRECTORS' REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

PARENT UNDERTAKING (Continued)
The consolidated accounts of these groups are available to the public and may be obtained from the registered office of Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

DISCLOSURE OF INFORMATION TO THE AUDITOR
The directors who were members of the board at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS
On 19 October 2020, Wales announced it would move into a two week lockdown period from 6pm 23 October 2020 until 9 November 2020. In line with this announcement all Primark stores in Wales closed for the period these restrictions were in place and re-opened on 9 November 2020.

On 31 October 2020, England announced it would move to a four week lockdown from 5 November 2020 until 2 December 2020. In line with this announcement all Primark stores in the England closed for the period these restrictions were in place and re-opened on 2 December 2020.

On 17 November 2020, Scotland announced that eleven local authority areas would have Level 4 restrictions imposed for three weeks from 6pm 20 November 2020 until 11 December 2020. In line with this announcement, 11 of our 20 Primark stores in Scotland closed for the period these restrictions were in place and re-opened on 11 December 2020.

On 19 November 2020, Northern Ireland announced that it was extending its "circuit breaker" lockdown to include non-essential retail for two weeks from 27 November to 11 December. In line with this announcement all Primark stores in Northern Ireland closed for the period these restrictions were in place and re-opened on 11 December 2020.

As the conditions that gave rise to these closures occurred subsequent to the balance sheet date, the directors of the Company have concluded these to be non-adjusting events.

GOING CONCERN
The financial statements are prepared on the going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as the parent company has agreed to provide sufficient funds, to the extent they are required, to enable the Company to meet all debts as they fall due for a period of twelve months from the date of approval of the financial statements.

DIRECTORS' REPORT
for the period of 52 weeks ended 12 September 2020 (Continued)

GOING CONCERN (Continued)
The impact of COVID-19 pandemic on the Company's ability to going concern has been discussed in the 'Principal Risks and Uncertainties' section of the directors report above.

AUDITOR
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young, Chartered Accountants will therefore continue in office.

On behalf of the board

S. S. Gibbs
Director

Date: 17/12/2020

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period of 52 weeks ended 12 September 2020

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 applicable law and United Kingdom Accounting Standards including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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 of the profit or loss for that period. 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;
- 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. The directors are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

S. S. Gibbs
Director

Date: 17/12/2020

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARK STORES LIMTIED

Opinion

We have audited the financial statements of Primark Stores Limited for the period ended 12 September 2020 which comprise the Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Equity, Balance Sheet and the related notes 1 to 25, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 12 September 2020 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARK STORES LIMTIED (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARK STORES LIMTIED (Continued)

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young

Roger Wallace (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin

Date: 18 December 2020

INCOME STATEMENT
for the period of 52 weeks ended 12 September 2020

	Note	*Period ended 12 September 2020 £'000*	*Period ended 14 September 2019 £'000*
Turnover – continuing operations	2	2,540,686	3,449,257
Cost of sales		(2,199,373)	(2,811,185)
Gross profit		341,313	638,072
Distribution costs		(58,406)	(66,067)
Administration expenses		(217,606)	(239,060)
Other operating income	6	60,065	3,715
Profit on disposal of fixed assets		1,015	-
Exceptional items	7	13,054	-
Operating profit – continuing operations	3	139,435	336,660
Interest payable and similar charges	4	(48,379)	(5,379)
Profit on ordinary activities before taxation		91,056	331,281
Tax on profit on ordinary activities	8	(47,223)	(68,762)
Profit for the financial period		43,833	262,519

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the period of 52 weeks ended 12 September 2020

	Period ended 12 September 2020 £'000	*Period ended 14 September 2019 £'000*
Profit for the financial period	43,833	262,519
Other comprehensive income Items that are or may be subsequently reclassified to profit or loss:		
Net gain/(loss) on hedging instruments	(10,817)	(3,416)
Tax (credit)/charge on items relating to components of other comprehensive income	2,055	581
Other comprehensive income/(loss) for the period	(8,762)	(2,835)
Total comprehensive income for the period	35,071	259,684

STATEMENT OF CHANGES IN EQUITY
for the period of 52 weeks ended 12 September 2020

	Called-up share capital £'000	*Share based payment reserve £'000*	*Cash flow hedge reserve £'000*	*Profit and loss account £'000*	*Total equity £'000*
At 15 September 2018	50,000	5,742	(664)	786,755	841,833
Profit for the financial period	-	-	-	262,519	262,519
Other comprehensive loss for the period	-	-	(2,835)	-	(2,835)
Total comprehensive (loss)/income for the period	-	-	(2,835)	262,519	259,684
Share-based payment transactions	-	1,322	-	-	1,322
At 14 September 2019	50,000	7,064	(3,499)	1,049,274	1,102,839
IFRS 16 opening balance adjustment	-	-	-	(81,783)	(81,783)
Balance as at 15 September 2019	50,000	7,064	(3,499)	967,491	1,021,056
Profit for the financial period	-	-	-	43,833	43,833
Other comprehensive income for the period	-	-	(8,762)	-	(8,762)
Total comprehensive income for the period	-	-	(8,762)	43,833	35,071
Share-based payment transactions	-	291	-	-	291
Gains transferred to cost of inventory	-	-	13,658	-	13,658
At 12 September 2020	50,000	7,355	1,397	1,011,324	1,070,076

BALANCE SHEET
at 12 September 2020

	Note	At 12 September 2020 £'000	At 14 September 2019 £'000
FIXED ASSETS			
Tangible assets	9	1,474,909	1,516,219
Right-of-use assets	10	1,064,033	-
		2,538,942	1,516,219
CURRENT ASSETS			
Stock	11	449,523	564,326
Debtors	12	67,689	53,774
Cash at bank and in hand		31,228	37,592
		548,440	655,692
CREDITORS (amounts falling due within one year)	13	(799,451)	(922,551)
NET CURRENT LIABILITIES		(251,011)	(266,859)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,287,931	1,249,360
CREDITORS (amounts falling due after more than one year)	14	(1,189,795)	(128,975)
Provision for liabilities and charges	15	(28,060)	(17,546)
NET ASSETS		1,070,076	1,102,839
CAPITAL AND RESERVES			
Called-up share capital	17	50,000	50,000
Share-based payment reserve		7,355	7,064
Cash flow hedge reserve		1,397	(3,499)
Profit and loss account		1,011,324	1,049,274
SHAREHOLDER'S FUNDS – EQUITY		1,070,076	1,102,839

On behalf of the board

S. S. Gibbs
Director

Date: 17/12/2020

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020

1. SIGNIFICANT ACCOUNTING POLICIES

The Company is a private limited company incorporated and domiciled in England and Wales. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) *Accounting period*
It is the policy of the Company to make up its financial statements to the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 week period ended 12 September 2020.

(b) *Basis of preparation and statement of compliance*
The financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* which involves the application of International Financial Reporting Standards (IFRS) with a reduced level of disclosure. The financial statements of Primark Stores Limited were authorised for issue by the Board of Directors on 17 December 2020.

The Company's financial statements are presented in sterling, which is also the Company's functional currency, all values are rounded to the nearest thousand pounds and have been prepared on a historic cost basis unless otherwise indicated. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 12 September 2020.

Having reviewed Associated British Foods plc's detailed risk assessment and overall response to the pandemic and the fact that the parent company has agreed to provide the necessary financial support, as required, to enable the Company to discharge its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements, the Directors of the Company are satisfied that COVID-19 will not have an impact on the Company's ability to continue as a going concern.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period of 52 weeks ended 12 September 2020.

(c) *Judgements and key sources of estimation uncertainty*
In applying the accounting policies management has made estimates in a number of areas and the actual outcome may differ from those calculated. Key sources of judgement and estimation uncertainty at the balance sheet date, with the potential for material adjustment to the carrying value of assets and liabilities within the next financial period, are set out below.

Stock valuation:
The Company uses the retail method for stock valuation. The cost of inventory is determined by reducing the sales value of the inventory by its percentage gross margin. The percentage used takes into consideration inventory that has been marked down to below its original selling price. An average percentage margin for each retail department is used with inherent estimation required in relation to determining the mix of stock purchases which remain on hand at period end.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) *Judgements and key sources of estimation uncertainty (continued)*

Stock valuation (Continued):

The Company has recognised a judgmental provision in respect of its constructive obligation relating to commitments made to suppliers for stock stored by suppliers for extended time periods due to the COVID-19 pandemic period trading environment. The inherent judgment pertains to the extent of store obsolescence relating to storage duration and conditions.

Useful lives of properties:

Assessment of useful lives of properties involves judgement in relation to the split between land and property values. Management considers store location, industry benchmarks and group accounting policies to determine split between land and property value and appropriate useful lives.

Leases:

The Company adopted IFRS 16 Leases for the first time this financial year. Judgement was required in determining the term of each lease, the discount rate used to value the lease liabilities and right-of-use assets disclosed and in identifying lease arrangements within the scope of IFRS 16.

(d) *Disclosure exemptions*

The Company is a qualifying company as defined in FRS 101. Its financial statements are included in the financial statements of Associated British Foods plc which are prepared in accordance with International Financial Reporting Standards as adopted by the EU and can be obtained from www.abf.co.uk. The Company has taken advantage of the following FRS 101 disclosure exemptions:

- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1,
  - paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraphs 10(d), 10(f), 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 *Presentation of Financial Statements*; and
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*.
- the requirements of paragraphs 45(b) and 46 to 52 of *IFRS 2 Share-based Payment* in respect of group settled share-based payments;
- the requirements of *IFRS 7 Financial Instruments: Disclosures; and*
- the requirements of paragraph 91 to 99 *IFRS 13 Fair Value Measurement*.

(e) *New accounting policies*

The following accounting standards and amendments were adopted during the year and had no significant impact on the Company, except as further described below:

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) New accounting policies (continued)
IFRS 16 Leases
IFRS 16 Leases introduces a new model for the identification of leases and accounting for lessors and lessees. It replaces IAS 17 Leases and other related requirements. IFRS 16 distinguishes leases from service contracts on the basis of control of an identified asset. For lessees, it removes the previous accounting distinction between (off-balance sheet) operating leases and (on-balance sheet) finance leases and introduces a single model recognising a lease liability and corresponding right-of-use asset for all leases except for short-term leases and leases of low-value assets.

For lessors, IFRS 16 substantially retains existing accounting requirements and continues to require classification of leases either as operating or finance in nature. IFRS 16 permits a choice of transition approaches: a fully retrospective approach with an adjustment made to the opening retained earnings of the comparative period; or a modified retrospective approach with the cumulative effect of initial application recognised at the date of initial application without restating prior periods. Lease liabilities are measured initially at the present value of lease payments yet to be paid, subsequently adjusted for interest and lease payments as well as a number of other changes to lease provisions. Lease liabilities are included in net debt.

Effective Date and Adoption Considerations
Primark Stores Limited adopted IFRS 16 on 15 September 2019 and applies it for the first time in the 2020 financial year. Primark Stores Limited determined to adopt the modified retrospective approach.

Disclosures on transition
We recognised lease liabilities at transition of €1,345.9m and right-of-use assets of €1,148.2m.

The following table reconciles the operating lease commitments as at 14 September 2019 disclosed in the financial statement to the amount recognised on the balance sheet in respect of lease liabilities on adoption of IFRS 16.

	£'000
Undiscounted future operating lease commitments disclosed as at 14 September 2019	2,177,001
Effect of discounting	(447,634)
Effect of assumptions on renewal options and break clauses	(351,320)
Accruals and prepayments	(19,584)
Other reconciling items (net)	(12,535)
IFRS 16 lease liabilities recognised as at 15 September 2019	1,345,928

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) New accounting policies (continued)

Disclosures on transition (continued)

Under the modified retrospective transition method, lease payments were discounted to present value at 15 September 2019 using incremental borrowing rates derived as at that date representing the rate of interest the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The weighted average incremental borrowing rate applied on transition was 3.29%.

Right-of-use assets are reported as non-current assets and initially measured at either:

- carrying amount as if IFRS 16 had been applied since the lease commencement date, discounted by the group's incremental borrowing rate as at 15 September 2019 (applied to a majority of the group's leases where sufficient historical information was available); or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments (applied to a small number of leases where sufficient historical information was not available).

Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, adjusted for any remeasurement of the lease liability. There is no change to overall cash flows.

Operating lease expenses previously charged to operating profit have been replaced by depreciation of right-of-use assets (within operating profit) and interest cost (within finance expense). Although the aggregate income statement impact of each lease over its life does not change, the generally straight-line profile of operating lease expense is now more front-loaded under IFRS 16 because of the interest charge on the lease liability.

In applying IFRS 16, the Company has applied the following practical expedients as of the transition date:

- reliance on the previous identification of a lease (as defined by IAS 17) for all contracts that existed at the date of initial application;
- reliance on previous assessment of whether leases are onerous instead of performing an impairment review (rental payments associated with these leases are recognised in the Income statement on a straight-line basis over the life of the lease);
- accounting for operating leases with a remaining lease term of less than 12 months as at the transition date as short-term leases excluded from the scope of IFRS 16 (rental payments associated with these leases are recognised in the Income statement on a straight-line basis over the life of the lease); and
- accounting for operating leases for low-value items as excluded from the scope of IFRS 16. No adjustment has been made to the recognition and measurement of assets previously recognised as finance leases under IAS 17 which were transferred to right-of-use assets on adoption of IFRS 16, with the related borrowings transferred to lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) *Turnover*

Turnover represents the value of sales made to customers after deduction of discounts, sales taxes and a provision for returns. Discounts include price discounts, certain promotional activities and similar items. Turnover from the sale of goods is recognised when the customer purchases goods in-store. Returns are provided for as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required to meet claims by customers, taking into account historical trends and past experience.

Turnover from the sale of inventory to other Primark subsidiaries is recognised on dispatch of goods.

(g) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation and impairment charges. No depreciation is provided on freehold land. The charge for depreciation is calculated to write down the cost of other tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives. Leasehold properties are written off over the shorter of the lease term and their useful lives.

The anticipated useful life of other tangible fixed assets is generally deemed to be no longer than:

Freehold and leasehold property	40 - 66 years
Fixtures and fittings	10 - 20 years
Computers (included in fixtures and fittings)	5 years

An item of tangible fixed assets is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of an asset is included in the income statement in the period of de-recognition, as part of operating profit if it relates to operating activities.

Assets under construction are recognised in a distinct asset claim for the first time for the year ended 12 September 2020 and relate to new stores or store improvement additions not yet in use. These assets are segregated from their asset classes this year for greater understandability of net asset additions and the depreciation charge for the period. Depreciation commences when assets are commissioned for use.

The carrying amounts of tangible fixed 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. An impairment charge is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) *Leases*

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or a series of payments, the right to use a specific asset for an agreed period.

In the 2019 financial year, where the Company was a lessee and had substantially all the risks and rewards of ownership of an asset, the arrangement was considered a finance lease. Finance leases were recognised as assets of the group within property, plant and equipment at the inception of the lease at the lower of fair value and the present value of the minimum lease payments. Depreciation on leased assets was charged to the Income Statement on the same basis as owned assets. Payments made under finance leases were apportioned between capital repayments and interest expense charged to the Income Statement.

Other leases where the Company is a lessee were treated as operating leases. Payments made under operating leases were recognised in the Income Statement on a straight-line basis over the term of the lease, as were the benefit of lease incentives.

In the 2020 financial year, where the Company is a lessee, the following accounting policy applies:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease, which is the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for subsequent remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment. Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, adjusted for any remeasurement of the lease liability.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Lease payments include fixed payments, including in-substance fixed payments, and variable lease payments that depend on an index or a rate, less any lease incentives receivable.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leases (continued)

After the commencement date of the lease, the lease liability is subsequently measured at amortised cost using the effective interest rate method. The carrying amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured when there is a change in future lease payments due to a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value asset recognition exemption to groups of underlying leases that are considered uniformly low value.

Lease payments on short-term leases and leases of low-value assets are expensed to the income statement.

Lessor accounting

Where the Company subleases assets, the sublease classification is assessed with reference to the head lease right-of-use asset. This assessment considers, among other factors, whether the sublease represents the majority of the remaining life of the head lease.

The ratio of rental income to head lease rental payments is used to determine how much of the right-of-use asset should be derecognised. This assessment takes into consideration whether the sublet/head lease are above/below market rate.

Amounts due from lessees under finance leases are recorded as a receivable at an amount equal to the net investment in the lease. This is initially calculated and recognised using the incremental borrowing rate at the recognition date. Any difference between the derecognised right-of-use asset and the newly recognised amounts due for lessees under finance leases is recognised in the income statement. The Company recognises finance income over the lease term, reflecting a constant periodic rate of return on the net investment in the lease. Operating lease income is recognised as earned on a straight-line basis over the lease term.

(i) Stocks

Stocks are valued at the lower of cost and net realisable value using the retail method, calculated on the basis of selling price less appropriate trading margin. Net realisable value is the estimated selling price less all related selling, distribution and marketing costs. All retail inventories are finished goods.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) *Taxation*

Corporation tax payable is provided on taxable profits at the prevailing rate. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

(k) *Share-based payments*

Associated British Foods plc operates a share incentive plan which allows certain employees to receive allocations of shares subject to the attainment of specified financial performance criteria and typically after a three-year performance period. The fair value of the shares to be awarded is recognised as an employee expense by the Company, with a corresponding increase in equity. The fair value is measured at grant date and charged to the Income Statement over the period during which the employee becomes unconditionally entitled to the shares. The fair value of the shares allocated is measured taking into account the terms and conditions under which the shares were allocated. The amount recognised as an expense is adjusted to reflect the actual number of shares that are expected to vest.

(l) *Foreign currencies*

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) *Pension costs*

The Company is a member of the Associated British Foods Pension Scheme. FRS 101 requires the sponsoring employer, Associated British Foods plc, to account for the defined benefit pension scheme in their financial statements as a defined benefit pension scheme in full and hence contributions made by the Company are accounted for as if it were a defined contribution scheme. The cost recognised within the Income Statement for the period is based on the contributions payable to the scheme this period.

(n) *Debtors*

Debtors and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through Income Statement when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(o) *Derivative financial instruments*

Derivatives are used to manage the Company's exposure to financial risks. The principal instruments used are foreign exchange contracts, futures or options (the 'hedging instrument'). The Company does not use derivatives for speculative purposes.

Derivatives are recognised in the balance sheet at fair value, based on market prices or rates, or calculated using either discounted cash flow or option pricing models. Changes in the value of derivatives are recognised in the Income Statement unless qualify for hedge accounting, when recognition of any change in fair value depends on the nature of item being hedged.

The purpose of hedge accounting is to mitigate the impact on the Company's Income Statement of changes in foreign exchange, by matching the impact of the hedged risk and hedging instrument in the Income Statement.

Changes in the value of derivatives used as hedges of future cash flows are recognised through other comprehensive income in the hedging reserve.

When the future cash flow results in the recognition of a non-financial asset or liability, then at the time the asset or liability is recognised, the related gains and losses previously recognised in the hedging reserve are included in the initial measurement of that asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts recorded in the hedging reserve are recognised in the Income Statement in the same period in which the hedged item affects profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Derivative financial instruments (continued)

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in the hedging reserve is retained in the hedging reserve until the forecast transaction occurs. Gains or losses on hedging instruments relating to an underlying exposure that no longer exists are taken to the Income Statement. The Company economically hedges foreign currency exposure on recognised monetary assets and liabilities but does not normally seek hedge accounting. Any derivatives that the Company holds to hedge this exposure are classified as 'fair value through profit and loss' within derivative assets and liabilities. Changes in the fair value of such derivatives and the foreign exchange gains and losses arising on the related monetary items are recognised within operating profit.

(p) Cash

Cash in the balance sheet comprise cash at bank and in hand.

(q) Financial instruments - initial recognition and subsequent measurement

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provision of the instrument.

(i) *Financial assets*

Initial recognition and subsequent measurement

As of 16 September 2018, the Company assessed which business models apply to each category of its financial assets and classified them into the three categories defined by IFRS 9: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

The financial assets recognised by the Company includes cash and cash equivalents, other receivables, intercompany receivables and derivative financial instruments. The Company holds no financial assets at fair value through other comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments - initial recognition and subsequent measurement (Continued)

Financial assets at amortised cost (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the Income Statement when the asset is derecognised, modified or impaired.

The financial assets at amortised cost includes amounts due from fellow group undertakings.

Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Income Statement.

This category includes derivative financial instruments.

Derecognition
A financial asset is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment
The Company holds other receivables and intercompany receivables which are subject to impairment under IFRS 9's expected credit loss model. The Company revised its impairment methodology under IFRS 9 for each of these classes of assets. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all receivables.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) *Financial instruments - Initial recognition and subsequent measurement (Continued)*

(ii) *Financial liabilities*

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities mainly comprise trade and other payables, amounts due to fellow group undertakings and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the Income Statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. This category includes derivative financial instruments.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments - initial recognition and subsequent measurement (Continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

(r) Government grants
Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as compensation for expenses already incurred are recognised in profit or loss in the period in which they become receivable. Grants are presented within 'Other Income' in the Income Statement.

2 TURNOVER

Turnover arises in the United Kingdom and is derived solely from retail trading activities.

3 STATUTORY AND OTHER INFORMATION

Operating profit is stated after charging:	*Period ended 12 September 2020 £'000*	*Period ended 14 September 2019 £'000*
Depreciation:		
- finance leased assets	-	186
- owned assets	106,067	107,088
- right-of-use assets	74,717	-
Insurance income	(10,000)	(7,750)
Auditor's remuneration (including expenses)	144	140
Directors' remuneration	701	578
Net foreign currency exchange gain (note 7)	(22,430)	(17)
Rentals payable under operating leases:		
- land and buildings	-	104,812

During the financial year directors' remuneration in respect of qualifying services comprised fixed and variable amounts of £0.44m (2019: £0.48m), pension £0.07m (2019: £0.07m) and long term incentive plan £0.19m (2019: £0.03m).

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

3. STATUTORY AND OTHER INFORMATION (Continued)

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £674,264 (2019: £517,563). During the period, the highest paid director did not receive any shares under a long-term incentive scheme. Nil shares were granted to the highest paid director and 7,296 shares vested (2019: nil shares granted and 1,204 shares vested).

4. INTEREST PAYABLE AND SIMILAR CHARGES	*Period ended 12 September 2020 £'000*	*Period ended 14 September 2019 £'000*
Interest payable on amounts owed to group undertakings	5,276	4,777
Finance lease charges	-	602
Interest expense on lease liabilities	43,103	-
	48,379	5,379

5. STAFF NUMBERS AND COSTS

The average weekly number of employees during the period was:	*Period ended 12 September 2020 Number*	*Period ended 14 September 2019 Number*
Full time	7,391	6,446
Part time	28,350	30,784
Contractors	16	83
	35,757	37,313

The aggregate payroll costs of these employees were as follows:	*Period ended 12 September 2020 £'000*	*Period ended 14 September 2019 £'000*
Wages and salaries	381,196	394,872
Social welfare costs	20,399	21,629
Pension costs	18,061	18,459
Share based payment expense	291	1,322
	419,947	436,282

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

6. OTHER INCOME	Period ended 12 September 2020 £'000	Period ended 14 September 2019 £'000
Government grants	57,544	-
Rental income	2,521	3,715
	60,065	3,715

Government grants represent the grants received in relation to employee payroll costs under the UK Government's job retention scheme for the period during which UK stores were closed.

7. EXCEPTIONAL ITEMS	Period ended 12 September 2020 £'000	Period ended 14 September 2019 £'000
Inventory mark-down provision	(9,376)	-
Net foreign currency exchange gain	22,430	-
	13,054	-

Inventory mark-down provision represents the provision for constructive obligation in respect of potential stock obsolesce in relation to stock stored on behalf of the Company by suppliers for longer than usual as a result of COVID-19 pandemic as well as certain stock donations made during the period.

Also due to the COVID-19 pandemic, certain inventory purchase orders scheduled for future periods were deferred during the year resulting in settlement of the corresponding FX hedge instruments resulting in a gain.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES	Period ended 12 September 2020	Period ended 14 September 2019
Analysis of charge in the period	£'000	£'000
Current tax		
Corporation tax on income for the financial period	23,623	68,881
Adjustments in respect of prior periods	17,035	4,587
Total current tax charge	40,658	73,468

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)

	2020	*2019*
	£'000	*£'000*
Deferred tax		
Origination/reversal of timing differences	1,762	1,379
Effect of change in tax rate	490	(145)
Adjustment in respect of prior periods	4,313	(5,940)
Total deferred tax charge/(credit) *(note 16)*	6,565	(4,706)
Tax on profit on ordinary activities	47,223	68,762

Factors affecting tax charge	*2020*	*2019*
	£'000	*£'000*
Profit on ordinary activities before taxation	91,056	331,281
Current tax at effective rate of 19% (2019: 19%)	17,301	62,943
Effects of:		
Effect of rate change	490	(145)
Expenses not deductible	8,084	7,316
Adjustment in respect of prior periods	21,348	(1,352)
Total tax charge for period	47,223	68,762

Factors affecting the future effective tax rate of the Company
A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. The legislation to effect these changes was enacted before the balance sheet date and UK deferred tax has accordingly been calculated at 19%

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

9. TANGIBLE FIXED ASSETS

	Freehold land £'000	*Freehold buildings £'000*	*Leasehold property £'000*	*Fixtures & fittings £'000*	*Assets under construction £'000*	*Total £'000*
Cost:						
At 14 September 2019	183,984	473,977	282,819	1,497,587	-	2,438,367
IFRS 16 opening balance adjustment	-	(12,299)	(16,110)	-	-	(27,409)
Additions in the period	193	1,599	947	38,968	40,795	82,502
Disposals in the period	(15)	(302)	-	-	-	(317)
At 12 September 2020	184,162	462,975	268,656	1,536,555	40,795	2,493,143
Depreciation:						
At 14 September 2019	-	113,746	57,484	750,918	-	922,148
IFRS 16 opening balance adjustment	-	(2,538)	(7,351)	-	-	(9,889)
Charge for period	-	8,478	6,100	91,489	-	106,067
Disposals	-	(92)	-	-	-	(92)
At 12 September 2020	-	119,594	56,233	842,407	-	1,018,234
Net book value:						
At 12 September 2020	184,162	343,381	212,423	694,148	40,795	1,474,909
At 14 September 2019	183,984	360,231	225,335	746,669	6,871	1,516,219

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

10. LEASES

The Company adopted IFRS 16 Leases on 15 September 2019

Right-of-use assets:

	Land & buildings £'000
Cost:	
IFRS 16 opening balance adjustment	1,148,178
New leases in the year	3,392
Other movements	1,682
At 12 September 2020	1,153,252
Depreciation:	
Depreciation charge or period	74,717
Impairment of right-of-use asset	14,502
	89,219
Net book value:	
At 12 September 2020	1,064,033

During the year we impaired a right-of-use asset related to a leasehold property in the UK.

Lease liabilities:

	Land & buildings £'000
Cost:	
Initial adjustment on transition to IFRS 16	1,345,928
New leases in the year	3,392
Interest charge	43,103
Lease payments	(88,174)
Other movements	(1,714)
	1,302,535

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

10. LEASES (Continued)

The contractual undiscounted future cash flows of the lease liabilities at 12 September 2020 is:

	Land & Buildings €'000
Due within 1 year	112,740
Due within 1 to 2 years	112,106
Due within 2 to 5 years	333,594
Due after 5 years	1,371,574
	1,930,014

11. STOCKS

	12 September 2020 £'000	*14 September 2019 £'000*
Goods for resale	449,523	564,326

The replacement cost of stocks does not differ significantly from the amounts shown in the balance sheet.

Cost of sales include inventories amounting £1,479 million (2019: £2,001 million) recognised as expense during the period.

12. DEBTORS

	12 September 2020 £'000	*14 September 2019 £'000*
Prepayments	16,074	40,571
Derivative assets	6,474	7,803
Amounts owed by group companies	45,141	5,400
	67,689	53,774

Amounts owed by group companies are not interest-bearing and are receivable on demand.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

13. CREDITORS (amounts falling due within one year)	*12 September 2020 £'000*	*14 September 2019 £'000*
Bank loans and overdrafts	1,150	23,327
Finance lease obligations	-	40
Lease liabilities	112,740	-
Trade creditors	141,687	236,763
Amounts owed to group companies	253,330	401,934
Accruals and deferred income	114,126	118,858
Corporation tax	53,542	76,480
Capital creditors	29,705	24,390
VAT payable	84,637	34,393
PAYE/PRSI	3,993	-
Derivative liabilities	4,541	6,366
	799,451	922,551

Amounts owed to the Company's parent are repayable on demand.

14. CREDITORS (amounts falling due after more than one year)	*12 September 2020 £'000*	*14 September 2019 £'000*
Reverse premia on leases (i)	-	117,109
Finance lease obligations	-	11,866
Lease liabilities	1,189,795	-
	1,189,795	128,975

(i) This related to incentives received from landlords in respect of certain property operating leases. These are now included in right-of-use assets following adoption of IFRS-16.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

15. PROVISION FOR LIABILITIES AND CHARGES

	12 September 2020 £'000	14 September 2019 £'000
Inventory mark-down provision	8,939	-
Restructuring and payroll provisions	12,367	-
Deferred tax (note 16)	6,754	17,546
	28,060	17,546

The restructuring provision represents the amount recorded for the Company's communicated redundancy plans.

16. DEFERRED TAXATION

The deferred tax included on the Balance Sheet is as follows:

	12 September 2020 £'000	14 September 2019 £'000
Accelerated capital allowances	(8,245)	(3,886)
Deferred tax on hedging	(328)	717
Losses	1,571	-
Other short term timing differences	(15,720)	(14,377)
IFRS 16 timing differences	15,968	-
	(6,754)	(17,546)

Presented as:	12 September 2020 £'000	14 September 2019 £'000
Deferred tax liability	(6,754)	(17,546)

Movement in deferred tax (liability):

Deferred tax provision brought forward	(17,546)	(22,833)
(Charge)/credit to Income Statement	(6,565)	4,706
(Charge)/credit to Other Comprehensive Income	2,055	581
(Charge)/credit to Equity	(3,100)	-
IFRS 16 transition adjustment	18,402	-
	(6,754)	(17,546)

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

17. CALLED-UP SHARE CAPITAL

	12 September 2020 £'000	*14 September 2019 £'000*
Allotted, called up and fully paid:		
50 million (2019: 50 million) ordinary shares of £1 each	50,000	50,000

18. SHARE BASED PAYMENT RESERVE

The Company had the following equity-settled share-based payment plans in operation during the period for certain employees:

Associated British Foods Executive Share Incentive Plans 2013 and 2016 ('the Share Incentive Plans') were approved and adopted by Associated British Foods plc at its annual general meetings held on 6 December 2013 and on 9 December 2016 respectively. They take the form of conditional allocations of shares which will be released if, and to the extent that, certain performance targets are satisfied over a three-year performance period.

Details of the shares outstanding under the equity-settled share-based payment plan are as follows:

	12 September 2020 No.	*14 September 2019 No.*
Exercised	64,301	20,855

19. HEDGING RESERVE

The hedging reserve comprises all changes in the value of derivatives to the extent that they are effective cash flow hedges, net of amounts recycled from the hedging reserve on occurrence of the hedged transaction or when the hedged transaction is no longer expected to occur.

During the year, an amount of £22.4m was recycled from the hedging reserve to profit and loss resulting from ineffective hedges.

20. PENSION INFORMATION

The Company is a member of the Associated British Foods Pension Scheme providing benefits based on final pensionable pay. As Associated British Foods plc is the sponsoring employer and has legal responsibility for the defined benefit pension scheme, FRS 101 requires the sponsoring employer to account for the defined benefit pension scheme in their financial statements as a defined benefit pension scheme in full and hence contributions made by the Company are accounted for as if it were a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

20. PENSION INFORMATION *(CONTINUED)*

The cost recognised within the income statement for the year is based on the contributions payable to the scheme this year.

The most recent triennial funding valuation of the Scheme was carried out as at 5 April 2017, using the current unit method, and revealed a surplus of £176 million. The market value of Scheme assets was £3,789 million, representing 105% of members' accrued benefits after allowing for expected future salary increases.

Full IAS 19 disclosures can be found within the financial statements of Associated British Foods plc, which may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated financial statements of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

On 30 September 2002 the scheme was closed to new members and a defined contribution arrangement was put in place for other employees. For the defined contribution scheme, the pension costs are the contributions payable.

The combined contribution to the defined benefit and defined contribution sections of the Associated British Foods Pension Scheme by Primark Stores Limited for the period was £18.3 million (2019: £18.5 million).

21. CONTINGENCIES

The Company is routinely involved in claims and legal actions which arise in the normal course of business. Based on information currently available to the Company and legal advice, the directors do not believe such litigation individually or in aggregate would have a material adverse effect on the financial statements of the Company.

22.	COMMITMENTS	*12 September 2020 £'000*	*14 September 2019 £'000*
(i)	*Capital*		
	Authorised and contracted for	22,849	65,314

(ii) *Other commitments:*

Forward contracts for various foreign currencies with a value of £379.4 million at agreement dates (2019: £540.7 million) were open at period end.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

23. PARENT UNDERTAKING

The immediate holding company is ABF Investments plc, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the Company are consolidated is headed by Wittington Investments Limited. The smallest group in which they are consolidated is headed by Associated British Foods plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from the registered office of Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

24. RELATED PARTY TRANSACTIONS

Trading transactions
During the period, the Company entered into the following trade transactions with related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

	Commissions paid 12 September 2020 £'000	*Commissions paid 14 September 2019 £'000*
Selfridges & Co. Limited	560	1,098

The following amounts were owed by related parties at the balance sheet date:

	12 September 2020 £'000	*14 September 2019 £'000*
Selfridges & Co. Limited	-	108

Selfridges & Co. Limited is a related party of the Company due to common key management personnel.

In the course of normal operations, related party transactions entered into by the Company have been contracted on an arm's length basis.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

NOTES TO THE FINANCIAL STATEMENTS
12 September 2020 (Continued)

25. POST BALANCE SHEET EVENTS

On 19 October 2020, Wales announced it would move into a two week lockdown period from 6pm 23 October 2020 until 9 November 2020. In line with this announcement all Primark stores in Wales closed for the period these restrictions were in place and re-opened on 9 November 2020.

On 31 October 2020, England announced it would move to a four week lockdown from 5 November 2020 until 2 December 2020. In line with this announcement all Primark stores in the England closed for the period these restrictions were in place and re-opened on 2 December 2020.

On 17 November 2020, Scotland announced that eleven local authority areas would have Level 4 restrictions imposed for three weeks from 6pm 20 November 2020 until 11 December 2020. In line with this announcement, 11 of our 20 Primark stores in Scotland closed for the period these restrictions were in place and re-opened on 11 December 2020.

On 19 November 2020, Northern Ireland announced that it was extending its "circuit breaker" lockdown to include non-essential retail for two weeks from 27 November to 11 December. In line with this announcement all Primark stores in Northern Ireland closed for the period these restrictions were in place and re-opened on 11 December 2020.

As the conditions that gave rise to these closures occurred subsequent to the balance sheet date, the directors of the Company have concluded these to be non-adjusting events.