

Level 3-Comprehensive Credit Rating Report

Supplied on 6 December
Reporter Verification In order to ensure the accuracy of this report, certain information has been verified.

Company Identification Details

Subject Reported on COSTCO WHOLESALE UK LIMITED
Address UK HOME OFFICE, HARTSPRING LANE, WATFORD, HERTFORDSHIRE, WD25 8JS.
Telephone 01923 213 113
Facsimile 01923 809 331
Web Address www.costco.co.uk

Creditline Recommendations

Rating **1A**
 GBP 50m plus financial strength rating based on net worth plus net current assets/liabilities
Monthly Credit Guide **GBP 1,125,000**
Risk Category **LOW RISK**

XSection Summary

Number of XSections 0
Note : An 'XSection' is only recorded when unusual patterns of behavior or financial results have been identified.

Official Company Data

Legal Form Private Limited
Registration Number 02635489
VAT Number GB650186252
Date of Incorporation 06/08/1991
Registered Office UK HOME OFFICE, HARTSPRING LANE, WATFORD, HERTFORDSHIRE, WD25 8JS.
History 5/09/2000: The Registered Office address changed from UK HOME OFFICE, HARTSPRING LANE, WATFORD, HER.
 27/03/2000: Change of name from COSTCO UK LIMITED.
 25/04/1997: Change of name from PRICECOSTCO EUROPE (UK) LIMITED.
 6/08/1994 : The Registered Office address changed from COLNE HOUSE, 21 UPTON ROAD, WATFORD, HERTS, W.
 4/03/1994 : Change of name from COSTCO EUROPE (U.K.) LTD.
 Previously located at COLNE HOUSE, HARTSPRING HSE, WATFORD, WD1 7TB..
 24/10/1991: Change of name from MORION SERVICES LIMITED.
Date of Last Annual Return to Registry 06/08/2009
Registered Objectives TO CARRY ON BUSINESS AS GENERAL MERCHANTS

Accounts The last filed accounts at Companies House are those to 03/09/2009

Accounting Reference Date 31/09

Operations

Activities A Group engaged in the Operation of Membership Warehouse Clubs.

Premises Owned, Offices, Warehouse, Factory

Staff Employed 4,148

Trade Names COSTCO, PRICECOSTCO, COSTCO UK

Import Countries ALL OVER THE WORLD

Export Countries ALL OVER THE WORLD

Bankers HSBC BANK PLC

Address 27/32 POULTRY, LONDON, EC2P 2BX.

Sort Code 400250

Auditors KPMG LLP

Branches 19 BRANCHES THROUGHOUT THE UK.
HEAD OFFICE AT THE REGISTERED, OFFICE ADDRESS..

Subsidiaries ALCALAY LIMITED
COSTCO LIMITED
PRICECOSTCO IRELAND LIMITED, a company incorporated in IRISH REPUBLIC

Historical Rating

Date	Rating	Monthly Credit Guide
06/12/2009	1A	1,125,000
06/09/2009	1A	1,125,000
06/06/2009	1A	1,125,000
06/03/2009	1A	1,125,000
06/12/2008	1A	1,125,000

Public Record Information

Summary of CCJ's/Scottish Decrees

No CCJs/Scottish Decrees are recorded in our file.

Other Filings and Notices

Date	Source	Description
12/09/2006	Companies House Gazette	Change among the directors of a company
12/04/2005	Companies House Gazette	Change among the directors of a company
21/08/2004	Companies House Gazette	Change among the directors of a company
15/11/2003	Companies House Gazette	Resolutions or agreements to which section 380 applies (relating to shares, rights or names)
15/11/2003	Companies House Gazette	Alteration in memorandum or articles of association
18/10/2003	Companies House Gazette	Change among the directors of a company
30/11/2001	Companies House Gazette	Change among the directors of a company
02/09/2000	Companies House Gazette	Change among the directors of a company
04/07/2000	Companies House Gazette	Alteration in memorandum or articles of association

04/07/2000 Companies House Gazette Resolutions which give, vary, revoke or renew an authority for the purposes of section 80

16/06/2000 Companies House Gazette Change among the directors of a company

11/02/1999 Companies House Gazette Change among the directors of a company

29/08/1996 Companies House Gazette Change among the directors of a company

08/03/1996 Companies House Gazette Change among the directors of a company

29/02/1996 Companies House Gazette Change among the directors of a company

08/12/1995 Companies House Gazette Change among the directors of a company

19/04/1995 Companies House Gazette Change among the directors of a company

01/10/1994 Companies House Gazette Change among the directors of a company

03/06/1994 Companies House Gazette Alteration in memorandum or articles of association

03/06/1994 Companies House Gazette Change among the directors of a company

Company Secretary

Secretary MAGAN KHUSHALBHAI CHAUHAN
Address 104 WOLMER GARDENS, EDGWARE, MIDDLESEX, HA8 8QE.
Country of Origin UNITED KINGDOM
Date of Birth 12/06/1951
Appointment Date 01/12/1995
Other Directorships COSTCO LIMITED, SUBMITSELECT LIMITED, ALCALAY LIMITED

Directors

Director STEPHEN MICHAEL PAPPAS
Address 16 WOLSEY ROAD, MOOR PARK, NORTHWOOD, MIDDLESEX, HA6 2HW.
Country of Origin USA
Date of Birth 09/07/1954
Appointment Date 03/09/2006
Other Directorships COSTCO LIMITED, SUBMITSELECT LIMITED, ALCALAY LIMITED

Director RICHARD DICERCHIO
Address 8905 GROAT POINT ROAD, MEDINA, WA 98039.
Country of Origin USA
Date of Birth 22/02/1943
Appointment Date 01/04/2005

Director JAMES PATRICK MURPHY
Address 4302 NORTH LEXINGTON STREET, TACOMA, WA 98407.
Country of Origin USA
Date of Birth 04/11/1952
Appointment Date 01/12/1995
Other Directorships COSTCO LIMITED, SUBMITSELECT LIMITED, ALCALAY LIMITED, COSTCO UK HOLDINGS LIMITED

Director JEFFREY BROTMAN
Address 7197 OVERLAKE DRIVE, WEST BELLEVUE, WA 98004.
Country of Origin USA

Date of Birth 27/09/1942
 Appointment Date 24/02/1994

Share Capital

Shares Ordinary A GBP 1.00
 Issued Number 163,675,017
 Principal Shareholder 163,675,017 Costco UK Holdings Ltd
 The above reflects the principle shareholder(s) by number of shares held, irrespective of share classification type.
 Holding Company COSTCO UK HOLDINGS LIMITED
 Ultimate Parent COSTCO WHOLESALE CORP, a company incorporated in USA

Payment Analysis

(No Payment Analysis Data is Available)

Financial Data

Profit and Loss

The following figures are shown in units of 1000

	53	52	52	52
Number of Weeks	03/09/2009	28/08/2008	29/08/2007	31/08/2006
Accounts Date	Yes	Yes	Yes	Yes
Consolidated	GBP	GBP	GBP	GBP
Currency				
SALES	1127718	1013309	953387	873717
UK sales	1122054	1002997	949995	868791
Export	5664	10312	3392	4926
Cost of goods sold	1085270	968174	910737	835657
GROSS PROFIT	42448	45135	42650	38060
Wages and Salaries	79426	68856	62174	54935
Directors Emoluments	215	234	365	395
Auditors Fees	71	81	66	65
Non-Audit Fees	57	21	56	52
Trading Profit	36050	38592	36259	32562
Depreciation	11194	10656	10119	9906
OPERATING PROFIT	24856	27936	26140	22656
Non Trading Income	291	384	376	287
Interest Payable	852	356	637	1860
PRE TAX PROFIT	24295	27964	25879	21083
Taxation	8177	7852	8957	6407
PROFIT AFTER TAX	16118	20112	16922	14676
RETAINED PROFITS	16118	20112	16922	14676

Balance Sheet

The following figures are shown in units of 1000

	53	52	52	52
Number of Weeks	03/09/2009	28/08/2008	29/08/2007	31/08/2006
Accounts Date	Yes	Yes	Yes	Yes
Consolidated	GBP	GBP	GBP	GBP
Currency				
TOTAL FIXED ASSETS	289934	269740	244438	238251
Tangible Assets	289934	269740	244438	238251
Fixed Assets	289934	269740	244438	238251

TOTAL CURRENT ASSETS	126099	98767	91647	90705
Trade debtors	9385	5416	4055	3848
Stocks	97117	86996	78823	76369
Other Current Assets	19597	6355	8769	10488
Misc Current Assets	5421	3638	3372	7021
Due From Group	162	1303	1300	153
Cash	14014	1414	4097	3314
TOTAL ASSETS	416033	368507	336085	328956
TOTAL CURRENT LIABILITIES	144785	114767	103281	114030
Trade creditors	65127	47288	44954	41095
Short Term Loans	20000	22000	12000	30767
Bank Loans	20000	22000	12000	30000
Due To Group				767
Other Liabilities	59658	45479	46327	42168
WORKING CAPITAL	(18686)	(16000)	(11634)	(23325)
TOTAL LONG TERM LIABS	8198	6808	5984	5875
Other Liabilities	8198	6808	5984	5875
NET ASSETS/(LIABILITIES)	263050	246932	226820	209051
SHARE CAPITAL + RESERVES	263050	246932	226820	209051
Share Cap + Sundry Res	166842	166842	166842	166842
Issued Share Capital	163675	163675	163675	163675
Sundry Reserves	3167	3167	3167	3167
Profit and Loss account	96208	80090	59978	42209
SHAREHOLDERS FUNDS	263050	246932	226820	209051
CAPITAL EMPLOYED	271248	253740	232804	214926

Financial Comparison

The following figures are shown in units of 1000

Number of Weeks	53	52	52	52
Accounts Date	03/09/2009	28/08/2008	29/08/2007	31/08/2006
Consolidated	Yes	Yes	Yes	Yes
Currency	GBP	GBP	GBP	GBP
Net Cashflow from Oper.	52685	32238	39440	41198
Increase in Cash	12600	(2683)	783	106
Directors Remuneration	215	234	365	395
Auditors Remuneration	71	81	66	65
Liquid Assets	23399	6830	8152	7162
Net Working Capital	(18686)	(16000)	(11634)	(23325)
Other Deferred Liabs	8198	6808	5984	5875
Tangible Net Worth(T.N.W)	263050	246932	226820	209051
Equity	263050	246932	226820	209051
Number of Years Trading	15	14	13	12
Number of Employees	4148	3767	3539	3339
Profit per Employee	5857	7423.4	7312.5	6314.2
Sales per Employee	271870.3	268996.3	269394.5	261670.3

Key Credit Ratios

The following figures are shown as Ratios or Percentages

Accounts Date	03/09/2009	28/08/2008	29/08/2007	31/08/2006
Consolidated	Yes	Yes	Yes	Yes

Current Ratio	0.9	0.9	0.9	0.8
Pre Tax Profit Margin%	2.2	2.8	2.7	2.4
Gross Profit%	3.8	4.5	4.5	4.4
Debtors Days (D.S.O)	3	2	2	2
Creditors Days (D.P.O)	21	17	17	17
Quick Ratio	0.2	0.1	0.1	0.1
W.I.P/Inventory Days	32.7	32.8	31.6	33.4
Return on Investment%	8.6	10.3	10.8	9.3
Return on Assets%	5.8	7.6	7.7	6.4
T.N.W/Total Assets%	63.2	67	67.5	63.5
Return on Capital%	9	11	11.1	9.8
Rtn on Shareholders	9.2	11.3	11.4	10.1
Funds%				
Working Capital/Sales%	(1.7)	(1.6)	(1.2)	(2.7)
Borrowing Ratio%	7.6	8.9	5.3	14.7
Equity Gearing%	171.9	203.1	207.6	174.3
Stock Turnover	11.6	11.6	12.1	11.4
Days Purchases Outstanding	21.9	17.8	18	17.9

Financial Summary

Auditors Qualification

The Auditors have expressed a clean opinion (i.e. unqualified with no referrals) on the accounts for the period ended 3/09/2009.

Turnover

Turnover has increased by 11 %, a growth of GBP 114,409,000 in the period.

Operating Profit

Totalled GBP 24,856,000. In the year prior a Profit of GBP 27,936,000 was achieved.

Pre Tax Profit

The subject's profit decreased by 13 % over the previous year.

Working Capital

The company's working capital deficiency increased in the period and now totals GBP 18,686,000.

Net Worth

Net worth has increased by 7 % and now stands at GBP 263,050,000.

Fixed Assets

The subject's fixed assets increased during the year by GBP 20,194,000 to GBP 289,934,000 and are now 69 % of total assets compared with 73 % in the previous year.

Long Term Liabilities

The company's long term liabilities increased during the period by 20% and are now 3 % of net worth compared with 3 % in the previous period.



Long Term Liabilities

Long term liabilities are now 2 % of total liabilities compared with 2 % in the previous period.

**** END OF REPORT ****

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