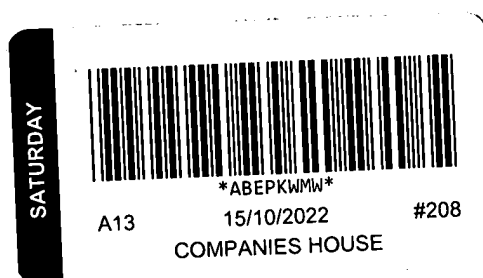


**BOOKER GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

**Registered Number: 05145685**



## **BOOKER GROUP LIMITED**

### **STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

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The Directors present their Strategic Report of Booker Group Limited (the “Company”) for the 52 weeks ended 27 February 2022 (prior period: 52 weeks ended 28 February 2021) (“2021”).

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

The principal activity of the Company is that of an intermediate holding company which owns investments in a number of large trading entities operating in the UK Wholesale market.

There has been no significant change in the nature or level of this activity during the period and the Directors do not expect this to change significantly throughout the next financial period.

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

#### **Results and dividends**

The results for the 52 weeks ended 27 February 2022 show a profit before tax of £99.3m (2021: profit before tax £99.5m) and profit after tax of £99.3m in the period (2021: profit after tax of £99.5m) following the receipt of a dividend from subsidiary undertakings of £100.0m (2021: £100.0m).

Net assets at the end of the period were £39.7m (2021: £40.5m).

Following the receipt of a dividend from Booker Wholesale Holdings Limited of £100.0m (2021: £100.0m), the Directors declared and paid a dividend for the 52 weeks ended 27 February 2022 of £100.0m (2021: £100.0m).

#### **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 and its subsidiaries, is discussed on page 16 of the Tesco PLC Annual Report and Financial Statements 2022, which do 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 pages 4 to 22 of the Tesco PLC Annual Report and Financial Statements 2022, which do 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 31 to 37 of the Tesco PLC Annual Report and Financial Statements 2022, which do not form part of this Report.

#### **Business risk**

The Company’s principal business relationships are with Tesco PLC Group companies, by nature of their business, have continued to operate as essential businesses during the pandemic. This has served to mitigate some of the risk the Company is exposed to. At present, there is an increased level of macroeconomic uncertainty, which is beginning to show initial signs of impact on operational costs. This uncertainty has been exacerbated by the war in Ukraine. The Group is actively monitoring the situation and contingency measures are in place to manage these risks across the Group. As such, management believe that the short-term risks and impacts are understood and appropriate controls are in place. However, the long-term impacts remain uncertain and will continue to be monitored closely. The Group 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 local challenges as appropriate.

## **BOOKER GROUP LIMITED**

### **STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (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. The Company creditors are unsecured, and interest bearing. Since the creditors comprises amounts owed to Booker Group undertakings and liquidity is managed centrally across the Booker Group as explained in the Going Concern note, 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. The Company debtors are amounts owed by Booker Group undertakings. Booker Group manages its liquidity centrally, has no external debt and has been cash generative over the last few years, which is expected to continue, therefore 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 to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- 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 Tesco 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.

In the period we recommended a dividend of £100m. In making our decision we 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](http://www.tescopl.com).

**BOOKER GROUP LIMITED**

**STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)**

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Approved by the Board of Directors on 22 August 2022 and signed on behalf of the Board by:

*Veselin Bandev*

Veselin Bandev

Director

Booker Group Limited

Registered Number: 05145685

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

## **BOOKER GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

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The Directors present their Report and the audited financial statements of Booker Group Limited (the "Company") for the 52 weeks ended 27 February 2022 (prior period: 52 weeks ended 28 February 2021 ) ("2021").

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

This is discussed in the Strategic Report on page 1 and forms part of this report by cross reference.

#### **Results and dividends**

This is discussed in the Strategic Report on page 1 and forms part of this report by cross reference.

#### **Future developments**

This is discussed in the Strategic Report on page 1 and forms part of this report by cross reference.

#### **Going concern**

At 27 February 2022, the Company had net amounts owed to Booker Group undertakings of £47.2m, with no fixed payment date. 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 27 February 2022, Booker Group had aggregate cash at bank and in hand of £154.0m and net amounts owed by other Tesco Group undertakings of £511.5m. The Booker Group has no external debt and has access, if needed, to £200m on short term deposit with Tesco Group undertakings which are typically placed on a three month basis and an overdraft facility. The Booker Group is cash generative and has been consistently over the past few years and expect the liquidity position to only strengthen going forwards. The Directors consider that the Company has adequate resources, taking into account the ongoing impacts of Brexit and the cost of living crisis on the forecast cash flows 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**

There were no adjusting events after the reporting period that require mention in this Report.

#### **Political donations**

There were no political donations for the period (2021: £nil) and the Company did not incur any political expenditure (2021: £nil).

#### **Research and development**

The Company does not undertake any research and development activities (2021: £nil).

#### **Financial risk management**

This is discussed in Strategic Report on pages 1 and 2 and forms part of this report by cross reference.

#### **Employee engagement**

The Company had no employees during the period (2021: 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 and workforce engagement of the Group is discussed on pages 55 to 57 of the Tesco PLC Annual Report and Financial Statements 2022, 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, unless otherwise stated:

Andrew Yaxley  
Veselin Bandev

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 applicable to the Company and all other companies in the group headed by Booker Group Limited.

## **BOOKER GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (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; 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.

Approved by the Board of Directors on 22 August 2022 and signed on behalf of the Board by:

*Veselin Bandev*

Veselin Bandev

Director

Booker Group Limited

Registered Number: 05145685

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

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

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

### **Opinion**

In our opinion the financial statements of Booker Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 27 February 2022 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 16.

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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to material misstatement in the financial statements themselves. 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 this regard.

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

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### **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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.



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

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### **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 year 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 or the directors' report.

#### **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  
23 August 2022

**BOOKER GROUP LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

		<b>52 weeks ended 27 February 2022</b>	<b>52 weeks ended 28 February 2021</b>
	Notes	<b>£m</b>	<b>£m</b>
<b>Operating profit</b>		-	-
Interest receivable and similar income	6	7.0	6.8
Interest payable and similar charges	7	(7.7)	(7.3)
Dividends received		100.0	100.0
<b>Profit before tax</b>		<b>99.3</b>	<b>99.5</b>
Tax charge on profit	8	-	-
<b>Profit for the financial period</b>		<b>99.3</b>	<b>99.5</b>

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.

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.

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

The notes on pages 12 to 18 form an integral part of these financial statements.

**BOOKER GROUP LIMITED**  
**BALANCE SHEET AS AT 27 FEBRUARY 2022**

		27 February 2022	28 February 2021
	Notes	£m	£m
<b>Non-current assets</b>			
Investments	9	86.9	78.5
		<b>86.9</b>	<b>78.5</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	433.6	426.7
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(480.8)	(464.7)
<b>Net current liabilities</b>		<b>(47.2)</b>	<b>(38.0)</b>
<b>Net assets</b>		<b>39.7</b>	<b>40.5</b>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Share option reserve	12	22.0	22.1
Profit and loss account		17.7	18.4
<b>Total shareholders' funds</b>		<b>39.7</b>	<b>40.5</b>

The notes on pages 12 to 18 form an integral part of these financial statements.

The financial statements on pages 9 to 18 were approved by the Board of Directors and authorised for issue on 22 August 2022. They were signed on its behalf by:

*Veselin Bandev*

Veselin Bandev  
 Director  
 Booker Group Limited  
 Registered Number: 05145685  
 Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom

**BOOKER GROUP LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

	Notes	Called up share capital *	Share option reserve	Profit and loss account	Total equity
		£m	£m	£m	£m
<b>Balance as at 1 March 2020</b>		-	<b>24.9</b>	<b>18.9</b>	<b>43.8</b>
Share based payments	9	-	(2.8)	-	(2.8)
Profit for the financial period		-	-	99.5	99.5
Dividends paid	13	-	-	(100.0)	(100.0)
<b>Balance as at 28 February 2021</b>		-	<b>22.1</b>	<b>18.4</b>	<b>40.5</b>
Share based payments	9	-	(0.1)	-	(0.1)
Profit for the financial period		-	-	99.3	99.3
Dividends paid	13	-	-	(100.0)	(100.0)
<b>Balance as at 27 February 2022</b>		-	<b>22.0</b>	<b>17.7</b>	<b>39.7</b>

\* See Note 12 for a breakdown of the Called up share capital

The notes on pages 12 to 18 form an integral part of these financial statements.

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

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

The financial statements of Booker Group Limited (the “Company”) for the 52 weeks ended 27 February 2022 were approved by the Board of Directors on 22 August 2022 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.

As permitted by Schedule 1 to the Accounting Regulations, the presentation of the financial statements have been adapted to be in line with the presentation prescribed by IAS 1.

The functional currency of the Company is considered to be Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates.

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 results are included in the consolidated financial statements of Tesco PLC, which are available from Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

The Company’s financial statements are presented in Pound Sterling and all values are rounded to the nearest hundred thousands, except when otherwise indicated.

**2. General information**

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom. 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**

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted for use within the UK (“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. Following the UK’s exit from the European Union the Company has early adopted the FRS 101 amendments ‘UK exit from the European Union’.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 gives details of the Company’s parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 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;

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)**

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**3. Accounting policies (continued)****a) Basis of preparation (continued)**

- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 of Regulations is presented separately for lease liabilities and other liabilities, and in total;
- the disclosure requirements of IFRS 2 Share based payments;
- 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;
  - (ii) paragraph 118(e) of IAS 38 Intangible Assets; and
  - (iii) paragraph 79(a)(iv) of IAS 1

**b) New and revised IFRS applied with no material effect on the financial statements**

The Company has not applied any new standards, interpretations or amendments which are effective in the current financial year that have a material effect on the financial statements. Hence there has been no impact in the financial statements.

**c) Going concern**

At 27 February 2022, the Company had net amounts owed to Booker Group undertakings of £47.2m, with no fixed payment date. 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 27 February 2022, Booker Group had aggregate cash at bank and in hand of £154.0m and net amounts owed by other Tesco Group undertakings of £511.5m. The Booker Group has no external debt and has access, if needed, to £200m on short term deposit with Tesco Group undertakings which are typically placed on a three month basis and an overdraft facility. The Booker Group is cash generative and has been consistently over the past few years and expect the liquidity position to only strengthen going forwards. The Directors consider that the Company has adequate resources, taking into account the ongoing impacts of Brexit and the cost of living crisis on the forecast cash flows 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.

**d) Critical accounting judgements and key sources of estimation uncertainty**

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

**Estimates**

There are no key sources of estimation uncertainty that could have a material impact on the financial statements.

**Judgements**

There are no critical accounting judgements which have a significant effect on amounts recognised in the financial statements.

**e) Significant accounting policies****Investments**

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

**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.

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****3. Accounting policies (continued)****e) Significant accounting policies (continued)****Income taxes (continued)**

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.

*Current tax for the period*

Current tax is 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 tax is also recognised in other comprehensive income or directly in equity.

*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.

**Dividend income**

Income from shares in Group undertakings is recognised in the Profit and Loss Account when the shareholder's right to payment is established, that is on declaration of the dividend by the subsidiary, joint venture and associate companies.

**Interest receivable and similar income**

Interest receivable is calculated on accrual basis.

**Interest payable and similar charges**

Intercompany interest-bearing loans and bank overdrafts are initially recorded at fair value, net of attributable transaction costs. 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.

**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 the share option reserve.

**4. Auditor's remuneration**

The Auditor's remuneration for the current and prior period of £3,250 (2021: £2,300) was borne by another Group company for auditing the financial statements of the Company, and is not repayable.

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

**5. 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, and are not repayable. It is not practicable to allocate their remuneration in respect of each of the subsidiaries.

**6. Interest receivable and similar income**

	2022	2021
	£m	£m
Intercompany loan interest	7.0	6.8

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****7. Interest payable and similar charges**

	2022 £m	2021 £m
Intercompany loan interest	7.7	7.3

**8. Tax charge on profit****(a) Factors that have affected the tax charge**

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the Company for the full period of 19% (2021: 19%). The Finance Act 2021 included legislation to increase the main rate of UK corporation tax from 19% to 25% from 1 April 2023. As the change to the main UK corporation tax rate was substantively enacted by the balance sheet date the impact is included in these financial statements with temporary differences remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

**(b) Tax charge in the Profit and Loss Account**

The analysis of the charge for the period is as follows:

	2022 £m	2021 £m
Total tax charge for the period	-	-

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

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

	2022 £m	2021 £m
Profit before tax	99.3	99.5
Tax charge at standard UK corporation tax rate of 19% (2021: 19%)	(18.9)	(18.9)
Effects of:		
Non taxable dividend income from subsidiaries	19.0	19.0
Group relief surrendered without payment	(0.1)	(0.1)
<b>Total tax charge for the period</b>	<b>-</b>	<b>-</b>

**9. Investments**

	Total £m
<b>Cost</b>	
At 28 February 2021	78.5
Additions – Capital contribution	8.4
<b>At 27 February 2022</b>	<b>86.9</b>
<b>Provision</b>	
At 28 February 2021	-
<b>At 27 February 2022</b>	<b>-</b>
<b>Net book value</b>	
<b>At 27 February 2022</b>	<b>86.9</b>
At 28 February 2021	78.5

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



**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****9. Investments (continued)***Details of Subsidiary undertakings*

In accordance with Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, a full list of related undertakings, the registered office address, the place of incorporation and the percentage of each share class owned as at 27 February 2022 are disclosed on pages 16 to 17.

**Subsidiary undertakings as at 27 February 2022**

<b>Name of Entity</b>	<b>Registered office address</b>	<b>Share class</b>	<b>% interest held</b>	<b>Direct/ Indirect holding</b>
BF Limited	1	£0.000000011111111 Ordinary	100%	Indirect
Bishop's Group Limited	1	£0.01 Ordinary	100%	Indirect
Booker Cash & Carry Limited	1	£1.00 Ordinary	100%	Indirect
Booker Direct Limited	1	£0.01 Ordinary	100%	Indirect
Booker Limited	1	£1.00 Ordinary	100%	Indirect
Booker Retail Partners (GB) Limited	1	£1.00 Ordinary	100%	Indirect
Booker Retail Limited	1	£0.10 Ordinary	100%	Indirect
Booker Pension Trustees Limited	1	Limited by Guarantee	-	Indirect
Booker Unapproved Scheme Trustees Limited	1	Limited by Guarantee	-	Indirect
Booker Wholesale Holdings Limited	1	£0.01 Ordinary A1	100%	Direct
Budgen Holdings Limited	1	£1.00 Ordinary	100%	Indirect
Budgens Pension Trustees No2 Limited	1	£1.00 Ordinary	100%	Indirect
Budgens Property Investments Limited	1	£1.00 Ordinary	100%	Indirect
Budgens Stores Limited	1	£1.00 Ordinary	100%	Indirect
Giant Bidco Limited	1	£1.00 Ordinary	100%	Indirect
Giant Booker Limited	1	£0.25 Ordinary	100%	Indirect
Giant Midco Limited	1	£1.00 Ordinary	100%	Indirect
IRTH (15) Limited	1	£1.00 Ordinary	100%	Indirect
IRTH (19) Limited	1	US\$0.000000052383172 Ordinary	100%	Indirect
Linnco Limited	1	£1.00 Ordinary	100%	Indirect

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****9. Investments (continued)****Subsidiary undertakings as at 27 February 2022 (continued)**

Name of Entity	Registered office address	Share class	% interest held	Direct/ Indirect holding
Londis (Holdings) Limited	1	£50.00 Ordinary	100%	Indirect
Londis Pension Trustees Limited	1	£1.00 Ordinary	100%	Indirect
Makro Holding Limited	1	£1.00 Ordinary	100%	Indirect
Makro Properties Limited	1	£1.00 Ordinary	100%	Indirect
Makro Self Service Wholesalers Limited	1	£1.00 Ordinary A £1.00 Ordinary B	100% 100%	Indirect
Murdoch Norton Limited	1	£0.05 Ordinary	100%	Indirect
Ritter-Courivaud Limited	1	£0.10 Ordinary	100%	Indirect
The Big Food Group Limited	1	£0.10 Ordinary	100%	Indirect
Booker Cyprus Limited *	2	€1.00 Ordinary	100%	Indirect
Saneyia Limited #	2	€1.00 Ordinary	100%	Indirect

\* Dissolved

# in liquidation

## Registered office addresses:

- 1 Equity House, Irthingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom
- 2 5 Esperidon Street, 4<sup>th</sup> Floor, 2001 Strovolos, Nicosia, Cyprus

**10. Debtors: amounts falling due within one year**

	2022 £m	2021 £m
Amounts owed by Booker Group undertakings	<b>433.6</b>	426.7

Of the amounts owed by Booker Group undertakings, all amounts are unsecured, bear interest at 1.62% and have no fixed payment date. The amounts receivable from Booker Group companies presented as current assets are expected to be settled within the next twelve months.

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

	2022 £m	2021 £m
Amounts owed to Booker Group undertakings	<b>480.8</b>	464.7

Of the amounts owed to Booker Group undertakings, all amounts are unsecured, bear interest at 1.62% and have no fixed payment date.

**BOOKER GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****12. Capital and reserves****Called up share capital**

	2022 £m	2021 £m
Allotted, called up and fully paid		
1,797,753,903 ordinary shares of £0.0000000055625 each		
(2021: 1,797,753,903 ordinary shares of £0.0000000055625 each)	-	-

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 option reserve**

This represents the fair value of outstanding share options.

**13. Dividends paid**

	2022 £m	2021 £m
Declared and paid during the period		
5.563 pence per share (2021: 5.563 pence per share)	100.0	100.0

**14. 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.

**15. Ultimate group undertaking**

The Company's immediate parent undertaking is Tesco Holdings Limited. The Company's ultimate parent undertaking 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. Tesco PLC is listed on the London Stock Exchange therefore in the opinion of the directors there is no ultimate controlling party.

Copies of the Tesco PLC Annual Report and Financial Statements 2022 are available from the Company Secretary at the registered office address: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom or from the Tesco Plc website.

**16. Contingent liabilities**

A Letter of Support has been provided to its subsidiary undertaking, Booker Direct Limited, indicating the intention of the Company to support them, up to a value of £50m, if required for a period of minimum of twelve months from the date of signing of their Annual report and financial statements.