

GIANT BOOKER LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 1 MARCH 2020  
Registered Number: 00065519



## **GIANT BOOKER LIMITED**

### **STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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The Directors present their Strategic Report of Giant Booker Limited (the “Company”) for the 53 weeks ended 1 March 2020 (prior period: 47 weeks ended 24 February 2019) (“2019”).

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

The principal activity of the Company continues to be that of leasing and sub leasing properties and providing treasury requirements to fellow Group undertakings.

During the period, a Group simplification exercise was completed including an inter-company debt waiver, impairment of an investment and certain inter-company balances being settled.

#### **Results and dividends**

The results for the 53 weeks ended 1 March 2020 show a profit after tax of £30.4m (2019: profit after tax £4.8m) and turnover amounted to £10.7m (2019: £11.5m).

The Company has net assets at the period end of £273.8m (2019: net assets £243.4m) and has net current assets of £275.0m (2019: net current assets £233.3m).

The Directors do not recommend a final payment of a dividend for the 53 weeks ended 1 March 2020 (2019: £nil).

#### **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 page 12 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form a part of this Report.

#### **Future developments**

The Company’s performance is expected to continue throughout the next financial period and it is anticipated that the current performance levels will be maintained.

The Company’s future developments form a part of the Group’s long-term strategies, which are discussed on page 5 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form part of this Report.

#### **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 13 to 18 of the Tesco PLC Annual Report and Financial Statements 2020, which do not form part of this Report.

#### **Business risk**

Uncertainty around the UK’s future trading relationship with the EU and a failure to prepare for all eventualities could have an adverse effect on our primary business, its 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 mitigation measures to address challenges as appropriate.

Subsequent to the balance sheet date, the World Health Organisation declared the COVID-19 outbreak a pandemic on 11 March, and on 23 March the UK Government announced a lockdown in the United Kingdom.

The Company is, by virtue of the amounts owed by group undertakings, exposed to the impact of the pandemic: in the event of a prolonged downturn as a result of the pandemic and the Government response, the risk is that the value of the investments held may be reduced below their current carrying value or the recoverability of debtors may be impaired.

## **GIANT BOOKER LIMITED**

### **STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020 (continued)**

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#### **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. Since the creditors 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 comprises amounts owed by Group undertakings, hence credit risk is determined to be low.

#### **Section 172(1) Statement**

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

Those factors for example include the interests and views of landlords and members of the Group. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances.

We delegate authority for day-to-day management of the Company to senior management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats which includes information relevant to section 172 matters when making relevant decisions. For example, each year we make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends.

As the principal activity of the Company is to act as a holding company for the other entities in the Group, the Company has had no business, and no employees, customers or suppliers other than other Group companies during the period and as such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors. The Company's key stakeholders are its shareholder, landlords and Group companies.

In accordance with requirements this section 172(1) statement will be published on the Tesco PLC website at [www.tescopl.com](http://www.tescopl.com).

Approved by the Board of Directors on 27 August 2020 and signed on behalf of the Board by:

*Veselin Bandev*

Veselin Bandev  
Director  
Giant Booker Limited  
Registered Number: 00065519  
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

## **GIANT BOOKER LIMITED DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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The Directors present their Report and the audited financial statements of the Company for the 53 weeks ended 1 March 2020 (prior period: 47 weeks ended 24 February 2019) ("2019").

### **Results and dividends**

This is discussed in the Strategic Report on page 1.

### **Future developments**

This is discussed in the Strategic Report on page 1.

### **Going concern**

At 1 March 2020, the Company had net amounts owed by Group undertakings of £282.6m. The Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 1 March 2020, Booker Group had aggregate cash at bank and in hand of £155m and net amounts owed by other Tesco Group undertakings of £319m. The Directors consider that the Company has adequate resources, taking into account the impact of COVID-19 on the forecast cashflows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

### **Events after the reporting period**

Details of events after the reporting period can be found in Note 19 to the financial statements.

### **Political donations**

There were no political donations for the period (2019: £nil) and the Company did not incur any political expenditure (2019: £nil).

### **Research and development**

The Company does not undertake any research and development activities (2019: £nil).

### **Financial risk management**

This is discussed in Strategic Report on page 2.

### **Employees**

The Company had no employees during the period (2019: none).

### **Directors**

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

Veselin Bandev  
Charles Wilson

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

Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

## **GIANT BOOKER LIMITED**

### **DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020 (continued)**

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#### **Disclosure of information to auditor**

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

- so far as the Directors are aware, there is no relevant information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### **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.

#### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

#### **Independent auditor**

Deloitte LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Approval by the Board of Directors on 27 August 2020 and signed on behalf of the Board by:

*Veselin Bandev*

Veselin Bandev  
Director  
Giant Booker Limited  
Registered Number: 00065519  
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIANT BOOKER LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Giant Booker Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 1 March 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

*We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIANT BOOKER LIMITED (continued)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIANT BOOKER LIMITED (continued)**

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### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Boardman, BSc FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

Date: 16 September 2020

**GIANT BOOKER LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 1 MARCH 2020**

		<b>53 weeks ended 1 March 2020 £m</b>	<b>47 weeks ended 24 February 2019 £m</b>
	Note		
Revenue		<b>10.7</b>	9.3
Management fees		-	2.2
		<b>10.7</b>	11.5
Administrative expenses		<b>(23.7)</b>	(9.9)
<b>Operating (loss)/profit</b>	4	<b>(13.0)</b>	1.6
Interest payable and similar charges	7	<b>(6.6)</b>	(7.6)
Interest receivable and similar income	8	<b>8.6</b>	10.6
Income from shares in Group undertakings		<b>41.5</b>	-
<b>Profit before tax</b>		<b>30.5</b>	4.6
Tax (charge)/credit	9	<b>(0.1)</b>	0.2
<b>Profit for the financial period</b>		<b>30.4</b>	4.8

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

All operations are continuing for the current and previous financial periods.

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

The notes on pages 11 to 20 form an integral part of these financial statements.

**GIANT BOOKER LIMITED**  
**BALANCE SHEET AS AT 1 MARCH 2020**

	Note	1 March 2020 £m	24 February 2019 £m
<b>Non-current assets</b>			
Investments	10	0.1	10.8
Deferred tax	9d	1.3	1.4
Right of use assets	11	79.7	87.8
		<u>81.1</u>	<u>100.0</u>
<b>Current assets</b>			
Trade and other receivables	12	495.3	522.6
<b>Current liabilities</b>			
Trade and other payables	13	(212.7)	(281.4)
Lease liabilities	14	(7.6)	(7.9)
		<u>275.0</u>	<u>233.3</u>
<b>Net current assets</b>			
		275.0	233.3
<b>Total assets less current liabilities</b>		<u>356.1</u>	<u>333.3</u>
<b>Non-current liabilities</b>			
Lease liabilities	14	(82.3)	(89.9)
		<u>273.8</u>	<u>243.4</u>
<b>Net assets</b>			
		273.8	243.4
<b>Capital and reserves</b>			
Called up share capital	16	62.2	62.2
Share premium	16	84.5	84.5
Merger reserve	16	64.7	64.7
Profit and loss account		62.4	32.0
		<u>273.8</u>	<u>243.4</u>
<b>Total shareholders' funds</b>			
		273.8	243.4

The notes on pages 11 to 20 form an integral part of these financial statements.

The financial statements on pages 8 to 20 were approved by the Board of Directors and authorised for issue on 27 August 2020. They were signed on its behalf by

*Veselin Bandev*

Veselin Bandev

Director

Giant Booker Limited

Registered Number: 00065519

Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

**GIANT BOOKER LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 1 MARCH 2020**

	Called up share capital * £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total equity £m
At 30 March 2018	62.2	84.5	64.7	27.2	238.6
Profit for the financial period	-	-	-	4.8	4.8
At 24 February 2019	62.2	84.5	64.7	32.0	243.4
Profit for the financial period	-	-	-	30.4	30.4
<b>At 1 March 2020</b>	<b>62.2</b>	<b>84.5</b>	<b>64.7</b>	<b>62.4</b>	<b>273.8</b>

\* See Note 16 for a breakdown of the Called up share capital

The notes on pages 11 to 20 form an integral part of these financial statements.

## **GIANT BOOKER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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

The financial statements of Giant Booker Limited (the “Company”) for the 53 weeks ended 1 March 2020 were approved by the Board of Directors on 27 August 2020 and the Balance Sheet was signed on the Board’s behalf by Veselin Bandev. These financial statements were prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”). The financial statements have been prepared on a going concern basis under the historical cost convention and the Companies Act 2006, modified to include certain items at fair value.

The current period comprises 53 weeks and the prior period comprises 47 weeks, the amounts presented in the financial statements are not entirely comparable.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Tesco PLC.

The Company’s financial statements are presented in Pound Sterling, which is the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest hundred thousand, 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 Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT. The nature of the Company’s operations and its principal activity are set out in the Strategic 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**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” issued by the Financial Reporting Council.

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.

The Company is a qualifying entity for the purposes of FRS 101. Note 18 gives details of the Company’s parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

## **GIANT BOOKER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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#### **3. Accounting policies (continued)**

##### **a) Basis of preparation (continued)**

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 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with Customers;
- 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;
- 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;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - (ii) paragraph 118(e) of IAS 38 Intangible Assets.

#### **New and revised IFRS**

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

#### **Going concern**

At 1 March 2020, the Company had net amounts owed by Group undertakings of £282.6m. The Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 1 March 2020, Booker Group had aggregate cash at bank and in hand of £155m and net amounts owed by other Tesco Group undertakings of £319m. The Directors consider that the Company has adequate resources, taking into account the impact of COVID-19 on the forecast cashflows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

#### **b) Critical accounting judgements and key sources of estimation uncertainty**

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

## **GIANT BOOKER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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#### **3. Accounting policies (continued)**

##### **c) Significant accounting policies**

###### **Revenue**

Revenue relates to rental income on properties and is recognised on a straight-line basis over the period of the leases.

###### **Interest payable and similar charges**

Intercompany interest-bearing loans are initially recorded at fair value. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Profit and Loss Account over the period of the borrowings on an effective interest basis.

###### **Income taxes**

Current 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 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. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

###### **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 Profit and Loss Account. 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.

###### *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.

###### **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.

###### **Investments**

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The Company tests the investment balances for impairment annually or when there are indicators of impairment.

## **GIANT BOOKER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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#### **3. Accounting policies (continued)**

##### **c) Significant accounting policies (continued)**

###### **Leases**

Whether a contract is, or contains a lease is assessed at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

###### *Company as a lessee*

A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Company is reasonably certain to exercise; penalties for early termination if the lease term reflects the Company exercising a break option; and payments in an optional renewal period if the Company is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Company's assessment of whether it is reasonably certain to exercise a purchase or extension option or not exercise a break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets and short term leases of 12 months or less are expensed to the income statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

###### *Company as a lessor*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right of use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

## **GIANT BOOKER LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

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#### **3. Accounting policies (continued)**

##### **c) Significant accounting policies (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit and loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent remeasurement depends on the Company's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

##### *Trade debtors*

Trade receivables are non-interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

##### *Impairment of financial assets*

The Company assesses on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost. The ECLs are updated at each reporting date to reflect changes in credit risk. The three-stage model for impairment has been applied to loans and advances to customers, debt instruments at fair value through other comprehensive income, and loan receivables from joint ventures and associates. The credit risk is determined through modelling a range of possible outcomes for different loss scenarios, using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions and taking into account the time value of money. A 12-month ECL is recognised, unless the credit risk on the financial asset increases significantly after initial recognition, when the lifetime ECL is recognised.

For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, with lifetime ECLs recognised from initial recognition of the receivable. These assets are grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined, based on the Company's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions and expected changes in forecast conditions.

At each reporting date, management reviewed the carrying amounts of its loans and advances to determine whether there was any indication that those assets had suffered an impairment loss. If there was objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and advances had been incurred, management measured the amount of the loss as the difference between the estimated future cash flows from the asset or group of assets discounted at the effective interest rate of the instrument at initial recognition. Impairment losses were assessed individually for financial assets that were individually significant and collectively for assets that were not individually significant. In making collective assessments of impairment, financial assets were grouped into portfolios on the basis of similar characteristics.

**GIANT BOOKER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

<b>4. Operating profit</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Operating profit is stated after charging:		
Depreciation of right of use assets (see note 11)	<b>8.1</b>	<b>7.7</b>
Impairment of investment in subsidiaries (see note 10)	<b>10.7</b>	-
Waiving debts payable by group undertakings	<b>4.9</b>	-
	<u><u>          </u></u>	<u><u>          </u></u>

**5. Auditor's remuneration**

The Auditor's remuneration for the current and prior period of £2,300 (2019: £2,000) was borne by another Group company for auditing the financial statements of the Company.

There were no non-audit fees payable to the company's auditor in the current or prior period.

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

**(a) Employee information**

The company had no employees throughout this or the previous period, other than the directors.

**(b) Directors' remuneration**

No remuneration or fees were paid by the company to any of its Directors during this or the previous period in respect of services to the company. The Directors of the Company were remunerated by other Group undertakings for their services to the Group as a whole. It is not practicable to allocate their remuneration in respect of each of the subsidiaries.

<b>7. Interest payable and similar charges</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Intercompany loan interest	<b>3.7</b>	<b>4.6</b>
Interest expense on lease liabilities	<b>2.9</b>	<b>3.0</b>
	<u><u>          </u></u>	<u><u>          </u></u>
	<b>6.6</b>	<b>7.6</b>
	<u><u>          </u></u>	<u><u>          </u></u>

<b>8. Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Intercompany loan interest	<b>8.6</b>	<b>10.6</b>
	<u><u>          </u></u>	<u><u>          </u></u>

**GIANT BOOKER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

**9. Tax charge/(credit)**

**(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% (2019: 19%). Post the balance sheet date, legislation has been substantively enacted to repeal the reduction of the main corporation tax rate, thereby maintaining the current rate at 19%. These financial statements do not reflect the impact of this change as it was not substantively enacted by the balance sheet date.

<b>(b) Tax (credit)/charge in the Profit and Loss Account</b>	<b>2020 £m</b>	<b>2019 £m</b>
UK corporation tax	-	-
Deferred tax	0.1	(0.2)
	<hr/>	<hr/>
Total tax charge/(credit) for the period	<b>0.1</b>	<b>(0.2)</b>
	<hr/>	<hr/>

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

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

	<b>2020 £m</b>	<b>2019 £m</b>
<b>Profit before tax</b>	<b>30.5</b>	<b>4.6</b>
	<hr/>	<hr/>
Tax charge at standard UK corporation tax rate of 19% (2019: 19%)	5.8	0.9
Non-taxable income from subsidiaries	(7.9)	-
Non-deductible items	2.9	-
Impact of change in tax rate	-	0.1
Group relief claimed without payment	(0.7)	(1.2)
	<hr/>	<hr/>
Total tax charge/(credit) for the period	<b>0.1</b>	<b>(0.2)</b>
	<hr/>	<hr/>

**(d) Deferred tax**

The following is the major deferred tax asset recognised by the Company and movements thereon during the current and prior financial periods measured using the tax rates that are expected to apply when the asset is realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

	<b>2020 £m</b>	<b>2019 £m</b>
At start of period	1.4	1.2
(Charge)/credit to profit and loss account	(0.1)	0.2
	<hr/>	<hr/>
At end of period	<b>1.3</b>	<b>1.4</b>
	<hr/>	<hr/>

The deferred tax relates to the reduction of the carrying values of the right-of-use-assets, following the adoption of IFRS 16.

**GIANT BOOKER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

**10. Investment in subsidiaries**

	£m
<b>Cost</b>	
At start and end of period	10.8
<b>Accumulated impairment</b>	
At 24 February 2019	-
Provided during the period	10.7
<b>At 1 March 2020</b>	<b>10.7</b>
<b>Net book value</b>	
At 1 March 2020	0.1
At 24 February 2019	10.8

Subsidiary undertakings at 1 March 2020:

Name of company	Registered address	Principal activities	Class of share held	Ownership
Booker Cash & Carry Limited	1	Dormant	£1.00 Ordinary	100%
IRTH (15) Limited	1	Dormant	£1.00 Ordinary	100%
IRTH (19) Limited	1	Dormant	US\$0.000000052383172 Ordinary	100%
J Smylie & Sons (IOM) Limited #	2	Dormant	£1.00 Ordinary	100%

# in liquidation

Registered office addresses:

1 Equity House, Irthingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom  
 2 PO Box 237, Peregrine House, Peel Road, Douglas, Isle of Man, IM99 1SU

**11. Right of use assets**

	Land & Buildings £m	Plant & Equipment £m	Total £m
<b>Cost</b>			
Net carrying value at 24 February 2019	87.8	-	87.8
Depreciation charge for the period	(8.1)	-	(8.1)
<b>Net carrying value at 1 March 2020</b>	<b>79.7</b>	<b>-</b>	<b>79.7</b>

**GIANT BOOKER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020**

<b>12. Trade and other receivables</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Amounts owed by Group undertakings	<u>495.3</u>	<u>522.6</u>

Of the amounts owed by Group undertakings, all amounts are unsecured, bear interest at LIBOR plus 0.95% and have no fixed payment date.

<b>13. Trade and other payables</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Amounts owed to Group undertakings	212.7	280.6
Accruals and deferred income	-	0.8
	<u>212.7</u>	<u>281.4</u>

Of the amounts owed to Group undertakings, all amounts are unsecured, bear interest at LIBOR plus 0.95% and have no fixed payment date.

<b>14. Lease liabilities</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
Current	7.6	7.9
Non-current	82.3	89.9
	<u>89.9</u>	<u>97.8</u>

The maturity analysis of the contractual undiscounted lease payments, is as follows:

Within 1 year	10.2	10.8
Greater than 1 year but less than 5 years	42.0	41.7
After than 5 years	51.9	62.4
Total undiscounted lease payments	<u>104.1</u>	<u>114.9</u>

<b>15. Provisions</b>	<b>2020</b>	<b>2019</b>
	<b>£m</b>	<b>£m</b>
At start of period	-	-
Charged in the period	-	2.2
Transfer to right of use assets	-	(2.2)
At end of period	<u>-</u>	<u>-</u>

## GIANT BOOKER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020

#### 16. Capital and Reserves

	2020	2019
	£m	£m
<b>Called up share capital</b>		
Allotted, called up and fully paid		
248,708,065 ordinary shares of £0.25 each	62.2	62.2

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

#### Share premium

This represents the premium over the nominal value of the shares issued less any returns of capital.

#### Merger reserve

This represents the adjustment to reserves following acquisitions made a number of years ago.

#### 17. Related party transactions

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries within the Group.

#### 18. Ultimate Group undertaking

The Company's immediate parent undertaking is Booker Wholesale Holdings Limited. The Company's 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 2020 are available from the Company Secretary at the registered office address: Tesco PLC, Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

#### 19. Events after the reporting period

In light of the COVID-19 pandemic, the Company has considered whether any adjustments are required to reported amounts in the financial statements. As at the balance sheet date, no global pandemic had been declared, the UK was still in the 'containment' phase, large global share price falls had not yet occurred, and larger-scale outbreaks had not occurred in countries where the company operates. The full ramifications of COVID-19, and the extent of Government interventions in response, were not apparent.

Subsequent to the balance sheet date, the World Health Organisation declared a pandemic on 11 March, the UK government moved to a 'delay' phase on 12 March, announced social distancing measures on 16 March, and unprecedented 'stay at home' restrictions on 23 March. The first large falls in stock markets occurred in early March. The Company has therefore concluded that the necessity for large scale Government interventions in response to COVID-19 only became apparent after the balance sheet date and therefore that the consequences of such interventions represent non-adjusting post balance sheet events.

The Directors have considered the impact of COVID-19 in the post balance sheet period, and there are no material impacts requiring disclosure under IAS 10 'Events after the reporting period'.