

Perimeter Holdings Limited

Annual report and financial statements

for the 52 weeks ended 31 January 2016

Registration number: 07075721



Perimeter Holdings Limited

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Perimeter Holdings Limited
Directors' report
for the 52 weeks ended 31 January 2016

The Directors present their Annual report and the Company's audited financial statements for the 52 weeks ended 31 January 2016. These financial statements are prepared under United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 3 February 2014.

The term 'Company' refers to Perimeter Holdings Limited and the term 'Group' refers to Wm Morrison Supermarkets PLC and its subsidiary undertakings.

Business review, results and dividends

The principal activity of the Company is that of property development.

On 29 February 2016, the Company sold an office building to a third party for £10,800,000. The asset had been previously impaired in 2014 by £8,250,000. The disposal was after the balance sheet date but the agreed sale price was an indicator that the previous impairment needed to be reversed at the balance sheet date. As a result, a £8,250,000 credit has been recognised in the income statement for the period. The profit for the financial period for the Company was £7,644,000 (2015: £239,000). The related disposal, proceeds and subsequent profit will be recognised in the 52 weeks ending 29 January 2017.

The Directors have not authorised a dividend to be paid during the period (2015: £nil).

At the end of the period the Company had net assets of £1,614,000 (2015: net liabilities of £6,030,000).

Future outlook

The Company is expected to continue with its principal activity for the foreseeable future.

Directors and their interests

The Directors who held office during the period and up to the date of signing these financial statements were as follows:

M Thorne
M Harris

The Company is ultimately wholly owned by Wm Morrison Supermarkets PLC and none of the Directors who held office at the period end held any interest in the shares of the Company or any of its subsidiaries. The interest in the shares of the ultimate parent undertaking held by Directors of that company is disclosed in the Wm Morrison Supermarkets PLC Annual report and Financial Statements 2015/16, which does not form part of this report.

At no time during the period or subsequently did any Director have a material interest in any contract or arrangement with the Company or any of its subsidiaries which was significant in relation to the Group's business.

Directors, and Officers, liability insurance

The Group maintains insurance cover for the protection of Directors and senior management from personal liabilities and costs which may arise in the course of fulfilling their duties. This insurance was in force during the 52 weeks ended 31 January 2016 and to the date of approval of the Company financial statements.

Perimeter Holdings Limited
Directors' report
for the 52 weeks ended 31 January 2016 (continued)

Corporate and social responsibility

The Group recognises the importance of its corporate and social responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with Group policies, which are described in the Group's annual report and financial statements which do not form part of this report. Initiatives designed to minimise the Company's impact on the environment include recycling and reducing energy consumption.

Political donations

There were no political donations for the period and the Company did not incur any political expenditure.

Financial risk management

The financial risk management and policies of the Company are consistent with those of the Group. For further details, see page 86 of the Wm Morrison Supermarkets PLC Annual report and Financial Statements 2015/16, which does not form part of this report.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



M Thorne
Director
21 October 2016

Perimeter Holdings Limited
Statement of Directors' responsibilities
for the 52 weeks ended 31 January 2016

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Perimeter Holdings Limited

Independent auditors' report to the members of Perimeter Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Perimeter Holdings Limited's financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 January 2016 and of its profit for the 52 week period (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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 January 2016;
- the income statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors' were not entitled to take advantage of the small company exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Perimeter Holdings Limited

Independent auditors' report to the members of Perimeter Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Arif Ahmad

Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

21 October 2016

Perimeter Holdings Limited
Income statement
for the 52 weeks ended 31 January 2016

	Note	52 weeks to 31 January 2016 £000	52 weeks to 1 February 2015 £000
Other operating income		69	553
Administrative expenses		(572)	(2)
Non-recurring administrative expenses	2	8,250	-
Operating profit	2	7,747	551
Interest payable and similar charges	4	(103)	(120)
Profit on ordinary activities before taxation		7,644	431
Tax on profit on ordinary activities	5	-	(192)
Profit for the period		7,644	239

All amounts relate to continuing operations.

There were no amounts recognised in other comprehensive income other than those included in the income statement.

The notes on pages 9 to 13 form part of these financial statements.

Perimeter Holdings Limited
Registered number: 07075721

Balance sheet
as at 31 January 2016

	Note	2016 £000	2015 £000
Current assets			
Stock	6	8,650	400
Debtors	7	151	85
Cash and cash equivalents		1,341	256
		10,142	741
Creditors: amounts falling due within one year	8	(8,528)	(6,771)
Net current assets/(liabilities)		1,614	(6,030)
Net assets/(liabilities)		1,614	(6,030)
Shareholders, equity			
Called-up share capital	9	-	-
Retained earnings/(accumulated losses)		1,614	(6,030)
Total shareholders, funds/(deficit)		1,614	(6,030)

The notes on pages 9 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on 21 October 2016 and were signed on its behalf by:



M Thorne
Director

Perimeter Holdings Limited
Statement of changes in equity
as at 31 January 2016

	Called-up share capital	Retained earnings	Total shareholders, funds
Current period	£000	£000	£000
At 2 February 2015	-	(6,030)	(6,030)
Profit for the financial period	-	7,644	7,644
At 31 January 2016	-	1,614	1,614

	Called-up share capital	Accumulated losses	Total shareholders, deficit
Prior period	£000	£000	£000
At 3 February 2014	-	(6,269)	(6,269)
Profit for the financial period	-	239	239
At 1 February 2015	-	(6,030)	(6,030)

The notes on pages 9 to 13 form part of these financial statements.

Perimeter Holdings Limited
Notes to the financial statements
for the 52 weeks ended 31 January 2016

1. Accounting policies

General information

Perimeter Holdings Limited is a limited company incorporated in the United Kingdom under the Companies Act 2006 (Registration number 07075721). The Company is domiciled in the United Kingdom and its registered address is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT.

Basis of preparation of financial statements

These financial statements of the Company have been prepared in accordance with the Companies Act 2006 (the Act) as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101 as it is a member of a group which prepares publicly available consolidated financial statements and it is included in the consolidation for that group. These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 3 February 2014.

The accounting policies have been applied in preparing the financial statements for the 52 week period ending 31 January 2016, the comparative information presented in these financial statements for the 52 week period ending 1 February 2015 and in the preparation of an opening FRS 101 balance sheet at 3 February 2014.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The transition to FRS 101 has been considered and there has been no impact of the transition to the Company's previously adopted accounting policies in accordance with UK GAAP, therefore no reconciliation has been performed.

These financial statements, which have been prepared on the going concern basis, under the historic cost convention and in accordance with applicable accounting standards in the United Kingdom, are presented as required by the Companies Act.

The Company has notified its shareholders in writing about, and they do not object to, the use of disclosure exemptions used by the Company in these financial statements.

The disclosure exemptions adopted by the Company in preparation of these financial statements in accordance with FRS 101 are as follows:

a) IAS 1, 'Presentation of financial statements' (paragraph 38) – comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;

b) The following paragraphs of IAS 1, 'Presentation of financial statements':

(i) 10(d), (statement of cash flows);

(ii) 111 (cash flow statement information); and

(iii) 134-136 (capital management disclosures);

c) IAS 7, 'Statement of cash flows';

d) IAS 8 'Accounting policies, changes in accounting estimates and errors' (paragraph 30 and 31) – requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective;

Perimeter Holdings Limited

Notes to the financial statements for the 52 weeks ended 31 January 2016 (continued)

1. Accounting policies (continued)

e) The following requirements of IAS 24, 'Related party disclosures':

- (i) paragraph 17 – key management compensation; and
- (ii) the requirements to disclose related party transactions entered into with two or more wholly owned members of a group.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are the same for the Company as they are for the Group. For further details, see page 59 of the Wm Morrison Supermarkets PLC Annual report and Financial Statements 2015/16, which does not form part of this report.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Accounting reference date

The accounting period of the Company ends on the Sunday falling between 29 January and 4 February each year.

Other operating income

Other operating income represents rent received from properties situated on development sites, held under operating leases. Rent received is recognised on a straight line basis over the life of the lease.

Also included in other operating income represents income from administration services provided by the Company to its parent.

Current taxation

The current income tax charge is calculated on the basis of the tax laws in effect during the period and any adjustments to tax payable in respect of previous periods. Taxable profit differs from the profit as reported in the profit for the period as it is adjusted both for items that will never be taxable or deductible, and temporary differences. Current tax is charged to profit for the period, except when it relates to items charged or credited directly in other comprehensive income or equity in which case the current tax is reflected in other comprehensive income or equity as appropriate.

Stock

Stock represent work in progress on development projects and are valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Perimeter Holdings Limited
Notes to the financial statements
for the 52 weeks ended 31 January 2016 (continued)

1. Accounting policies (continued)

Impairment of non-financial assets and stock

The Company tests non-financial assets and stock if events or changes in circumstances indicate that the carrying amount may not be recoverable. Testing is performed at the level of a cash generating unit (CGU) in order to compare the CGU's recoverable amount against its carrying value. An impaired CGU is written down to its recoverable amount, which is the higher of value in use or its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are reversed if there is evidence of an increase in the recoverable amount of a previously impaired asset, but only to the extent that the recoverable amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Operating profit

	52 weeks ended 31 January 2016 £000	52 weeks ended 1 February 2015 £000
Non-recurring administrative expenses	8,250	7

As a result of the sale of an office building on 29 February 2016, during the period the Company reversed an impairment charge recognised in 2014 of £8,250,000.

Audit fees and expenses of £1,000 (2015: £1,000) were paid by the ultimate parent company. There are no fees in relation to non-audit services.

3. Employees and Directors

There are no employees of the Company (2015: none).

The emoluments of the Directors are paid by Wm Morrison Supermarkets PLC which makes no recharge to the Company. It is not possible to make an accurate apportionment of the emoluments of the Directors between Wm Morrison Supermarkets PLC and fellow subsidiaries. Accordingly, the above details include no emoluments in respect of Directors.

Where the Directors are also Directors of the ultimate parent company, Wm Morrison Supermarkets PLC, details of the emoluments and accrued benefits under the defined benefit pension schemes that the Directors received for the 52 weeks ending 31 January 2016 are disclosed in the Annual report and financial statements of that company.

4. Interest payable and similar charges

	52 weeks ended 31 January 2016 £000	52 weeks ended 1 February 2015 £000
Interest on loans from Group undertakings	103	120

Perimeter Holdings Limited

**Notes to the financial statements
for the 52 weeks ended 31 January 2016 (continued)**

5. Tax on profit on ordinary activities

	52 weeks ended 31 January 2016 £000	52 weeks ended 1 February 2015 £000
Current tax - adjustments in respect of prior periods	-	192

The tax for both periods is different to the standard rate of corporation tax in the UK of 20.16% (2015: 21.32%). The differences are explained below:

	52 weeks ended 31 January 2016 £000	52 weeks ended 1 February 2015 £000
Profit on ordinary activities before taxation	7,644	431
Profit before tax at 20.16% (2015: 21.32%)	1,541	92
Effects of:		
Adjustments in respect of prior periods	-	192
Group relief	(1,541)	(92)
Tax charge for the period	-	192

Factors affecting current and future tax charges

The 2015 Budget announced a reduction in the UK corporation tax rate from 20% to 19% for the Financial Years beginning 1 April 2017, 1 April 2018 and 1 April 2019, with a further reduction from 19% to 18% for the Financial Year beginning 1 April 2020. These changes were substantively enacted on 26 October 2015.

The 2016 Budget announced a further reduction in the UK corporation tax rate to 17% from 1 April 2020. This change was not substantively enacted at the balance sheet date.

6. Stock

	2016 £000	2015 £000
Work in progress (goods to be sold)	8,650	400

7. Debtors

	2016 £000	2015 £000
Amounts owed by Group undertakings	72	72
Other debtors	79	13
	151	85

Amounts owed by Group undertakings are non-interest bearing, unsecured and are repayable on demand.

Perimeter Holdings Limited
Notes to the financial statements
for the 52 weeks ended 31 January 2016 (continued)

8. Creditors: amounts falling due within one year

	2016 £000	2015 £000
VAT creditor	155	-
Amounts owed to Group undertakings	7,191	6,769
Accruals and deferred income	1,182	2
	8,528	6,771

Amounts owed to Group undertakings are interest bearing at a rate of 1.5% (2015: 1.5%), unsecured and are repayable on demand.

9. Called-up share capital

	Number of shares No.	Nominal value per share £	Share capital £
Ordinary shares at 31 January 2016 and 1 February 2015	1	1	1

All issued shares are fully paid.

10. Post balance sheet events

Following IAS 10 'Events after the Balance Sheet Date', the Group continues to disclose events that it considers material and non-disclosure of which can influence the economic decisions of users of the financial statements.

On 29 February 2016, the Company sold an office building to a third party for £10,800,000, with a further £1,100,000 due to be received in the 52 weeks ending 29 January 2017. As a result of this the Company has reversed a previous impairment of £8,250,000 relating to the office building during the period (see note 2). Other than being an indicator to reverse the previous impairment, the Directors consider the sale to be a non-adjusting post balance sheet event. The related disposal, proceeds and subsequent profit will be recognised in the 52 weeks ending 29 January 2017.

In addition, on 31 March 2016 the remaining land held by the Company was sold to a third party for £400,000, resulting in a loss on disposal of £16,000. The Directors consider this event to be a non-adjusting post balance sheet event.

11. Ultimate holding company

The ultimate parent undertaking and controlling party is Wm Morrison Supermarkets PLC. This is the smallest and largest group in which the results of the Company are consolidated. Wm Morrison Supermarkets PLC is incorporated in Great Britain and registered in England and Wales.

Copies of the financial statements of Wm Morrison Supermarkets PLC are available from:

The Company Secretary
Wm Morrison Supermarkets PLC
Hilmore House
Gain Lane
Bradford
BD3 7DL