Primark Stores Limited

Directors' Report and financial statements for the period of 52 weeks ended 16 September 2023

Registered number: 453448

CONTENTS

COMPANY INFORMATION

DIRECTORS	Mr. J. G. Bason (resigned on 28 April 2023) Mr. E. P. Tonge (appointed on 26 April 2023) Mr. J. E. Rolls Ms. K. L. Rodgers (appointed on 10 March 2023)
SECRETARY	Mr. R. G. Cahill
REGISTERED OFFICE	Weston Centre, 10 Grosvenor Street, London, W1K 4QY.
REGISTERED NUMBER	453448
BANKERS	Lloyds TSB Bank plc, PO Box 72, Balley Drive, Gillingham Business Park, Kent, MES 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, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023

PRINCIPAL ACTIVITIES

The principal activity of Primark Stores Limited ("the Company" or "we") 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 limited advertising, focusing instead on marketing through our website and popular social media channels and store windows. 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, our social media channels have long been an important part of our marketing mix, enabling us to showcase the breadth of Primark products. As a next step, we set ourselves the objective of improving the customer journey between browsing online and shopping in-store, enabling us to reach both new and existing customers in new ways.

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, kids, home, health & beauty, and gifting.

The Primark Cares strategy encompasses nine ambitious commitments across three pillars of Product, Planet and People through to 2030. In the second year of the Primark Cares strategy, the focus has been on embedding and upscaling the pilot programmes and projects. We aim to provide transparent information on our progress against the commitments we published. Our 2022/2023 Primark Sustainability and Ethics Progress Report is available at https://corporate.primark.com/en-ie/primark-cares/sustainability-report

Primark's carbon programme focuses on managing climate-related risks. It aims to further embed analysis of climate-related risks and management to support the operational continuity and better inform its climate strategy.

DIGITAL

Primark continues to build and invest in transforming its digital capability. Since launching the new UK website, we have seen a positive customer reaction and strong traffic uplift in the UK. Usage of the stock checker facility ranged broadly between 15%-20% of website sessions. We are also putting more focus on increasing traffic growth to www.primark.com through organic search, customer relationship management, and selected performance marketing trials and, overall, working in closer alignment with our already strong social media engagement. We believe our digital platform is already beginning to support good uplifts in footfall and that it is contributing to store like-for-like sales across

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

DIGITAL (continued)
our markets. In April 2023 we announced the expansion of our Click + Collect trial to an additional 32 stores in London, taking the total number offering this service to 57 stores, one third of our UK estate. In September 2023, we extended the service to include womenswear, alongside the existing offer on kidswear. While this remains a trial, we are encouraged by the early results. In addition, we implemented self-checkouts in 22 stores in the period. This service has seen high utilisation and customer engagement and the roll-out continues.

BUSINESS REVIEW
In the 52 weeks ended 16 September 2023:

- turnover was £3,851.0 million (2022: £3,378.5 million);
- profit on ordinary activities before taxation was £141.2 million (2022: £199.6 million); and
- net equity was £1,389.4 million (2022: £1,296.5 million).

Trading in the UK was strong and improved as the year progressed with total sales increasing by 14% against the previous financial period, driven by like-for-like growth of 10% helped in particular by our new customer website that has now been running for more than a year. This sales performance was achieved despite unhelpful weather impacts in the third and fourth quarters which resulted in slightly lower footfall in contrast to the first half of the year when footfall was significantly higher. Primark's market share[1] grew in the financial period, increasing from 6.4% last year to 6.7% this year.

Profit has decreased by 29% in the year, driven by items impacting margin such as increased stock loss, slightly higher markdowns and unfavourable currency impacts. Wages and salaries have also increased given new store openings and higher headcounts year-on year. Wage inflation is also a factor in driving higher wages & salaries. Operating costs have also increased due to inflationary pressures and higher levels of trade.

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, know-how and services they provide. The Company will continue its current activities in future periods.

Retail selling space increased by 0.1 million sq. ft. during the period to 7.7 million sq. ft. We opened new locations in Craigavon and Salisbury and also fully reopened our Bank Buildings store in the heart of Belfast, which was damaged by fire in 2018. We also closed our temporary store in Donegal Place. Primark also extended its Liverpool location in June 2023.

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.

1 Kantar, Primark market share of the total UK clothing, footwear and accessories market including online by value, 52-week data to 16 September 2023.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

SECTION 172 STATEMENT (Continued)

The Company is a wholly-owned 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 46 of the Associated British Foods plc Annual Report and Accounts 2023. Please also see the Associated British Foods plc Section 172 Statement on pages 40 to 45 of the Associated British Foods plc Annual Report 2023.

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, Environment and Sustainability
- Governments
- Other group companies, and, in particular, Primark Limited and Associated British Foods plc.

The Finance Director of Associated British Foods plc, which heads the group of companies of which the Company forms a part, 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.

Employees

The Company employs more than 32,000 people (2022: more than 31,000). 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 ran a number of initiatives to help employees stay connected and motivated, including regular engagement surveys, provided leadership updates, provided regular internal communications (such as emails, intranet, or magazines), Health & Safety programmes and training. In response to feedback from the engagement survey, the Retail Career pathways programme was introduced. These are development programmes that have been introduced to support colleagues in understanding the progression opportunities in Primark and have outlined pathways on how colleagues can progress in Primark. This is for retail assistants up to team managers. Primark further enhanced the Primark Zing App, which is now a key communication tool for all colleagues to ensure that the Company can communicate directly with employees on matters affecting them.

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 (which develops the business format) and the wider Primark leadership team about business strategy. Select events are recorded and can be viewed by store management. Store colleagues are updated via daily 'huddles', training programs and in-store engagement material.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

SECTION 172 STATEMENT (Continued)

Employees (continued)
The directors review the outcome of these communications/events regularly to focus resources on the areas where improvement would derive the most benefit for our people.

Resulting from the cost of living crisis, Primark introduced a number of measures to ensure employees were supported when at work. Primark Pantry was introduced across all stores, with food provisions available so that all store colleagues could benefit from a nutritious meal whilst at work. Additionally, Primark further enhanced the employee discount for all colleagues to help with the cost of living crisis.

Primark removed age-related pay in April. Given that the UK government has different national minimum wage expectations by age, we feel this is a great support to our younger colleagues in dealing with the current cost of living.

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.

Our Supplier Code of Conduct, which applies to all companies in the Associated British Foods group, and which can be found on the Associated British Foods website, sets out our values and standards on how we work and engage with our suppliers on ethical, environmental, and other relevant matters including on key issues such as payment practices, responsible sourcing, supply chain sustainability and human rights and modern slavery.

Primark takes very seriously its ongoing contribution to the United Nations 2030 Agenda for Sustainable Development, established in its framework of Sustainable Development Goals (SDGs). Primark's approach to respecting and promoting human rights in our supply chain has a significant impact on this contribution. In March 2022, we published our Supply Chain Human Rights Policy which sets out how we bring this contribution to life The aim of the policy is to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

As a minimum, we respect national law in the places where our products are made. In certain circumstances we believe that we should aim to go beyond legal minimum requirements, recognising that states may not always fulfil their duty to protect individual workers' rights. Therefore, we draw on international frameworks to further guide our approach.

We are committed to enact the United Nations (UN) Guiding Principles on Business and Human Rights, and in doing so, we are guided in particular by the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. It is the combination of these instruments that guides our work.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

SECTION 172 STATEMENT (Continued)

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

Primark has implemented a number of initiatives during the year in response to customer surveys including enhanced experiences in fitting rooms, self-checkouts in response to queue times and the lower pricing campaign for kidswear in response to the cost of living crisis.

Primark's 'Supporting Women for Life' collection has made specialist collections more accessible and affordable. We want all our customers to feel seen, included and understood and, after listening to them, we realised many of the products women rely on during key moments in their lives were, for many, outside of their budget. The introduction of this range aims to ensure that these products (post-surgery bras, period pants etc) were accessible to all where they may not have been before.

Communities, Environment and Sustainability
Supporting society and respecting the environment are two of the ways we live our values and make 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.

Further progress has been made implementing our wide-ranging sustainability strategy unveiled two years ago, itself an evolution of an earlier and long-standing ethical trade and sustainability programme. During the year we further embedded the processes and capabilities needed to drive and accelerate change both internally and across our value chain. Some 55% of all the clothing items we sold contained recycled or more sustainably sourced materials, up from 45% last year and up from 25% at launch two years ago. This represents good progress in the delivery of our commitment that all our clothes will be made from recycled or sustainably sourced materials by 2030.

Within this, 46% of our cotton clothing now contains cotton that is organic, recycled or sourced from our Primark Sustainable Cotton Programme (PSCP), up from 40% last year. Our commitment to reduce our carbon emissions across our value chain by 50% by 2030 was validated by the Science Based Targets initiative (SBTi). While carbon emissions increased this year by 11% compared to our baseline 2018/19 financial period, this was expected: Scope 1 and 2 emissions reduced but there was an increase in our Scope 3 emissions due to an increase in the volume of materials used to produce the higher number of products sold year-on-year. In the short term, this trend is likely to continue, but emissions will decline in time as we increase the use of more sustainably sourced materials across our product ranges. In our own store estate, some of our stores are now powered by renewable or low-carbon electricity and have switched to energy-efficient lighting.

As part of the Primark Cares programme, Primark committed to provide transparent information on our progress against the commitments we published. Information regarding the progress is contained in the

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

SECTION 172 STATEMENT (Continued)

Communities, Environment and Sustainability (continued)
2022/23 Primark Sustainability and Ethics Progress Report. This report includes decisions on our supply chain, our business operations, our products, and our people. Primark is committed to reporting annually on our progress and how we are learning and changing as a company.

The second year of the Primark Cares strategy has been focused on embedding and scaling up pilot programmes and projects: taking on our early learnings to understand where we can have impact and drive change. The Primark Cares strategy encompasses nine ambitious commitments across three pillars of Product, Planet and People through to 2030. These commitments are supported by the development of suitable metrics and gathering data necessary to set baselines against which we can measure and report our progress. We aim to provide transparent information on our progress against the commitments we published. Information regarding our second-year progress is contained in the 2022/23 Primark Sustainability and Ethics Progress Report, which covers activities and initiatives across the three strategic pillars, including our supply chain.

Primark's carbon programme focuses on managing climate-related risks. It aims to further embed analysis of climate-related risks and management to support the operational continuity and better inform its climate strategy. This year, we disclosed our transition plan, within the Task Force on Climate-Related Financial Disclosures (TCFD) section of the ABF Annual Report – please see pages 66 to 67 of that document.

In respect of engagement with communities and charities, Primark has been very involved with the Soccer Aid and Breast Cancer Awareness campaigns and has also been heavily invested in local community charitable initiatives. Primark will endeavour to continue providing support to local communities in the future. Primark also held a number of repair workshops in stores across the UK to offer support in repairing existing garments as part of the push for clothing sustainability.

Governments
The Company can be impacted by changes in laws and public policy including issues such as tax and business rates, climate and environmental-related matters and support of businesses and workers. 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 group companies, and in particular, Primark Limited and Associated British Foods plc
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.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

SECTION 172 STATEMENT (Continued)

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.

Click + Collect
In April 2023 we announced the expansion of our Click + Collect trial to an additional 32 stores in London, taking the total number offering this service to 57 stores, one third of our UK estate. On 13 September 2023 we extended the service further to include womenswear, alongside the existing offer on kidswear. While this remains a trial, we are encouraged by the early results. In addition, we implemented self-checkouts in 22 stores in the period. This service has seen high utilisation and customer engagement and the roll-out continues. The expansion of the Click + Collect offering affords customers a much-expanded range of Primark products across ladies and children's clothing, accessories and lifestyle products and caters for a broad range of family needs from furnishing a nursery to clothing children of all ages. We believe it has the potential to satisfy unfulfilled demand, driving footfall from both existing and new customers to deliver incremental sales in store.

The Click + Collect service aims to offer customers an additional 2,000 options in the coming year, around 40% of which will be exclusive to Click + Collect. We consider the expansion of the offering to be particularly attractive for customers who do not regularly shop in our larger stores – our average size stores are only able to stock a limited range and, for these customers, the number of options available to them will broadly double, increasing even more for customers of our smallest stores.

This trial enables us to provide more fashion, licensed, and lifestyle products to more customers, more often. In-store collection is available from designated areas, designed to be welcoming for customers and situated in the heart of the store. Orders are free to collect for our customers, and returns are accepted free of charge in store.

Click + Collect orders are processed and dispatched to stores from a dedicated UK distribution centre at Magna Park in Leicestershire. We have worked with our product suppliers to ensure that the stock is prepared in cartons using minimal packaging and plastic and in a way which enables simple and efficient picking at the distribution centre. The pick and pack operations are manual at present but we plan to partially automate in due course.

Further information on how the wider Primark business engages with its stakeholders are disclosed on pages 40 to 45 of the Associated British Food plc 2023 Annual Report, which is available at www.abf.co.uk.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

UK MANDATORY CLIMATE DISCLOSURES
The Company is not required to make mandatory climate disclosures under The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. It qualifies for the exemption in section 414CA of the Companies Act 2006 as it is a subsidiary of Associated British Foods plc, which makes climate-related financial disclosures under Listing Rule 9.8.6R in line with the Task Force on Climate-related Financial Disclosures ('TCFD') that include the Company. Associated British Foods plc's TCFD disclosures can be found on pages 56 to 67 of its annual report and accounts.

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 robust during the period. The increase in sales year-on-year was driven in part by the new customer website, which is driving additional footfall into stores. Sales were also helped by Primark's decision not to pass on all costs to the customer that arose from the high inflationary environment.

Gross profit margin
Gross profit margin as presented in the Income Statement decreased from 21.4% to 18.2% primarily driven by higher costs of goods sold. Inflationary pressures on raw materials and freight costs contributed to this decrease. Increased levels of stock loss in the year also had an adverse impact on gross margin.

ALTERNATIVE PERFORMANCE MEASURES
In reporting the financial information, Primark management uses like-for-like sales as an alternative performance measure which provide useful additional information for understanding the financial performance and financial health of the Company. This should be considered in addition to key performance indicators and is not intended to be a substitute for them. This may not be directly comparable to similar measures used by other companies.

Primark management uses like-for-like sales to improve comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect key performance indicators, to aid in understanding the Company's performance.

The like-for-like sales metric enables measurement of the performance of our retail stores on a comparable year-on-year basis.

This measure represents the change in sales at constant currency in our retail stores adjusted for new stores, closures, and relocations. Refits, extensions and downsizes are also adjusted for if a store's retail square footage changes by 10% or more. For each change described above, a store's sales are excluded from like-for-like sales for one year.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

ALTERNATIVE PERFORMANCE MEASURES (Continued)
No adjustments are made for disruption during refits, extensions or downsizes if a store's retail square footage changes by less than 10%, for cannibalisation by new stores, or for the timing of national or bank holidays. It is measured against comparable trading days in each year.

RESULTS AND DIVIDENDS
The Income Statement for the period of 52 weeks ended 16 September 2023 and the Balance Sheet at that date are set out on pages 24 and 27, respectively.

Profit on ordinary activities before taxation amounted to £141.2 million (2022: £199.6 million). The profit for the period after taxation is £107.0 million (2022: £165.0 million) which is available for distribution.

There were no dividends declared or paid in the current year (2022: £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:

- changes in consumer spending patterns, including in relation to environmental sustainability;
- margin reduction and/or currency exposure;
- increases in raw material costs, commodity, and energy prices;
- retaining key employees and succession planning;
- socio-political and geo-political uncertainty;
- health and safety;
- product compliance and quality;
- breaches of I.T and information security;
- use of natural resources and managing our environmental impact;
- supply chain and ethical business practices; and
- reduced customer spending due to high inflation, increased interest rates and general economic uncertainty.

The directors believe that these risks are effectively managed through a strong focus on competition, on careful management of the Company's cost base and through its key employees. The Primark group has a Finance and Risk Committee which monitors the risks facing the Company and other Primark group companies on a regular basis.

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a wholly-owned subsidiary, are disclosed on pages 68 to 75 of the 2023 Annual Report, which is available at www.abf.co.uk.

Recent global financial data shows a heightened risk of recession in recent months and a prolonged period of stagnation is a real possibility. This would increase consumer debt problems, resulting in increasing costs of living and putting additional strain on household budgets. Whilst consumer spending has proven to be more resilient than anticipated at the start of the financial period, household budgets continue to face real pressures as a result of high inflation and interest rates and general economic uncertainty.

STRATEGIC REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)
This means that some consumers are having to make challenging and difficult choices in respect of what they spend and where they spend it. Primark will aim to continue to offer quality clothes to our customers and Primark's cost leadership position continues to be attractive to the customer. Primark has developed strategies considering the potential changes in customer behaviours and demands, the implications for the business and where investment or changes to business models may be appropriate. Primark feels that it is in a good position to navigate these headwinds if and when they arise.

The Company has received a letter of support from its immediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

After making enquiries and considering the support available from the immediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements of the Company have been prepared on the going concern basis.

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

FUTURE DEVELOPMENTS
In line with Primark's commitment to create a great in-store experience for consumers, there have been extensions and upgrades to existing stores. The upgrades to stores have included the continued roll-out of LED lighting across the UK store portfolio, which will also help Primark progress its ambition to reduce its carbon footprint, and self-service checkouts, which, as well as reducing labour costs, should also reduce queues for customers (in response to customer feedback). We are also upgrading CCTV monitoring in a bid to reduce theft and anti-social behaviour in stores, both of which impact our employees. Relationships with key landlords continue to be important, as is the use of technology and demographic data to inform decisions about new store locations.

On behalf of the board

DocuSigned by:
Jon Rolls
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J. E. Rolls
Director
Date: 21 December 2023

DIRECTORS' REPORT
for the period of 52 weeks ended 16 September 2023

The directors present their report together with the audited financial statements of Primark Stores Limited for the period of 52 weeks ended 16 September 2023. 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 (resigned on 28 April 2023)
- Mr. J. E. Rolls
- Ms. K. L. Rodgers (appointed on 10 March 2023)
- Mr E. P. Tonge (appointed on 26 April 2023)

Secretary:
- Mr. R. G. Cahill

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

The directors and secretary who held office on 16 September 2023 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.

DIRECTORS' REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

CORPORATE GOVERNANCE (Continued)
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.

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 pages 30 to 35 of the Associated British Foods plc Annual Report and Accounts 2023.

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 delivering 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 currently comprises the current Finance Director of Associated British Foods plc, the Primark Group Director for Planning and Space and the Primark UK Retail 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 twice a year and more frequently as and when required. The members of the Leadership Team of Primark Limited also regularly report into 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.

DIRECTORS' REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

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. For 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, 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.

Engagement with employees
Please see the section 172 statement on pages 5 to 11 for details of how the directors have engaged with employees in the UK, have had regard to employee interests and the effect of that regard on the Company's principal decisions.

Engagement with suppliers, customers, and others in a business relationship with the Company. Please see the section 172 statement for details on pages 5 to 11 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.

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

POLITICAL DONATIONS
The Company made no political donations during the period (2022: £nil).

DIRECTORS' REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

ENERGY USAGE
The Company's energy usage information is included in the consolidated accounts of its parent, Associated British Foods plc and it avails of the relevant disclosures in respect of Streamline Energy and Carbon Reporting SECR). For further information please refer to the disclosures made on pages 52 & 53 in the Associated British Foods plc annual report for the period ended 16 September 2023.

FINANCIAL INSTRUMENTS
The Company make use of financial instruments to hedge the underlying FX risk that exist in the business arising from the sourcing of inventory.

PARENT UNDERTAKING
The immediate holding company is ABF Investments plc, a company registered in England and Wales.

The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales.

The largest group of undertakings for which group accounts are drawn up (within which the results of the Company are consolidated) and of which the Company is a member is headed by Wittington Investments Limited. The smallest such group of undertakings is headed by Associated British Foods plc, which is incorporated in the United Kingdom and registered in England and Wales.

The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of Wittington Investments Limited and Associated British Foods plc. 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 confirm that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is 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 auditor is aware of that information.

GOING CONCERN
The smallest group in which the results of the Company are consolidated is that headed by Associated British Foods plc, which confirmed in the ABF Annual Report dated 7 November 2023, that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

DIRECTORS' REPORT
for the period of 52 weeks ended 16 September 2023 (continued)

GOING CONCERN (continued)
The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements have been prepared on the going concern basis.

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

DocuSigned by:
Jon Rolls
E41A6158AD1447F...
Mr. J. E. Rolls

Director

Date: 21 December 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period of 52 weeks ended 16 September 2023

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 period. 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

DocuSigned by:
Jon Rolls
E41A6158AD1447F...

Mr. J. E. Rolls
Director

Date: 21 December 2023

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

Opinion

We have audited the financial statements of Primark Stores Limited for the period of 52 weeks ended 16 September 2023 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Changes in Equity, the 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 16 September 2023 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. 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 as applied to other entities of public interest, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of the management's going concern assessment process and also engaged with management to ensure the risk factors we identified were considered in their assessment.

- We obtained management's going concern assessment and noted that the Company's assessment is based on the availability of the support available from ABF Investments plc, its intermediate parent company, for a period of 12 months from the date of approval of the 16 September 2023 statutory financial statements, who in turn obtained a letter of support from its parent Associated British Foods plc ("ABF plc"). Management's considerations included the ABF plc's group's directors' assessment of going concern (set out in the Annual Report of ABF plc dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the ABF group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025.

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Conclusions relating to going concern (continued)

- We validated ABF plc's ability to provide such support by reviewing its audited financial statements included on its 2023 Annual Report noting that it has sufficient level of cash and has undrawn committed long-term facilities available to the ABF group. The directors of ABF plc prepared a cash flow forecast for their going concern assessment up to 1 March 2025 and performed a reverse stress testing to assess any unexpected changes to the liquidity of the ABF group.

- We obtained the going concern assessment of the auditors of ABF plc that supports their procedures with respect to the reasonableness of ABF plc's going concern assessment. The auditors of ABF plc issued an unqualified audit report on ABF plc's financial statements for the period ended 16 September 2023.

- We read the Company's going concern disclosures included in the Financial Statements in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 period 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARK STORES LIMITED (continued)

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
- the financial statements are not in agreement with the accounting records; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 19, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARK STORES LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud *(continued)*

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities where determined necessary.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override in respect of inventory valuation and in addition by assuming a fraud risk for revenue recognition as well. We tested the inventory valuation and the provisions recorded to reduce the valuation of inventory. We incorporated data analytics techniques into our testing of manual journal entries, including segregation of duties into our testing of revenue recognition.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included inquiry and review of management's policies and procedures that have been established to prevent non-compliance with such laws and regulations.

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

Marie Treacy (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor

Dublin

Date: 21 December 2023

INCOME STATEMENT
for the period of 52 weeks ended 16 September 2023

	Note	*Period ended 16 September 2023*	*Period ended 17 September 2022*
		£'000	*£'000*
Turnover - continuing operations	3	3,851,018	3,378,510
Cost of sales		(3,151,083)	(2,656,034)
Gross profit		699,935	722,476
Distribution costs		(88,750)	(72,605)
Administrative expenses		(428,186)	(414,844)
Other operating income	7	2,692	2,256
Operating profit - continuing operations	4	185,691	237,283
Interest income and similar income		1,528	1,968
Interest payable and similar charges	5	(46,041)	(39,668)
Profit on ordinary activities before taxation		141,178	199,583
Tax on profit on ordinary activities	8	(34,187)	(34,626)
Profit for the financial period		106,991	164,957

The notes on pages 28 to 52 form an integral part of these financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the period of 52 weeks ended 16 September 2023

	Note	*Period ended 16 September 2023* *£'000*	*Period ended 17 September 2022* *£'000*
Profit for the financial period		106,991	164,957
Other comprehensive income Items that are or may be subsequently reclassified to profit or loss:			
Net (loss)/gain on hedging instruments		(55,197)	148,456
Tax credit/(charge) on items relating to components of other comprehensive loss	16	3,650	(6,243)
Other comprehensive (loss)/income for the period		(51,547)	142,213
Total comprehensive income for the period		55,444	307,170

The notes on pages 28 to 52 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the period of 52 weeks ended 16 September 2023

	Called-up share capital	Share based payment reserve	Cash flow hedge reserve	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000	£'000	£'000
At 18 September 2021	50,000	8,841	5,331	1,044,064	1,108,236
Profit for the financial period	—	—	—	164,957	164,957
Other comprehensive income for the period	—	—	148,456	—	148,456
Deferred tax on movements in other comprehensive income	—	—	(6,243)	—	(6,243)
Total comprehensive income for the period	—	—	142,213	164,957	307,170
Share based payment transactions	—	1,734	—	—	1,734
Losses transferred to cost of inventory	—	—	(120,600)	—	(120,600)
Balance as at 17 September 2022	50,000	10,575	26,944	1,209,021	1,296,540
Profit for the financial period	—	—	—	106,991	106,991
Other comprehensive loss for the period	—	—	(55,197)	—	(55,197)
Deferred tax on movements in other comprehensive income	—	—	3,650	—	3,650
Total comprehensive income for the period	—	—	(51,547)	106,991	55,444
Share based payment transactions	—	1,302	—		1,302
Amounts transferred to the cost of inventory	—	—	36,139	—	36,139
Balance as at 16 September 2023	50,000	11,877	11,536	1,316,012	1,389,425

The notes on pages 28 to 52 form an integral part of these financial statements.

BALANCE SHEET
as at 16 September 2023

	Note	At 16 September 2023 £'000	At 17 September 2022 £'000
FIXED ASSETS			
Tangible assets	9	1,363,987	1,370,995
Right-of-use assets	10	886,500	934,950
		2,250,487	2,305,945
CURRENT ASSETS			
Stock	11	722,443	727,977
Debtors	12	61,867	90,150
Cash at bank and in hand		37,694	42,126
		822,004	860,253
CREDITORS (amounts falling due within one year)	13	(629,682)	(782,654)
NET CURRENT ASSETS		192,322	77,599
TOTAL ASSETS LESS CURRENT LIABILITIES		2,442,809	2,383,544
CREDITORS (amounts falling due after more than one year)	14	(1,051,945)	(1,063,892)
Provisions for liabilities	15	(1,439)	(23,112)
NET ASSETS		1,389,425	1,296,540
CAPITAL AND RESERVES			
Called-up share capital	17	50,000	50,000
Share-based payment reserve	18	11,877	10,575
Cash flow hedge reserve	19	11,536	26,944
Profit and loss account		1,316,012	1,209,021
SHAREHOLDER'S FUNDS - EQUITY		1,389,425	1,296,540

The notes on pages 28 to 52 form an integral part of these financial statements

On behalf of the board

DocuSigned by:
Jon Rolls
E41A6158AD1447F...

J. E. Rolls
Director

Date: 21 December 2023

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023

1. CORPORATE INFORMATION

The Company is a private limited company incorporated and domiciled in England and Wales. The principal activity of Primark Stores Limited ("the Company") is the operation of retail outlets in the United Kingdom under the Primark name. The immediate holding company is ABF Investments plc, a company registered in England and Wales. The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales. The financial statements of Primark Limited for the period of 52 weeks ended 16 September 2023 were authorised for issue by the board of directors on 21 December 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

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 16 September 2023.

(b) *Basis of preparation, statement of compliance and going concern*

The financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* (FRS 101) which involves the application of International Financial Reporting Standards (IFRS) with a reduced level of disclosure.

The Company's financial statements are presented in Pound 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 16 September 2023.

As set out in note 23, the smallest group in which the results of the Company are consolidated is that headed by Associated British Foods plc, which is stated in the Annual Report and Accounts dated 7 November 2023 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation and statement of compliance (continued)

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. These considerations included the ABF group's directors' assessment of going concern (set out in the Annual Report and Accounts dated 7 November 2023 and available at www.abf.co.uk), which included the significant levels of cash and undrawn committed long-term facilities available to the group and the ABF group's directors' stress testing of cash flow forecasts through to 1 March 2025, and an assessment of any developments since that date that would adversely affect that conclusion. Accordingly, the financial statements of the Company have been prepared on the going concern basis.

(c) Judgements and key sources of estimation uncertainty

In applying the accounting policies management has made judgements, estimates and assumptions 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.

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 the split between land and property value and appropriate useful lives.

Leases:

Judgement is 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 under the scope of IFRS 16 *Leases*.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Taxation

The Company makes provision for open tax issues which are by nature complex and may take a number of years to resolve. The Company bases provisions on management's interpretation of tax laws and ongoing monitoring of the outcome of similar cases and investigations on tax rulings and reflect the best estimate of the liability. The Company believes it has made adequate provision for such matters.

Impairment of non-financial assets:

The Company assesses its non-financial assets for indicators of impairment in line with IAS 36 *Impairment of Assets* at each statutory reporting period. The carrying amounts of non-financial 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.

(d) New accounting standards

The Company adopted the following accounting standards and amendments during the year with no significant impact:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS 2018–2020

(e) 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 (EU adopted IFRS) and can be obtained from www.abf.co.uk. The Company avails of the following FRS 101 disclosure exemptions:

- requirements of IAS 7 *Statement of Cash Flows;*
- requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- 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
- requirements of paragraph 17 of IAS 24 *Related Party Disclosures.*

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

As the consolidated financial statements of the parent, Associated British Foods plc, include the equivalent disclosures, the Company has also taken exemption under FRS 101 available in respect of the following disclosures:

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Disclosure exemptions (continued)*

- requirements of the paragraph 45(b) and 46 to 53 of IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- requirement of IFRS 7 *Financial Instruments: Disclosures*; and
- requirement of paragraph 91 to 99 IFRS 13 *Fair Value Measurement; and*

the requirement in paragraph 38 of *IAS 1 Presentation of Financial Statements* to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(iii) paragraph 118(e) of IAS 38 Intangible Assets.

(f) *Turnover*

The Company recognises revenue when performance obligations are satisfied, goods are delivered to customers and control of goods is transferred to the buyer. 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.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Tangible fixed assets and depreciation*

Assets under construction relate to new stores or store improvement additions not yet in use. These assets are segregated from their asset classes for greater understandability of net asset additions. 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.

(h) *Leases*

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leases (continued)

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.

(j) Taxation

Income tax on profit or loss for the period comprises current and deferred tax. The Company recognises income tax in the income statement except to the extent that it relates to items taken directly to equity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation (continued)

Current tax is the tax expected to be payable on taxable income for the year, using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of prior periods.

The Company provides for deferred tax using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The Company does not provide for the following temporary differences: initial recognition of goodwill; initial recognition of assets or liabilities affecting neither accounting nor taxable profit other than those acquired in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The Company bases the amount of deferred tax provided on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. The Company recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax is measured on a non-discounted basis.

The Company offsets deferred tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(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.

Amounts charged to the Company, in respect of the shares exercised with the Company's parent, are accounted for as a charge to equity in the period in which the recharge occurs.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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) Trade and other receivables

The Company records trade and other receivables initially at fair value and subsequently at amortised cost. This generally results in recognition at nominal value less an expected credit loss provision, which is recognised based on management's expectation of losses without regard to whether or not a specific impairment trigger has occurred.

(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 they qualify for hedge accounting, where 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.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Derivative financial instruments (continued)

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.

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) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, unless the impact of discounting is immaterial. The increase in the provision due to passage of time is recognised as interest expense. All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed. The Company assesses its lease agreements for requirements to return leased premises to their original condition. Assessments are carried out by independent third party valuers to determine the level of work required and to evaluate the likely cost. A provision for dilapidations is recognised over the life of the lease for the best estimate of the cost of rectification at the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and subsequent measurement
The Company assesses which business models apply to each category of its financial assets and classifies 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 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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial instruments - initial recognition and subsequent measurement (continued)

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.

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 debtors and intercompany debtors 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 debtors.

(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

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Financial instruments - initial recognition and subsequent measurement (continued)

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.

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.

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.

(s) 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 the income statement in the period in which they become receivable. Grants are presented within 'Other Income' in the Income Statement.

3. TURNOVER

Turnover comprises the invoiced value of goods sold by the Company exclusive of value added tax and arises wholly within the UK.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

4. STATUTORY AND OTHER INFORMATION

	Period ended 16 September 2023	*Period ended 17 September 2022*
Operating profit is stated after charging/(crediting):	*£'000*	*£'000*
Depreciation:		
– owned assets	103,425	101,304
– right of use assets	75,841	75,705
Insurance income	-	(44,900)
Auditor's remuneration (including expenses)	174	147
Directors' remuneration	682	598

During the financial period directors' remuneration in respect of qualifying services comprised fixed and variable amounts of £0.623 million (2022: £0.54 million) and long-term incentive plan £0.059 (2022: £0.061 million).

The aggregate of emoluments and amounts received under long term incentive schemes of the highest paid director was £0.54 million (2022: £0.59 million). During the period, only the highest paid director exercised shares under the long term incentive scheme.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 16 September 2023 £'000	*Period ended 17 September 2022 £'000*
Interest payable on amounts owed to group undertakings	7,453	—
Interest expense on lease liabilities (note 10)	38,588	39,668
	46,041	39,668

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

6. STAFF NUMBERS AND COSTS

The average weekly number of employees including directors during the period:

	Period ended 16 September 2023	*Period ended 17 September 2022*
	Number	*Number*
Full time	7,061	6,509
Part time	25,023	25,297
Contractors	407	13
	32,491	31,819

	£'000	*£'000*
Wages and salaries	476,244	397,460
Social welfare costs	31,955	25,598
Pensions costs (note 20)	21,893	19,981
Share based payment expense (note 18)	1,302	1,734
	531,394	444,773

The average weekly number of employees including directors by category was as follows:

	Period ended 16 September 2023
	Number
Retail Assistants	28,420
Retail Managers	2,947
Central	1,124
	32,491

7. OTHER OPERATING INCOME

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	*£'000*
Rental income	2,692	2,256

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	*£'000*
Current tax		
Corporation tax on income for the financial period	39,131	48,980
Adjustments in respect of prior periods	(40,938)	(15,242)
Total current tax	(1,807)	33,738
Deferred tax		
Origination/reversal of timing differences	6,436	1,328
Effect of change in tax rate	(749)	3,468
Adjustment in respect of prior periods	30,307	(3,908)
Total deferred tax charge (note 16)	35,994	888
Taxation on profit on ordinary activities	34,187	34,626

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	*£'000*
Profit on ordinary activities before taxation	141,178	199,583
Nominal tax charge at UK corporation tax rate of 21.8% (2022: 19%)	30,723	37,921
Effects of:		
Rate change	(749)	3,468
Expenses not deductible	14,844	12,387
Adjustments in respect of previous periods	(10,631)	(19,150)
Total tax charge for period	34,187	34,626

Factors that may affect future tax rate of the Company

The UK corporation tax rate of 19% increased to 25% from 1 April 2023. The legislation to effect these changes was enacted before the balance sheet date and so deferred tax has been calculated accordingly.

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

9. TANGIBLE FIXED ASSETS

	Freehold land	Freehold buildings	Leasehold property	Fixture & fittings	Asset under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 17 September 2022	185,678	470,809	269,017	1,610,867	60,692	2,597,063
Additions for the period	—	1,300	700	89,088	5,329	96,417
At 16 September 2023	185,678	472,109	269,717	1,699,955	66,021	2,693,480
Depreciation						
At 17 September 2022	—	135,725	66,633	1,023,710	—	1,226,068
Charge for the period	—	8,494	5,493	89,438	—	103,425
At 16 September 2023	—	144,219	72,126	1,113,148	—	1,329,493
Net book value						
At 16 September 2023	185,678	327,890	197,591	586,807	66,021	1,363,987
At 17 September 2022	185,678	335,084	202,384	587,157	60,692	1,370,995

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

10. LEASES

Right of use asset:

	Period ended 16 September 2023 Land and buildings £'000	*Period ended 17 September 2022 Land and buildings £'000*
Cost:		
Opening balance at the start of the period	1,180,855	1,175,123
New leases in the period	18,376	2,980
Lease incentives	(1,875)	-
Lease remeasurements	10,890	2,752
Cost at the end of the period	1,208,246	1,180,855
Depreciation and impairment:		
Opening balance at the start of the year	245,905	170,200
Depreciation charge for the period	75,841	75,705
Depreciation and impairment at the end of the period	321,746	245,905
Net book value	886,500	934,950

Other movements relates to re-assessments of lease agreements during the financial period. Depreciation and impairment at the end of the period includes an amount of £14.1m relating to the impairment of assets (2022: £14.1m).

Lease liabilities:

	Period ended 16 September 2023 Land & buildings £'000	*Period ended 17 September 2022 Land & buildings £'000*
Cost:		
Opening balance at the start of the period	1,181,618	1,246,184
New leases in the year	18,376	2,980
Interest charge	38,588	39,668
Lease payments	(117,498)	(109,520)
Lease remeasurements	10,890	2,306
Closing balance at the end of the period	1,131,974	1,181,618

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

10. LEASES (Continued)

Lease liabilities (continued)

	£'000	£'000
Current (note 13)	118,564	117,726
Non-current (note 14)	1,013,410	1,063,892
	1,131,974	1,181,618

Lease liabilities comprise of £1.12 billion capital payable (2022: £1.17 billion) and £11 million interest payable (2022: £8 million). The interest payable is all current and disclosed within trade and other trade payables. Repayments comprise £81.1 million capital (2022: £70.4 million) and £36.4 million interest (2022: £39.1 million).

The contractual undiscounted future cash flows of the lease liabilities are:

	Period ended 16 September 2023 Land & Buildings £'000	*Period ended 17 September 2022 Land & Buildings £'000*
Due within 1 year	118,564	117,726
Due within 1 to 2 years	117,176	116,445
Due within 2 to 5 years	325,171	329,168
Due after 5 years	1,010,070	1,130,085
	1,570,981	1,693,424
Less: imputed interest	(439,007)	(511,806)
Net lease liabilities	1,131,974	1,181,618

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

11. STOCK

	Period ended 16 September 2023 £'000	*Period ended 17 September 2022 £'000*
Goods for resale	722,443	727,977

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

Cost of sales include inventories amounting £2,267 million (2022: £1,888 million) recognised as expense during the period.

12. DEBTORS

	Period ended 16 September 2023 £'000	*Period ended 17 September 2022 £'000*
Prepayments and sundry receivables	45,058	30,416
Derivative assets	16,809	59,734
	61,867	90,150

Prepayments and sundry receivables are made up of prepayments of £13.8 million (2022: £7.6 million), lease prepayments of £16.0 million (2022: £10.1 million) and sundry receivables of £15.2 million (2022: £12.7 million).

13. CREDITORS (amounts falling due within one year)

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	*£'000*
Bank overdrafts	239	458
Lease liabilities (note 10)	118,564	117,726
Trade creditors	171,597	261,314
Amounts owed to group undertakings	89,188	101,116
Accruals and deferred income	147,310	147,047
Corporation tax	4,250	46,348
Capital creditors	12,055	13,304
VAT payable	78,392	90,246
PAYE/PRSI	6,841	5,095
Derivative liabilities	1,246	—
	629,682	782,654

Amounts owed to group undertakings are repayable on demand. Interest is payable on this amount at 3.64% per annum.

Accruals and deferred income are made up of accruals of £71.9 million (2022: £91.3 million), payroll related accruals of £48.7 million (2022: £40.7 million), gift card accruals of £18.8 million (2022: £15.0 million) and deferred income of £0.25 million (2022: £Nil).

The Company utilises supplier financing arrangements to enable participating suppliers, at each supplier's sole discretion, to sell any or all amounts due from the Company to a third party bank earlier than the invoice due date, at better financing rates than the supplier alone could achieve

Payment terms for suppliers are identical, irrespective of whether they choose to participate. The Company receives no benefit from these arrangements.

Contractual terms and invoice due dates are unchanged, and the Company considers amounts owed to the third party bank as akin to amounts owed to the supplier. Such amounts are therefore included within trade payables and associated cash flows are included within operating cash flows, as they continue to be part of the Company's normal operating cycle.

At year-end, the value of invoices sold by suppliers under supply chain financing arrangement was £37.0 million (2022: £11.1 million).

NOTES TO THE FINANCIAL STATEMENTS
for the period of 52 weeks ended 16 September 2023 (continued)

14. CREDITORS (amounts falling due after more than one year)

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	*£'000*
Deferred tax (note 16)	38,535	-
Lease liabilities (note 10)	1,013,410	1,063,892
	1,051,945	1,063,892

15. PROVISION FOR LIABILITIES

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£000	*£000*
Restructuring and payroll provisions	1,439	16,921
Deferred tax (note 16)	-	6,191
	1,439	23,112

	Restructuring and payroll provisions
	£'000
At 17 September 2022	16,921
Released	(2,300)
Utilised	(13,182)
At 16 September 2023	1,439

Significant decrease relates to the utilisation of provisions for restructuring of the retail management structure.

16. DEFERRED TAXATION

The net deferred tax liability included on the Balance Sheet is comprised of the following:

	Period ended 16 September 2023 £'000	*Period ended 17 September 2022 £'000*
Accelerated capital allowances	(9,648)	2,128
Deferred tax on hedging	(3,842)	(7,492)
Other timing differences	(19,996)	3,035
Rolled-over gains	(25,175)	(25,175)
IFRS 16 timing differences	20,126	21,313
	(38,535)	(6,191)

Presented as:	*Period ended 16 September 2023 £'000*	*Period ended 17 September 2022 £'000*
Deferred tax (liability)/asset - net	(38,535)	(6,191)

Movement in deferred tax (liability)/asset - net:

Balance at the beginning of the period	(6,191)	940
Charge to Income Statement	(35,994)	(888)
Credit/(charge) to Other Comprehensive Income	3,650	(28,207)
Credit to Equity	-	21,964
Balance at the end of the period	(38,535)	(6,191)

17. CALLED-UP SHARE CAPITAL

	Period ended 16 September 2023 £'000	*Period ended 17 September 2022 £'000*
Allotted, called up and fully paid:		
50 million (2022: 50 million) ordinary shares of £1 each	50,000	50,000

17. CALLED-UP SHARE CAPITAL (continued)

The below is an outline of the items accounted for within equity:

Other reserves

Share based payment reserves relate to the share-based payments made to employees of the Company.

Profit and loss account

Profit and loss account represents accumulated comprehensive income/(loss) for the financial year and prior financial years.

Cash flow hedge reserve

Cash flow hedge reserve represents the effective portion of the gains or losses resulting from changes in the fair value of cash flow hedging instruments.

18. SHARE BASED PAYMENT RESERVE

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

The Associated British Foods plc 2016 Long Term Incentive Plan ('the LTIP") was approved and adopted by Associated British Foods plc at its annual general meeting held on 9 December 2016. It takes 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.

The share based payment expense recognised by the Company in the financial period was £1.3m (2022: £1.7m).

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

	Period ended 16 September 2023 No.	*Period ended 17 September 2022* No.
Exercised	43,371	48,011

19. CASH FLOW 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. The relevant disclosures as required by IFRS 9 *Financial Instruments* are included in the Associated British Foods plc Annual Report and Accounts 2023.

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.

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 actuarial valuation of the UK scheme was carried out as of 5 April 2023. This last valuation showed a funding surplus of £1,013m. This is a clear improvement on the previous valuation undertaken at 5 April 2020, which showed a deficit of £302m. As agreed with the trustees in September, as a result of this significant increase in the surplus, the Group will receive a cash flow benefit of approximately £70m per year from the abatement of UK employer pension contributions on both the defined benefit and defined contribution schemes. This will take effect from the start of the new financial period.

Full IAS 19 Employee Benefits 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 £21.9 million (2022: £20.0 million). At the balance sheet date, the Company has no outstanding pension liability.

NOTES TO THE FINANCIAL STATEMENTS
16 September 2023 (Continued)

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

	Period ended 16 September 2023	*Period ended 17 September 2022*
	£'000	£'000
(i) Capital		
Authorised and contracted for	74,289	37,495

(ii) Other commitments:
Forward contracts for various foreign currencies with a value of £816.3 million at agreement dates (2022: £803.4 million) were open at period end.

23. PARENT UNDERTAKING

The immediate holding company is ABF Investments plc, a company registered in England and Wales. The ultimate parent company is Wittington Investments Limited, which is incorporated in the United Kingdom and registered in England and Wales.

The largest group of undertakings for which group accounts are drawn up (within which the results of the Company are consolidated) and of which the Company is a member is headed by Wittington Investments Limited. The smallest such group of undertakings 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 Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of Wittington Investments Limited and Associated British Foods plc. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.

24. POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the directors on 21 December 2023.