

# Business Report



**COSTCO WHOLESALE UK LIMITED**

Reg Num **02635489**

## Statutory Information

**Previous Name(s):** COSTCO UK LIMITED until 27/03/2000  
PRICECOSTCO EUROPE (UK) LIMITED until 25/04/1997  
COSTCO EUROPE (U.K.) LTD until 04/03/1994  
MORION SERVICES LIMITED until 24/10/1991

**Registered Office:** UK HOME OFFICE,  
HARTSPRING LANE,  
WATFORD,  
HERTFORDSHIRE,  
WD25 8JS

**Date of Incorporation:** 06/08/1991  
**Latest Annual Return:** 06/08/2005  
**Date Accounts Lodged:** 14/06/2005  
**Latest Filed Accounts Date:** 29/08/2004  
**Date of Analysed Accounts:** 29/08/2004  
**Accounts Reference Date:** 31/08  
**Issued Capital (£):** 163,675,017

**Company is:** Large  
Private Limited with share capital  
English/Welsh companies incorporated under part 1 of the Companies Act

**Type of Accounts:** Group

## Directory Information

**Trading Address:** Hartspring Lane,  
Watford,  
Hertfordshire,  
WD25 8JS

**Telephone Number:** 01923213113  
**Fax Number:** 01923809331

**Region:** -  
**Bankers:** HSBC  
**Auditors:** KPMG LLP

**Audit Qualification:** The Auditors have expressed a clean opinion (i.e. unqualified with no referrals) on the accounts for the period ended 29/08/2004.

**Principal Activities:** A group engaged in the operation of membership warehouse clubs.

**UK SIC Code(s):** 51700 Other wholesale

## Risk Information

### RISK SCORE

2004	86	<b>Credit Limit (£):</b>	15,000,000
2003	80	<b>Contract Limit (£):</b>	150,000,000
2002	78		
2001	81		

The ICC score has been designed to predict the likelihood of a company becoming insolvent within the year. The credit limit is £ 15,000,000, which is a reflection of the score and the

substantial financial strength of the company.

**County Court Judgments:** There is 1 exact unsatisfied CCJ for £150.00.

**Cumulative Total of** 3 Months 6 Months 9 Months 12 Months 24 Months 24 Months+  
**Exact CCJs over:** None None None None None 1 CCJ  
**Total: £150.00**

**Further information may be available on this business from our off line report service.**

**Latest Ten Judgments:**

On 19/06/2001, a Judgment of £150.00 was made in EDINBURGH court (Case No. SA2263/01) against COSTCO WHOLESALE UK LTD of HOME OFFICE, HARTSPRING LANE, WATFORD, HERTFORDSHIRE, Ref. No.. (Exact)

**Ownership**

**GROUP STRUCTURE**

**Holding Company:** [03934833 COSTCO UK HOLDINGS LIMITED](#)  
Taken from the latest Annual Return, indicating a holding of over 50%.

**Ultimate Holding Company:** USA COSTCO WHOLESALE CORP Taken from the Latest Directors' Report and Accounts.

**ALL IMMEDIATE SHAREHOLDINGS ON ICC DATABASE BY TURNOVER**

Name	Share Class	% Held	Sales('000)	A/C Date	Status
<a href="#">COSTCO LIMITED</a>	ORDINARY	100	17,462	29/08/2004	Trading
<a href="#">ALCALAY LIMITED</a>	ORDINARY	100	223	29/08/2004	Trading
<a href="#">SUBMITSELECT LIMITED</a>	ORDINARY	50	211	03/09/2000	Non Trading
<a href="#">PRICECOSTCO IRELAND LIMITED</a>	ORDINARY	100	-	-	Dissolved

**Principal Shareholders**

**Date of Analysed Annual Return:** 06/08/2005

**SHARE CAPITAL STRUCTURE**

Class of Shares	Par Value (pence)	Number of Shares	Issued Capital (£)
ORDINARY A	100	163,675,017	163,675,017
<b>Total Issued Capital</b>			<b>163,675,017</b>

**SHAREHOLDERS**

Shareholder Name & Address	Class of Shares	Number of Shares	Issued Capital (£)	Shareholding Number
IHC <a href="#">COSTCO UK HOLDINGS LIMITED</a> UK Home Office, Hartspring Lane, Watford,	ORDINARY A	163,675,017	163,675,017	1

Herts,  
WD25 8JS

### Summary of Mortgages, Charges and Satisfactions

No Mortgage or Charge  
details are available.

### Profit & Loss Account

Date of Accounts	29/08/2004	31/08/2003	01/09/2002	02/09/2001	03/09/2000
<b>Consolidated</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Subsidiary</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>No. of Weeks</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>53</b>
<b>Currency</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>
Audit Qualification	No	No	No	No	No
<u>1</u> Turnover	953,387	873,717	729,731	645,645	518,851
Cost of Sales	910,737	835,657	700,098	620,566	497,862
Gross Profit	42,650	38,060	29,633	25,079	20,989
<u>2</u> Operating Profit	26,140	22,656	16,523	13,262	9,786
Non Trading Income	376	287	413	789	1,255
Interest Payable	687	1,860	1,318	219	4
Pre-tax Profit	25,829	21,083	15,618	13,832	11,037
Taxation	8,957	6,407	4,736	2,922	2,850
Profit After Tax	16,872	14,676	10,882	10,910	8,187
Dividends Payable	0	0	0	0	0
Retained Profit	16,872	14,676	10,882	10,910	8,187
Value Added	104,899	93,210	74,996	63,075	49,270

### Balance Sheet

Date of Accounts	29/08/2004	31/08/2003	01/09/2002	02/09/2001	03/09/2000
<b>Consolidated</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Subsidiary</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>No. of Weeks</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>53</b>
<b>Currency</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>	<b>(£ '000)</b>
<u>3</u> Tangible Fixed Assets	243,541	238,251	240,406	167,993	149,937
Intangible Assets	0	0	0	0	0
<b>Total Fixed Assets</b>	<b>243,541</b>	<b>238,251</b>	<b>240,406</b>	<b>167,993</b>	<b>149,937</b>
Stocks	78,823	76,369	78,427	63,187	62,995

Trade Debtors	4,055	3,848	3,068	2,624	1,859
Cash	4,097	3,314	3,208	15,060	12,237
4 Miscellaneous Current Assets	4,672	7,174	7,766	8,329	5,735
<b>Total Current Assets</b>	<b>91,647</b>	<b>90,705</b>	<b>92,469</b>	<b>89,200</b>	<b>82,826</b>
<b>5 Creditors: Amounts falling due within one year</b>	<b>103,281</b>	<b>114,030</b>	<b>133,042</b>	<b>69,442</b>	<b>72,640</b>
<b>Total Assets less Current Liabilities</b>	<b>231,907</b>	<b>214,926</b>	<b>199,833</b>	<b>187,751</b>	<b>160,123</b>
<b>6 Total Long Term Liabilities</b>	<b>5,984</b>	<b>5,875</b>	<b>5,458</b>	<b>4,258</b>	<b>0</b>
<b>Total Liabilities</b>	<b>109,265</b>	<b>119,905</b>	<b>138,500</b>	<b>73,700</b>	<b>72,640</b>
<b>7 Share Capital &amp; Reserves</b>	<b>166,842</b>	<b>166,842</b>	<b>166,842</b>	<b>166,842</b>	<b>150,155</b>
P & L Account Reserve	59,081	42,209	27,533	16,651	9,968
Revaluation Reserve	0	0	0	0	0
<b>Shareholders' Funds</b>	<b>225,923</b>	<b>209,051</b>	<b>194,375</b>	<b>183,493</b>	<b>160,123</b>
<b>Capital Employed</b>	<b>231,907</b>	<b>214,926</b>	<b>199,833</b>	<b>187,751</b>	<b>160,123</b>
<b>Net Worth</b>	<b>225,923</b>	<b>209,051</b>	<b>194,375</b>	<b>183,493</b>	<b>160,123</b>
<b>Working Capital</b>	<b>(11,634)</b>	<b>(23,325)</b>	<b>(40,573)</b>	<b>19,758</b>	<b>10,186</b>
Contingent Liabilities	0	0	0	0	0

## Cash Flow

Date of Accounts	29/08/2004	31/08/2003	01/09/2002	02/09/2001	03/09/2000
<b>Consolidated</b>	Yes	Yes	Yes	Yes	Yes
<b>Subsidiary</b>	Yes	Yes	Yes	Yes	Yes
<b>No. of Weeks</b>	52	52	52	52	53
<b>Currency</b>	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)
Net Cashflow from Operating Activities	-	41,198	19,567	17,072	16,436
Net Cashflow from Return on Investment and Servicing of Finance	-	(1,656)	(839)	667	1,311

Net Cashflow before Financing	-	25,131	(66,877)	(13,858)	(34,014)
Net Cashflow from Financing	-	(25,025)	55,025	16,681	34,978
Increase in Cash	-	106	(11,852)	2,823	964

## Accounts Notes

Date of Accounts	29/08/2004	31/08/2003	01/09/2002	02/09/2001	03/09/2000
<b>Consolidated</b>	Yes	Yes	Yes	Yes	Yes
<b>Subsidiary</b>	Yes	Yes	Yes	Yes	Yes
<b>No. of Weeks</b>	52	52	52	52	53
<b>Currency</b>	(£ '000)	(£ '000)	(£ '000)	(£ '000)	(£ '000)
<b>1 Exports</b>	3,392	4,926	4,105	6,477	6,434
<b>2 Operating Profit is after charging the following</b>					
Employees' Remuneration	62,174	54,935	45,830	38,974	31,274
Directors' Remuneration	365	395	414	378	365
Audit Fees	66	65	57	68	58
Non Audit Fees	56	52	113	76	47
Depreciation	10,119	9,906	7,877	6,786	4,958
Average Number of Employees (actual)	3,539	3,339	3,032	2,626	2,215
<b>3 Tangible Assets consist of:</b>					
Fixed Assets	243,541	238,251	240,406	167,993	149,937
Intermediate Assets which includes:	0	0	0	0	0
-Due from Group, Non Current	0	0	0	0	0
<b>4 Miscellaneous Current Assets includes:</b>					
-Due from Group, Current	1,300	153	185	445	174
<b>5 Creditors: Amounts falling due within one year consists of:</b>					
Trade Creditors	44,954	41,095	37,146	33,772	40,734

a Bank Overdraft	0	0	0	0	0
Miscellaneous Current Liabilities includes:	58,327	72,935	95,896	35,670	31,906
b -Bank Loans - Current Portion	12,000	30,000	55,000	0	0
c -Other Short Term Finance, including:	1,104	767	853	925	3,847
- <i>Due to Group, Current</i>	1,104	767	828	925	3,841
- <i>Due to Directors, Current</i>	0	0	0	0	0
-Other Current Liabilities	45,223	42,168	40,043	34,745	28,059
Short Term Loans (a+b+c)	13,104	30,767	55,853	925	3,847

**6 Total Long Term Liabilities consists of:**

Long Term Loans, which consists of:	0	0	0	0	0
-Long Term Bank Loans	0	0	0	0	0
-Other Long Term Finance, including:	0	0	0	0	0
- <i>Due to Group, Non Current</i>	0	0	0	0	0
- <i>Due to Directors, Non Current</i>	0	0	0	0	0
Other Long Term Liabilities	5,984	5,875	5,458	4,258	0

**7 Share Capital and Reserves consists of:**

Called Up Share Capital	163,675	163,675	163,675	163,675	146,988
Sundry Reserves	3,167	3,167	3,167	3,167	3,167

**Interims**

No Interim Accounts available.

**Ratios**

<b>Date of Accounts</b>	<b>29/08/2004</b>	<b>31/08/2003</b>	<b>01/09/2002</b>	<b>02/09/2001</b>	<b>03/09/2000</b>
Profit/Sales (%)	2.71	2.41	2.14	2.14	2.13
Profit/Capital	11.14	9.81	7.82	7.37	6.76

Employed (%)					
Profit/Total Assets (%)	7.71	6.41	4.69	5.38	4.65
Profit/Shareholders' Funds (%)	11.43	10.09	8.03	7.54	6.76
P & L Account Reserve/Total Assets (%)	17.63	12.83	8.27	6.47	4.28
Sales/Total Assets (%)	284.43	265.60	219.22	251.04	218.70
Sales/Fixed Assets	3.91	3.67	3.04	3.84	3.40
Sales/Total Fixed Assets (%)	391.47	366.72	303.54	384.33	339.52
Sales/Capital Employed	4.11	4.07	3.65	3.44	3.18
Working Capital/Sales (%)	-1.22	-2.67	-5.56	3.06	2.00
Stock Turnover	12.10	11.44	9.30	10.22	8.08
Credit Period (days)	1.55	1.61	1.53	1.48	1.33
Creditor Days (days)	17.21	17.17	18.58	19.09	29.21
Debtors/Total Assets (%)	1.21	1.17	0.92	1.02	0.80
Net Cash/Current Liabilities (%)	3.97	2.91	2.41	21.69	16.85
Liquid Assets/Total Assets (%)	3.83	4.36	4.22	10.11	8.52
Current Ratio	0.89	0.80	0.70	1.28	1.14
Liquidity Ratio	0.12	0.13	0.11	0.37	0.27
Creditors/Debtors	11.09	10.68	12.11	12.87	21.91
Current Liabilities/Stocks	1.31	1.49	1.70	1.10	1.15
Stocks/Working Capital (%)	-677.52	-327.41	-193.30	319.80	618.45
Current Assets/Total Assets (%)	27.34	27.57	27.78	34.68	35.58
Profit/Current Liabilities (%)	25.01	18.49	11.74	19.92	14.91
Sales/Current Liabilities	9.23	7.66	5.48	9.30	7.01
Interest/Pre-Interest Profit (%)	2.59	8.11	7.78	1.56	0.04
Total Debt/Net Worth (%)	5.80	14.72	28.73	0.50	2.40
Bank Overdraft & Long Term Liabilities/Net Worth	2.65	2.81	2.81	2.32	0.00
Long Term Debt/Net Worth (%)	0.00	0.00	0.00	0.00	0.00

Long Term Liabilities/Net Worth	0.03	0.03	0.03	0.02	0.00
Shareholders' Funds/Total Liabilities (%)	206.77	174.35	140.34	248.97	220.43
Shareholders' Funds/Total Assets	0.67	0.64	0.58	0.71	0.69
Net Worth/Total Assets (%)	67.40	63.55	58.39	71.34	68.79
Net Worth/Total Assets - Intangibles (%)	67.40	63.55	58.39	71.34	68.79
Net Worth/Total Fixed Assets (%)	92.77	87.74	80.85	109.23	106.79
Bank Overdraft & Long Term Liabilities/Working Capital (%)	-0.51	-0.25	-0.13	0.22	0.00
Bank Overdraft & Long Term Liabilities/Total Assets (%)	1.79	1.79	1.64	1.66	0.00
Total Debt/Working Capital	-1.13	-1.32	-1.38	0.05	0.38
Net Worth/Current Liabilities (%)	218.75	183.33	146.10	264.24	220.43
P & L Account Reserve/Net Worth (%)	26.15	20.19	14.16	9.07	6.23
Revaluation Reserve/Shareholders' Funds (%)	-	-	-	-	-
Bank Overdraft/Current Assets (%)	0.00	0.00	0.00	0.00	0.00
Average Employee Remuneration (£)	17,568	16,453	15,115	14,842	13,853
Wages/Sales (%)	6.52	6.29	6.28	6.04	6.03
Profit per Employee (£)	7,298	6,314	5,151	5,267	4,889
Sales per Employee (£)	269,394	261,670	240,676	245,866	229,825
Capital Employed per Employee (£)	65,529	64,368	65,908	71,497	72,290
Total Fixed Assets per Employee (£)	68,816	71,354	79,290	63,973	67,692
Total Assets per Employee (£)	94,713	98,519	109,787	97,941	105,085
Profit/Value Added (%)	24.62	22.62	20.83	21.93	22.40



Value Added/Sales (%)	11.00	10.67	10.28	9.77	9.50
Value Added per Employee (£)	29,641	27,916	24,735	24,020	21,824
Value Added/Employee Remuneration (%)	1.69	1.70	1.64	1.62	1.58
Exports/Sales (%)	0.36	0.56	0.56	1.00	1.24
Sales/Audit Fees	14,445.26	13,441.80	12,802.30	9,494.78	8,776.92
Total Assets/Audit Fees	5,078.61	5,060.86	5,839.91	3,782.25	4,013.16

### Growth Rates

	1 year	2 year	3 year	4 year
	%	%	%	%
Sales	9	31	48	86
Pre-tax Profit	23	65	87	136
Audit Fees	2	16	-3	14
Directors' Remuneration	-8	-12	-3	2
Number of Employees	6	17	35	60
Employees' Remuneration	13	36	60	101
Fixed Assets	2	1	45	62
Tangible Assets	2	1	45	62
Total Fixed Assets	2	1	45	62
Stocks	3	1	25	25
Trade Debtors	5	32	55	118
Total Current Assets	1	-1	3	11
Total Assets	2	1	30	44
Trade Creditors	9	21	33	10
Short Term Loans	-57	-77	1,317	241
Total Current Liabilities	-9	-22	49	42
Net Cash	24	28	-73	-67
Shareholders' Funds	8	16	23	41
Net Worth	8	16	23	41
Long Term Loans	-	-	-	-
Long Term Liabilities	2	10	41	-
Capital Employed	8	16	24	45

### Company/Industry Comparison

This comparison is based on the results of 13292 companies in the same industrial sector:

## 51700 Other wholesale

	Company	Industry Averages		
	29/08/2004	Lower	Median	Upper
<b>PERFORMANCE</b>				
Profit/Sales (%)	<b>2.71</b>	-3.8	3.5	11.9
Profit/Capital Employed (%)	<b>11.14</b>	0.0	18.0	66.7
Profit/Total Assets (%)	<b>7.71</b>	-6.2	4.3	20.2
Profit/Shareholders' Funds (%)	<b>11.43</b>	2.0	28.6	92.9
<b>TURNOVER</b>				
Sales/Total Assets (%)	<b>284.43</b>	74.9	185.3	301.2
Sales/Fixed Assets (%)	<b>3.91</b>	17.1	38.8	162.1
Working Capital/Sales (%)	<b>-1.22</b>	21.1	4.3	-8.6
Stock Turnover	<b>12.10</b>	3.4	7.3	17.8
Credit Period (days)	<b>1.55</b>	76.7	42.5	6.6
Creditor Days (days)	<b>17.21</b>	57.2	26.1	0.0
<b>LIQUIDITY</b>				
Current Ratio	<b>0.89</b>	0.9	1.2	2.0
Liquidity Ratio	<b>0.12</b>	0.5	0.9	1.5
<b>GEARING</b>				
Total Debt/Net Worth (%)	<b>5.80</b>	222.9	33.0	0.9
Shareholders' Funds/Total Assets	<b>0.67</b>	0.1	0.3	0.6
Long Term Debt/Net Worth (%)	<b>0.00</b>	10.1	0.0	0.0
Interest/Pre-Interest Profit (%)	<b>2.59</b>	9.1	0.8	0.0
Total Debt/Working Capital	<b>-1.13</b>	1.2	0.2	0.0
<b>EMPLOYEE</b>				
Average Employee Remuneration (£)	<b>17,568</b>	10,092	18,650	26,625
Wages/Sales (%)	<b>6.52</b>	21.8	13.2	7.4
Profit per Employee (£)	<b>7,298</b>	-1,000	2,500	10,439
Sales per Employee (£)	<b>269,394</b>	25,000	81,333	177,900
Capital Employed per Employee (£)	<b>65,529</b>	1,000	1,000	1,000
Total Fixed Assets per Employee (£)	<b>68,816</b>	333	4,000	16,760
Total Assets per Employee (£)	<b>94,713</b>	24,500	63,265	187,500
<b>OTHER</b>				
Creditors/Debtors	<b>11.09</b>	0.8	1.2	2.0
Debtors/Total Assets (%)	<b>1.21</b>	14.8	36.1	57.1
Current Liabilities/Stocks	<b>1.31</b>	1.5	2.6	5.4
Exports/Sales (%)	<b>0.36</b>	0.0	1.9	45.0
Sales/Audit Fees	<b>14,445.26</b>	289.4	579.3	1,287.9
Total Assets/Audit Fees	<b>5,078.61</b>	178.2	348.6	661.8

<b>Filing History</b>
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12/04/2005	Change among the directors of a company
15/11/2003	Alteration in memorandum or articles of association
15/11/2003	Resolutions or agreements to which section 380 applies (relating to shares, rights or names)
04/07/2000	Resolutions which give, vary, revoke or renew an authority for the purposes of section 80 (allotment of securities)

## Directors

### COMPANY SECRETARY

#### MAGAN KHUSHALBHAI CHAUHAN

**Appointment Date:** 01/12/1995  
**Date of Birth:** 12/06/1951  
**Occupation/Function:** FINANCE DIRECTOR  
**Address:** 104 WOLMER GARDENS, EDGWARE, MIDDLESEX, HA8 8QE  
**Present Appointments:** 10  
**Resignations Since June 1996:** 2

### DIRECTORS

#### GEOFFREY FRANCIS MAITLAND BALL

**Appointment Date:** 29/08/2004  
**Date of Birth:** 01/08/1948  
**Occupation/Function:** MANAGING DIRECTOR  
**Address:** ABBOTS BANK, WESTMINSTER AVENUE, CHESTER, CHESHIRE, CH4 8JB  
**Present Directorships:** 6  
**Resignations Since June 1996:** 0

#### JEFFREY BROTMAN

**Appointment Date:** 24/02/1994  
**Date of Birth:** 27/09/1942  
**Occupation/Function:** COMPANY DIRECTOR  
**Address:** 7197 OVERLAKE DRIVE, WEST BELLEVUE, WA 98004  
**Present Directorships:** 1  
**Resignations Since June 1996:** 0

#### RICHARD DICERCHIO

**Appointment Date:** 01/04/2005  
**Date of Birth:** 22/02/1943  
**Occupation/Function:** COMPANY DIRECTOR  
**Address:** 8905 GROAT POINT ROAD, MEDINA, WA 98039  
**Present Directorships:** 1  
**Resignations Since June 1996:** 0

#### JAMES PATRICK MURPHY

**Appointment Date:** 01/12/1995  
**Date of Birth:** 04/11/1952  
**Occupation/Function:** COMPANY DIRECTOR  
**Address:** 4302 NORTH LEXINGTON STREET, TACOMA, WA 98407  
**Present Directorships:** 6  
**Resignations Since June 1996:** 1

Report Generated: May 29, 2006

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