

BOOKER WHOLESALE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 1 MARCH 2020

Registered Number: 05137980



BOOKER WHOLESALE HOLDINGS LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020

The Directors present their Strategic Report of Booker Wholesale Holdings 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 is that of an intermediate holding company. The Directors do not expect this to change significantly throughout the next financial period.

During the period, a simplification exercise was completed, including acquiring investments, inter-company debt waivers, settling some inter-company balances and paying an interim dividend.

The major asset of the Company is the carrying value of its investments and these are annually reviewed for impairment.

Results and dividends

The results for the 53 weeks ended 1 March 2020 show a profit after tax of £52.2m in the period (2019: profit after tax of £145.2m). The reduced profit is due to the waiving of debts payable by group undertakings, as mentioned above following the simplification exercise.

Net assets at the end of the period were £54.8m (2019: £83.4m).

An interim dividend of £88.0m (2019: £153.0) has been paid in respect of the 53 week period ended 1 March 2020.

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

Key Performance Indicators (KPI's)

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 2019, 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.

BOOKER WHOLESALE HOLDINGS LIMITED

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

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 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 investments held and 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.

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 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.

BOOKER WHOLESALE HOLDINGS LIMITED
STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020 (continued)

Section 172(1) Statement (continued)

When declaring an interim dividend in January 2020 our decision making considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of our shareholder as the supplier of long-term equity capital to the Company.

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 and Group companies.

In accordance with requirements this section 172(1) statement will be published on the Tesco PLC website at 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

Booker Wholesale Holdings Limited

Registered Number: 05137980

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

BOOKER WHOLESALE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020

The Directors present their Report and the audited financial statements of Booker Wholesale Holdings Limited (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 to Group undertakings of £1,081.1m with no fixed repayment terms. 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 who are able to manage the intercompany indebtedness accordingly. 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 17 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.

Employee engagement

The Company had no employees during the period (2019: none). As a holding company within the Tesco PLC Group (the "Group"), any operating subsidiary employee engagement is integrated with the workforce engagement of the Group and is not managed separately. The purpose, culture, workforce engagement of the Group is discussed on pages 25 and 41 of the Tesco PLC Annual Report and Financial Statements 2020, which do not form a part of this Report.

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.

BOOKER WHOLESALE HOLDINGS LIMITED
DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020 (continued)

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
Booker Wholesale Holdings Limited
Registered Number: 05137980
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKER WHOLESALE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Booker Wholesale Holdings 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 17.

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 BOOKER WHOLESALE HOLDINGS LIMITED (continued)

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 this 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. 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 BOOKER WHOLESALE HOLDINGS LIMITED (continued)

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

BOOKER WHOLESALE HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 1 MARCH 2020

	Note	53 weeks ended 1 March 2020 £m	47 weeks ended 24 February 2019 £m
Administrative expenses		(93.3)	(0.4)
Operating loss	4	(93.3)	(0.4)
Interest receivable and similar income	7	0.1	-
Interest payable and similar charges	8	(9.8)	(7.4)
Income from shares in Group undertakings		155.2	153.0
Profit before tax		52.2	145.2
Tax charge	9	-	-
Profit for the financial period		52.2	145.2

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 12 to 19 form an integral part of these financial statements.

BOOKER WHOLESALE HOLDINGS LIMITED
BALANCE SHEET AS AT 1 MARCH 2020

	Note	1 March 2020 £m	24 February 2019 £m
Non-current assets			
Investments	10	1,125.8	794.3
Current assets			
Debtors: amounts falling due within one year	11	84.5	379.8
Cash at bank and in hand		10.1	4.1
		<u>94.6</u>	<u>383.9</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(1,165.6)	(1,094.8)
Net current liabilities		<u>(1,071.0)</u>	<u>(710.9)</u>
Net assets		<u><u>54.8</u></u>	<u><u>83.4</u></u>
Capital and reserves			
Called up share capital	13	-	-
Capital contribution reserve	13	53.6	46.4
Profit and loss account		1.2	37.0
Total shareholders' funds		<u><u>54.8</u></u>	<u><u>83.4</u></u>

The notes on pages 12 to 19 form an integral part of these financial statements.

The financial statements on pages 9 to 19 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

Booker Wholesale Holdings Limited

Registered Number: 05137980

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

BOOKER WHOLESALE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 1 MARCH 2020

	Note	Called up share capital *	Capital contribution reserve	Profit and loss account	Total equity
		£m	£m	£m	£m
At 30 March 2018		-	39.8	44.8	84.6
Profit for the financial period		-	-	145.2	145.2
Dividends paid	14	-	-	(153.0)	(153.0)
Capital contribution		-	6.6	-	6.6
At 24 February 2019		-	46.4	37.0	83.4
Profit for the financial period		-	-	52.2	52.2
Dividends paid	14	-	-	(88.0)	(88.0)
Capital contribution	10	-	7.2	-	7.2
At 1 March 2020		-	53.6	1.2	54.8

* See Note 13 for a breakdown of the Called up share capital

The notes on pages 12 to 19 form an integral part of these financial statements.

BOOKER WHOLESALE HOLDINGS LIMITED

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

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

The financial statements of Booker Wholesale Holdings 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 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 16 gives details of the Company’s parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

BOOKER WHOLESALE HOLDINGS LIMITED

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

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 to Group undertakings of £1,081.1m. 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 which have a significant effect on amounts recognised in the financial statements.

Estimates

At each Balance Sheet date, the Company reviews the carrying value of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of an impairment loss (if any). Recoverable amount is the higher of net realisable value and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying value, the carrying value of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

BOOKER WHOLESALE HOLDINGS LIMITED

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

3. Accounting policies (continued)

c) Significant accounting policies

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 from shares in Group undertakings

Income from shares in Group undertakings is recognised when the shareholder's right to receive payment is established, that is on declaration of the dividend by the subsidiary.

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.

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.

Share based payments

Share options granted by the parent of the group to employees of a subsidiary are accounted for as an investment in the subsidiary with a corresponding increase in equity.

4. Operating loss

	2020	2019
	£m	£m
Operating loss is stated after charging:		
Impairment of investment in subsidiary (see note 10)	0.2	0.4
Waiving debts payable by group undertakings	93.1	-
	<u><u> </u></u>	<u><u> </u></u>

BOOKER WHOLESALE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020

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.

7. Interest receivable and similar income	2020 £m	2019 £m
Intercompany loan interest	<u>0.1</u>	<u>-</u>

8. Interest payable and similar charges	2020 £m	2019 £m
Intercompany loan interest	<u>9.8</u>	<u>7.4</u>

9. Tax charge

(a) Factors that have affected the tax charge

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) Tax charge in the Profit and Loss Account	2020 £m	2019 £m
Total tax charge for the period	<u>-</u>	<u>-</u>

BOOKER WHOLESALE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020

9. Tax charge (continued)

(c) Reconciliation of the tax charge

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

	2020 £m	2019 £m
Profit before tax	52.2	145.2
Tax charge at standard UK corporation tax rate of 19% (2019: 19%)	9.9	27.6
Non-taxable dividend income from subsidiaries	(29.5)	(29.1)
Non-deductible expenses	17.7	0.1
Group relief surrendered for which no payment received	1.9	1.4
Total tax charge for the period	-	-

10. Investments

	Capital contribution £m	Subsidiary undertakings £m	Total £m
Cost			
At start of period	46.4	766.8	813.2
Additions	7.2	0.2	7.4
Transfer from Group undertakings	-	324.3	324.3
At end of period	53.6	1,091.3	1,144.9
Provision			
At start of period	-	18.9	18.9
Impairment	-	0.2	0.2
At end of period	-	19.1	19.1
Net book value			
At end of period	53.6	1,072.2	1,125.8
At start of period	46.4	747.9	794.3

The capital contribution relates to the cost of granting share based payments to employees of subsidiary undertakings.

During the period the Company acquired 2 subsidiaries (Giant Booker Limited and The Big Food Group Limited) from other Group undertakings.

The impairment charge in the period relates to the investment in Saneyia Limited.

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

10. Investments (continued)

The Company's related undertakings at 1 March 2020 are as follows:

Name of company	Registered address	Principal activities	Class of share held	Ownership
BF Limited	1	Dormant	£1.00 Ordinary	100%
Bishop's Group Limited	1	Dormant	£0.01 Ordinary	100%
Booker Cash & Carry Limited	1	Dormant	£1.00 Ordinary	100%
Booker Direct Limited *	1	Wholesaler	£0.01 Ordinary	100%
Booker Limited *	1	Wholesaler	£1.00 Ordinary	100%
Booker Retail Partners (GB) Limited *	1	Wholesaler	£1.00 Ordinary	100%
Booker Retail Limited	1	Dormant	£0.10 Ordinary	100%
Booker Pension Trustees Limited	1	Dormant	Limited by guarantee	-
Booker Unapproved Scheme Trustees Limited	1	Dormant	Limited by guarantee	-
Budgen Holdings Limited	1	Dormant	£1.00 Ordinary	100%
Budgens Pension Trustees No2 Limited	1	Dormant	£1.00 Ordinary	100%
Budgens Property Investments Limited	1	Dormant	£1.00 Ordinary	100%
Budgens Stores Limited	1	Dormant	£1.00 Ordinary	100%
Giant Bidco Limited	1	Dormant	£1.00 Ordinary	100%
Giant Booker Limited *	1	Holding company	£1.00 Ordinary	100%
Giant Midco Limited *	1	Holding company	£0.25 Ordinary	100%
IRTH (15) Limited	1	Dormant	£1.00 Ordinary	100%
IRTH (19) Limited	1	Dormant	US\$0.000000052383172 Ordinary	100%
Linnco Limited	1	Dormant	£1.00 Ordinary	100%
Londis (Holdings) Limited	1	Dormant	£50.00 Ordinary	100%
Londis Pension Trustees Limited	1	Dormant	£1.00 Ordinary	100%
Makro Holding Limited *	1	Holding company	£1.00 Ordinary	100%
Makro Properties Limited	1	Finance company	£1.00 Ordinary	100%
Makro Self Service Wholesalers Limited	1	Wholesaler	£1.00 Ordinary A £1.00 Ordinary B	100% 100%
Murdoch Norton Limited	1	Dormant	£0.05 Ordinary	100%
Ritter-Courivaud Limited *	1	Wholesaler	£0.10 Ordinary	100%
The Big Food Group Limited *	1	Holding company	£0.10 Ordinary	100%
Booker EBT Limited #	2	Dormant	£1.00 Ordinary	100%
Fresh Food Trader Limited #	2	Dormant	£1.00 Ordinary £1.00 Preference	50% 100%
J Smylie & Sons (IOM) Limited #	3	Dormant	£1.00 Ordinary	100%
Booker Cyprus Limited * #	4	Dormant	€1.00 Ordinary	100%
Saneyia Limited * #	4	Dormant	€1.00 Ordinary	100%

* Direct subsidiary of Booker Wholesale Holdings Limited

in liquidation

Registered office addresses:

- 1 Equity House, Irthingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom
- 2 Ernst & Young LLP, 1 More London Place, London, SE1 2AF, United Kingdom
- 3 PO Box 237, Peregrine House, Peel Road, Douglas, Isle of Man, IM99 1SU.
- 4 5 Esperidon Street, 4th Floor, 2001 Strovolos, Nicosia, Cyprus

BOOKER WHOLESALE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020

11. Debtors: amounts falling due within one year	2020	2019
	£m	£m
Amounts owed by Group undertakings	84.5	379.8

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

12. Creditors: amounts falling due within one year	2020	2019
	£m	£m
Amounts owed to Group undertakings	1,165.6	1,094.8

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

13. Called up share capital	2020	2019
	£	£
Allotted, called up and fully paid 100 ordinary A1 share of £0.01	1	1

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.

Capital contribution

This represents the cost of share based payments to employees which are satisfied by shares issued by the ultimate holding company, Tesco PLC.

14. Dividends paid	2020	2019
	£m	£m
Declared and paid during the period £0.88m per share (2019: £1.53m per share)	88.0	153.0

15. 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.

BOOKER WHOLESALE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 1 MARCH 2020

16. Ultimate Group undertaking

The Company's immediate parent undertaking is Booker Group 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.

17. 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'.