

Business and Trade Committee
House of Commons
London
SW1A 0AA

By e-mail

24 November 2023

Dear Mr Byrne

Thank you for your letter dated 13 November 2023 in which you have requested that we clarify two areas in our letter to the Committee dated 13 September 2023 following a story contained in the *Evening Standard* on 27 October 2023, to which our responses are set out below.

Firstly, we would like to apologise for having not reached out to the Committee at the time of the *Evening Standard* article referred to above. We hope the responses set out in this letter clarify the areas which you have raised.

Taking the matters raised in your letter in turn:

1) *Please set out again the purpose and domicile of all the individual entities that make up the ownership structure to which Asda belongs, highlighting corrections to the Group Structure chart*

In the Appendix to this letter, please see the corrected list of group entities as set out in our letter dated 13 September 2023 alongside purpose and jurisdiction of incorporation. We have added a new column in this list to reflect the jurisdiction of incorporation of each of these entities. In our letter dated 13 September 2023, we mistakenly omitted an asterisk on three of the entities in this list to denote that they are incorporated in England and Wales, not Jersey. This was due to an administrative error for which we apologise. We do not believe that this error amounted to us having misled the Committee, nor would we do anything that could be construed as misleading the Committee.

We have highlighted in red the corrections to the chart in the updated table set out in the Appendix to this letter.

We would like to take this opportunity to confirm that no companies in the Asda ownership structure as set out in the Appendix to this letter are incorporated in jurisdictions outside of England and Wales due to any “tax haven” status and we can further confirm that all of the companies set out in the Appendix to this letter are UK tax resident regardless of where they are incorporated, they each file UK corporation tax returns and pay UK corporation tax on profits in accordance with UK tax legislation.

2) *Please explain why the ownership of Wagestream shares has been moved around the Bellis Corporate Structure*

The shareholders of Asda have made a minority investment into Wagestream Holdings Ltd, a company which runs a financial support app for workers which allows employees to, amongst other things, have flexibility over how and when they get paid. This was seen to be an opportunity to support a company which provides (or could provide) invaluable help to both Asda’s workforce and its customers generally and, in particular, those most impacted by the

current cost of living crisis. Despite this being a complementary investment to Asda, it was a standalone investment, entirely funded by shareholder capital and is held through the Bellis corporate structure rather than the Asda operating group. It is entirely separate from the Asda operations, has its own management team and is not subject to any operational control by Asda.

As part of a corporate structuring exercise, designed to simplify potential transactions relating to this investment in the future, the investment in Wagestream was effectively moved from one holding (Bellis Phantom Holdco Limited) to a new subsidiary of that company (Phantom Investments 2 Limited).

Should you require any further information or clarification, please do not hesitate to contact us.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mohsin Issa', with a stylized flourish at the end.

Mohsin Issa CBE

Co-owner, Asda Stores Limited

Appendix

Asda ownership structure (corrections to the letter dated 13 September 2023 in red)

| No. per Chart | Entity Name | Jurisdiction of Incorporation | Purpose |
|---------------|--|-------------------------------|--|
| 1 | Bellis Topco Limited | Jersey | This entity is the ultimate parent entity of the group and is an investment holding company that owns Bellis Noncore 1 Limited and Bellis Topco 2 Limited. |
| 2 | Bellis Noncore 1 Limited | England & Wales | This entity is an investment holding company that owns Bellis Noncore 2 Limited. |
| 3 | Bellis Noncore 2 Limited | England & Wales | This entity was incorporated to borrow a short-term bridge loan to finance the Asda acquisition which was repaid via the proceeds from the sale and lease back of the distribution sites. This entity has no activity and is currently dormant. |
| 4 | Bellis Topco 2 Limited | Jersey | This entity currently is an investment holding company that owns Bellis Holdco Limited and Bellis Topco Sub Limited. The board of this entity includes shareholder representatives (including the Walmart (who retains a 10% interest in the Asda Group) representative) and non-executive directors. |
| 5 | Bellis Topco Sub Limited | Jersey | This entity has no activity and is currently dormant. |
| 6 | Bellis Property Newco Limited | Jersey | This entity has no activity and is currently dormant. |
| 7 | Bellis Holdco Limited | Jersey | This entity is an investment holding company that owns Bellis Midco Limited and Bellis Forecourts Limited |
| 8 | Bellis Forecourts Limited | Jersey | This entity has no activity and is currently dormant. |
| 9 | Bellis Midco Limited | Jersey | This entity is an investment holding company that owns Bellis Midco 2 Limited. |
| 10 | Bellis Midco 2 Limited | Jersey | This entity is an investment holding company that owns Bellis Select Warehouse Holdings Limited, Bellis Midco 4 Limited and Bellis Phantom Holdco Limited. |
| 11 | Bellis Select Warehouse Holdings Limited | Jersey | This entity is an investment holding company that owns Bellis Select Warehouse Limited. |
| 12 | Bellis Select Warehouse Limited | Jersey | This entity acquired a number of Asda distribution sites, which were then sold to 3 rd parties and leased back to the Asda group. This entity is currently non-trading. |
| 13 | Bellis Midco 4 Limited | Jersey | This entity is an investment holding company that owns Bellis Finco plc. |
| 14 | Bellis Finco plc | England & Wales | This entity is the issuer of the senior unsecured bonds that were used to part finance the acquisition of Asda. |

| No. per Chart | Entity Name | Jurisdiction of Incorporation | Purpose |
|---------------|--------------------------------------|-------------------------------|--|
| | | | This entity is a financing entity and investment holding company that owns Bellis Acquisition Company plc. |
| 15 | Bellis Acquisition Company plc | England & Wales | This entity is the issuer of the senior secured bonds and other senior secured borrowings to facilitate the acquisition of Asda. This entity is a financing entity and investment holding company that owns Bellis Acquisition Company 2 Limited. |
| 16 | Bellis Acquisition Company 2 Limited | Jersey | This entity is an investment holding company that owns Bellis Acquisition Company 3 Limited. |
| 17 | Bellis Acquisition Company 3 Limited | Jersey | This entity is an investment holding company that acquired Asda Group Limited. |
| 18 | Asda Group Limited | England & Wales | This entity is the key holding company of the Group's trading entities. |
| 19 | Asda Stores Limited | England & Wales | This entity is the principal trading company in the Group. It owns a proportion of the Group's freehold, short leasehold and long leasehold property and the majority of the group's non-property owned and leased assets. |
| 20 | McLagan Investments Limited | England & Wales | This entity is the principal property company in the Group and holds the majority of long leasehold and freehold properties. |
| 21 | Bellis Phantom Holdco Limited | Jersey | This entity is an investment holding company that owns Phantom Investments Limited Phantom Investments 2 Limited and Phantom Investments 3 Limited. |
| 22 | Phantom Investments Limited | Jersey | This entity holds an equity investment in Jaja Finance, a credit card business, which operates under its own brand and the brands of partners including Asda Money. |
| 23 | Phantom Investments 2 Limited | Jersey | This entity holds an investment in Wagestream, a provider of wage access products, which works with Asda and many other businesses and charities. |
| 24 | Phantom Investments 3 Limited | Jersey | This entity holds an investment in Bud Financial, a provider of financial data intelligence to financial services companies. |
| 25 | Optima Bidco (Jersey) Limited | Jersey | This entity is not part of the Bellis ownership structure and therefore, not included in the above structure chart. For completeness, it is the holding company of the EG Group. |