

**TESCO INTERNATIONAL INTERNET RETAILING  
LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL  
STATEMENTS**  
**FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019**  
**Registered Number: 00041420**



## **TESCO INTERNATIONAL INTERNET RETAILING LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019**

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The Directors present their Report and the unaudited financial statements of Tesco International Internet Retailing Limited (the "Company") for the 52 weeks ended 23 February 2019 (prior period: 52 weeks ended 24 February 2018 ("2018")).

#### **Business review and principal activity**

The principal activity of the Company is international internet retailing, selling to the international British military bases.

#### **Results and dividends**

The results for the 52 weeks ended 23 February 2019 show a loss before tax of £17k (2018: £189k), loss after tax of £17k (2018: £189k) and turnover amounting to £nil (2018: £21k).

The Company has net assets at the end of the period of £8,317k (2018: £8,334k) and net current assets of £8,317k (2018: £8,334k).

The Directors do not recommend the payment of a dividend for the 52 weeks ended 23 February 2019 (2018: £nil).

#### **Future developments**

The Online division of the UK trading business ceased trading on 9 July 2018 as per the announcement made by Tesco PLC on 22 May 2018. As a result, the operational platform enabling trade for both the Online division and Tesco International Internet Retailing Limited was decommissioned. The Directors do not expect the Company to trade in the foreseeable future and are planning to liquidate on this basis in the near future.

#### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 32 to 36 of the Tesco PLC Annual Report and Financial Statements 2019, which does not form a part of this Report.

#### **Business risk**

Uncertainty around the UK's departure from the EU continues to grow as a result of the ongoing political deadlock. A failure to prepare for all eventualities, and any resulting disruption, could have an adverse impact on our primary business, financial results and operations. The Tesco PLC Board will continue to assess and monitor the potential risks and impacts on the Company and its stakeholders as a whole, while taking appropriate mitigation measures to address challenges as appropriate.

#### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, is discussed on pages 16 and 17 of the Tesco PLC Annual Report and Financial Statements 2019 which do not form a part of this Report.

#### **Going concern**

As discussed in future developments section above, the Company is not expected to trade in the foreseeable future. Therefore, the financial statements have been prepared on a basis other than the going concern basis.

No adjustments arose as a result of ceasing to apply the going concern basis.

#### **Events after the Balance Sheet date**

Details of events after the reporting period can be found in Note 12 to the financial statements.

#### **Political donations**

There were no political donations for the period (2018: £nil) and the Company did not incur any political expenditure (2018: £nil).

## **TESCO INTERNATIONAL INTERNET RETAILING LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019 (continued)**

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#### **Research and development**

The Company does not undertake any research and development activities (2018: none).

#### **Financial risk management**

The main risks associated with the Company's financial assets and liabilities are set out below:

##### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company creditors are unsecured and interest free. Since the creditors predominantly comprises amounts owed to Group undertakings, the liquidity risk is determined to be low.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Debtors predominantly comprises amounts owed by Group undertakings, hence credit risk is determined to be low.

#### **Strategic Report**

The Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing the strategic report.

#### **Employees**

The Company had no employees during the period (2018: none).

#### **Directors**

The following Directors served during the period and up to the date of signing these financial statements:

Tesco Services Limited

Adrian Letts (resigned on 23 July 2019)

Max Britten (resigned on 10 March 2018)

Niamh Doyle (appointed on 5 June 2018)

None of the Directors had any disclosable interests in the Company during this period.

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Company Secretary (who is also a Director of Tesco Services Limited which is appointed to the Board of the Company) in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors and Officers may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

#### **Cautionary statement regarding forward-looking information**

Where this document contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this Report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

## TESCO INTERNATIONAL INTERNET RETAILING LIMITED

### DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019 (continued)

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#### Directors' Responsibilities Statement

The Directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

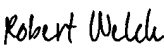
Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

This report was approved by the Board on 12 August 2019, and has been prepared in accordance with the small companies regime of the Companies Act 2006.

By order of the Board

DocuSigned by:  
  
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Robert Welch, for and on behalf of Tesco Services Limited  
Director

Tesco International Internet Retailing Limited

Registered number: 00041420

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

**TESCO INTERNATIONAL INTERNET RETAILING LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019**

	Notes	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
Turnover		-	21
Cost of sales		-	(18)
<b>Gross profit</b>		-	3
Administrative expenses		(17)	(192)
<b>Operating loss</b>		(17)	(189)
<b>Loss before tax</b>		(17)	(189)
Tax (charge)/credit on loss	5	-	-
<b>Loss for the financial period</b>		(17)	(189)

There are no material differences between the loss before tax and the loss for the financial period stated above and their historical cost equivalents in the current and previous period.

There is no other comprehensive income/(loss) in the periods presented; therefore no Statement of Comprehensive Income has been prepared. Total comprehensive loss is equal to loss for the periods presented.

The notes on pages 7 to 11 form an integral part of these financial statements.

**TESCO INTERNATIONAL INTERNET RETAILING LIMITED****BALANCE SHEET AS AT 23 FEBRUARY 2019**

	Notes	23 February 2019 £'000	24 February 2018 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	8,336	8,336
Cash at bank and in hand	7	1,298	1,315
		<u>9,634</u>	<u>9,651</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(1,317)	(1,317)
<b>Net current assets</b>		<u>8,317</u>	<u>8,334</u>
<b>Total assets less current liabilities</b>		<u>8,317</u>	<u>8,334</u>
<b>Net assets</b>		<u>8,317</u>	<u>8,334</u>
<b>Capital and reserves</b>			
Called up share capital	9	738	738
Profit and loss account		7,579	7,596
<b>Total shareholders' funds</b>		<u>8,317</u>	<u>8,334</u>

The notes on pages 7 to 11 form an integral part of these financial statements.

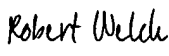
For the 52 weeks ended 23 February 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

Each Director who is the Director of the Company at the date of approval of these financial statements confirms:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 11 were approved by the Board and authorised for issue on 12 August 2019. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were signed on its behalf by:

DocuSigned by:  
  
 47E09118193A4A8...

Robert Welch, for and on behalf of Tesco Services Limited

Director

Tesco International Internet Retailing Limited

Registered number: 00041420

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

**TESCO INTERNATIONAL INTERNET RETAILING LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED  
23 FEBRUARY 2019**

	<b>Called up share capital*</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 25 February 2017	738	7,785	8,523
Loss and total comprehensive loss for the financial period	-	(189)	(189)
At 24 February 2018	738	7,596	8,334
Loss and total comprehensive loss for the financial period	-	(17)	(17)
<b>At 23 February 2019</b>	<b>738</b>	<b>7,579</b>	<b>8,317</b>

\* See Note 9 for a breakdown of the called up share capital.

The notes on pages 7 to 11 form an integral part of the financial statements.

# TESCO INTERNATIONAL INTERNET RETAILING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019

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### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Tesco International Internet Retailing Limited (the "Company") for the 52 weeks ended 23 February 2019 were approved by the Board of Directors on 12 August 2019 and the Balance Sheet was signed on the Board's behalf by Robert Welch, for and on behalf of Tesco Services Limited. The Company is a private company limited by shares and incorporated and domiciled in England and Wales. The financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the Companies Act 2006, on a basis other than the going concern basis.

The Company's financial statements are presented in Pound Sterling (£) and all values are rounded to the nearest thousands (£'000), except when otherwise indicated.

### 2. General information

The Company is a private company limited by shares and is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom. The nature of the Company's operations and its principal activity are set out in the Directors' Report on page 1.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period, unless otherwise stated.

### 3. Accounting policies

#### a. Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As set out in the Directors' report, the Directors have decided to prepare the financial statements on a basis other than that of a going concern, and therefore:

- all assets have been disclosed at values at which they are expected to be realised; and
- all liabilities reflect the full amount at which they are expected to materialise.

The Company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

### New and revised IFRS applied with no material effect on the financial statements

The following standards were adopted in the current period, and there is no impact on the financial statements upon their adoption:

- IFRS 9 'Financial instruments'
- IFRS 15 'Revenue from Contracts with customers'

Other changes to standards, interpretations and amendments effective in the current period had no material impact on the Company financial statements.



## TESCO INTERNATIONAL INTERNET RETAILING LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019 (continued)

#### 3. Accounting policies (continued)

##### b. Going concern

As discussed in the future developments section in the Directors' Report, the Company is not expected to trade in the foreseeable future. Therefore, the financial statements have been prepared on a basis other than the going concern basis.

No adjustments arose as a result of ceasing to apply the going concern basis.

##### c. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

There have been no significant judgements and estimates that have a significant effect on amounts recognised in the financial statements.

##### d. Significant accounting policies

###### Revenue

Revenue is income arising from the sale of goods and services in the ordinary course of the Company's activities, net of value added taxes. Revenue is recognised when performance obligations are satisfied and control has transferred to the customer.

###### *Sale of goods*

Turnover consists of international sales through internet websites carried out by Tesco Stores Limited on behalf of the Company. Turnover is reported net of returns, vouchers and value added taxes. For online sales of goods, turnover is recognised on collection by, or delivery to, the customer.

###### Cost of sales

Cost of sales consists of goods purchased from Tesco Stores Limited at book price.

###### Income taxes

Current tax, including United Kingdom (UK) corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Company will be required to settle that tax. Measurement is dependent on subjective judgements as to the outcome of decisions by tax authorities in the various tax jurisdictions in which the Company operates. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

###### *Group relief on taxation*

The Company may receive or surrender group relief from group companies without payment and consequently there may be no tax charge in the Profit and Loss Account.

###### *Deferred tax*

Deferred tax is provided 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 taxation purposes. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Statement of Comprehensive Income. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

**TESCO INTERNATIONAL INTERNET RETAILING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
23 FEBRUARY 2019 (continued)****3. Accounting policies (continued)****d. Significant accounting policies (continued)****Income taxes (continued)***Current tax and deferred tax for the period*

Current and deferred tax are recognised in the Profit and Loss Account, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of an instrument. The expected maturity of the financial assets and liabilities is not considered to be materially different to their current and non-current classification.

*Financial assets*

The Company's financial assets include debtors and other receivables. Debtors (including intercompany balances) are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. However as set out in the Basis of preparation paragraph, the Directors have decided to prepare the financial statements on a basis other than that of a going concern. Accordingly all debtors have been measured at fair value.

*Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are recorded at amortised cost. Creditors (including intercompany balances) are non-interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method. However as set out in the Basis of preparation paragraph, the Directors have decided to prepare the financial statements on a basis other than that of a going concern. Accordingly all creditors have been measured at fair value.

**Foreign currency translation**

The Company's financial statements are presented in Pound Sterling (£), which is also the Company's functional currency.

*Transactions and balances*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the Profit and Loss Account.

**Cash at bank and in hand**

Cash at bank and in hand in the Balance Sheet comprises of cash at bank.

**4. Staff costs and Directors' remuneration**

The Directors received no emoluments for their services to the Company during the period (2018: £nil).

The Company had no employees during the period (2018: none).

# TESCO INTERNATIONAL INTERNET RETAILING LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019 (continued)

### 5. Tax (charge)/credit on loss

#### (a) Factors that have affected the tax (charge)/credit

The standard rate of corporation tax in the UK is 19% from 1 April 2017, and 17% from 1 April 2020. This gives a corporation tax rate for the Company for the full period of 19% (2018: 19.09%).

#### (b) Tax (charge)/credit in the Profit and Loss Account

	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
<b>Current income tax:</b>		
UK corporation tax on profit for the financial period	-	-
Total current tax (charge)/credit	-	-
<b>Deferred tax:</b>		
Current period	-	-
Total deferred tax (charge)/credit	-	-
<b>Tax (charge)/credit in the Profit and Loss Account</b>	<b>-</b>	<b>-</b>

#### (c) Reconciliation of the tax (charge)/credit

The differences between the total (charge)/credit shown above and the amount calculated by applying the UK corporation tax rate to loss is as follows:

	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
Loss before tax	(17)	(189)
Tax credit at standard UK corporation tax rate of 19% (2018: 19.09%)	3	36
Effects of:		
Group relief surrendered without payment	(3)	(36)
<b>Overall tax (charge)/credit</b>	<b>-</b>	<b>-</b>

#### (d) Tax rate changes

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. These rate reductions were enacted by the balance sheet date and therefore included in these financial statements. Temporary differences have been remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

### 6. Debtors: amounts falling due within one year

	23 February 2019 £'000	24 February 2018 £'000
Amounts owed by Group undertakings	8,336	8,336
<b>Total</b>	<b>8,336</b>	<b>8,336</b>

Included within amounts owed by Group undertakings are amounts that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**TESCO INTERNATIONAL INTERNET RETAILING LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
23 FEBRUARY 2019 (continued)****7. Cash at bank and in hand**

	23 February 2019 £'000	24 February 2018 £'000
Cash at bank	1,298	1,315
	<u>1,298</u>	<u>1,315</u>

Cash at bank is Euro denominated and has been translated at foreign exchange spot rate as at 23 February 2019. The foreign exchange loss upon translation has been recognised in the Profit and Loss Account.

**8. Creditors: amounts falling due within one year**

	23 February 2019 £'000	24 February 2018 £'000
Amounts owed to Group undertakings	1,317	1,317
<b>Total</b>	<u>1,317</u>	<u>1,317</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**9. Called up share capital**

	23 February 2019 £'000	24 February 2018 £'000
Allotted, called up and fully paid:		
738,378 Ordinary shares of £1 each (2018: 738,378)	738	738
<b>Total</b>	<u>738</u>	<u>738</u>

**10. Ultimate group undertaking**

The Company's immediate and ultimate parent undertaking and controlling party is Tesco PLC, which is registered in England and Wales, and which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the Tesco PLC Annual Report and Financial Statements 2019 are available from the Company Secretary at the registered office: Tesco PLC, Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

**11. Related party transaction**

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

**12. Events after the Balance Sheet date**

There have been no material events since the Balance Sheet date which require disclosure.