

**BUTTONCABLE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018**

**Registered Number: 05294246**



## **BUTTONCABLE LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018**

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The Directors present their Report and financial statements of Buttoncable Limited (the "Company") for the 52 weeks ended 24 February 2018 (prior period: the 52 weeks ended 25 February 2017 ("2017")).

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

The principal activity of the Company is to act as a holding company of overseas operations.

Subsequent to the period end, additional capital of £36,733k was injected by Tesco Holdings Limited, the immediate parent undertaking, to repay the amounts owed by the Company to Group undertakings.

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

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (the "Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 22 to 25 of the Tesco PLC Annual Report and Financial Statements 2018 which do not form a part of this Report.

#### **Results and dividends**

The Company did not incur any expenditure or earn any income during the current and previous financial period. Consequently, a Profit and Loss Account has not been disclosed.

The Directors do not recommend payment of a dividend for the 52 weeks ended 24 February 2018 (2017: £nil).

#### **Future developments**

The Company's future developments form a part of the Tesco PLC Group (the "Group") long-term strategies, which are discussed on pages 8 and 9 of the Tesco PLC Annual Report and Financial Statements 2018, which does not form part of this Report.

#### **Subsequent events**

Details of subsequent events after the balance sheet date are contained in Note 9.

#### **Going concern**

The company is not expected to trade in the foreseeable future. The financial statements have therefore been prepared on the basis other than going concern.

#### **Research and development**

The Company does not undertake any research and development activities (2017: nil).

#### **Political donations**

There were no political donations for the period (2017: £nil) and the Company did not incur any political expenditure (2017: £nil).

#### **Employees**

The Company had no employees during the period (2017: none).

## **BUTTONCABLE LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)**

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#### **Directors**

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

K Koch (Resigned 6 October 2017)

R Welch

L Heywood

Tesco Services Limited

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

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

#### **Strategic Report**

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

#### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

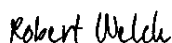
Company Law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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.

On behalf of the Board of Directors: 22 August 2018



R Welch

Director

Buttoncable Limited

Registered number: 05294246

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

**BUTTONCABLE LIMITED****BALANCE SHEET AS AT 24 FEBRUARY 2018**

	Notes	24 February 2018 £'000	25 February 2017 £'000
<b>Non-current assets</b>			
Investments	4	-	-
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	5	(36,732)	(36,732)
		<u>(36,732)</u>	<u>(36,732)</u>
<b>Net current liabilities</b>		<u>(36,732)</u>	<u>(36,732)</u>
<b>Total assets less current liabilities</b>		<u>(36,732)</u>	<u>(36,732)</u>
<b>Net liabilities</b>		<u>(36,732)</u>	<u>(36,732)</u>
<b>Capital and reserves</b>			
Share capital	6	21	21
Share premium		1,571,115	1,571,115
Profit and loss account		<u>(1,607,868)</u>	<u>(1,607,868)</u>
<b>Total shareholders' deficit</b>		<u>(36,732)</u>	<u>(36,732)</u>

There are no recognised gains or losses and accordingly no separate Profit and Loss Account and Statement of Comprehensive Income have been prepared.

The notes on pages 5 to 8 form an integral part of the financial statements.

For the year ending 24 February 2018, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 3 to 8 were approved by the Board of Directors on 22 August 2018 and signed on its behalf by:

*Robert Welch*

R Welch  
Director  
Buttoncable Limited  
Registered number: 05294246  
Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

**BUTTONCABLE LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018**

	Called up share capital*	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
Balance as at 24 February 2016	21	1,571,115	(1,607,868)	(36,732)
Balance as at 24 February 2017	21	1,571,115	(1,607,868)	(36,732)
<b>Balance as at 24 February 2018</b>	<b>21</b>	<b>1,571,115</b>	<b>(1,607,868)</b>	<b>(36,732)</b>

The notes on pages 5 to 8 form an integral part of the financial statements.

\*See Note 6 for a breakdown of the share capital.

## **BUTTONCABLE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018**

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

The financial statements of Buttoncable Limited (the “Company”) for the 52 weeks ended 24 February 2018 were authorised for issue by the Board of Directors on 22 August 2018 and the Balance Sheet was signed on the Board’s behalf by Robert Welch.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”). The financial statements have been prepared under the historical cost convention and the Companies Act 2006 as modified by the fair value measurement of derivatives.

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.

These financial statements are presented in Pound Sterling because that is the currency of the primary economic environment in which the Company operates. The financials are rounded off to the nearest “000” except when otherwise stated.

#### **2. Accounting policies**

##### **a) General information and basis of preparation**

The nature of the Company’s operations and its principal activities are set out in the Directors’ Report on page 1.

The financial statements have been prepared under the historical cost convention. The Company is a qualifying entity for the purposes of FRS 101. Note 7 provides details of the Company’s parent and from where its consolidated financial statements prepared in accordance with EU-adopted IFRS may be obtained.

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

- the requirements of paragraphs 10(d), 10(f), 39(c), and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The principal accounting policies adopted by the Company are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

##### **b) Going concern**

The company is not expected to trade in the foreseeable future. The financial statements have therefore been prepared on the basis other than going concern.

## **BUTTONCABLE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)**

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#### **2. Accounting Policies (continued)**

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

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

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

##### **d) Significant accounting policies**

###### **Financial instruments**

###### **Financial liabilities**

###### *Initial recognition and measurement*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

###### *Subsequent measurement*

The measurement of financial liabilities depends on their classification as follows:

###### *Loans and borrowings*

Loans and borrowings are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment.

Loans and borrowings includes amounts owed to Group undertakings.

###### *De-recognition of financial instruments*

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled; (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

###### **Investments**

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

#### **3. Staff costs and Directors' remuneration**

The Directors received no emoluments for their services to the Company (2017: £nil).

The Company had no employees during the period (2017: none).

**BUTTONCABLE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)****4. Investments**

	<b>24 February 2018</b> <b>Shares in Group</b> <b>undertakings</b> <b>£'000</b>	<b>25 February 2017</b> <b>Shares in Group</b> <b>undertakings</b> <b>£'000</b>
<b>Cost</b>		
At beginning of period	56,077	56,077
At end of the period	56,077	56,077
<b>Impairment</b>		
At beginning of period	56,077	56,077
At end of the period	56,077	56,077
<b>Carrying value</b>		
At end of period	-	-

Details of the Company's subsidiaries undertakings and principal investments at the periods end are as follows:

Subsidiaries undertakings	Country of incorporation	Registered office address	Proportion of voting rights and shares held	Share class
Old FEHC Inc. (dissolved on 28 February 2018)	United States	2029 Century Park East, Unit 2060, Los Angeles, CA 9006, USA.	100%	US\$0.001 Common stock

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

	<b>24 February 2018</b> <b>£'000</b>	<b>25 February 2017</b> <b>£'000</b>
Amounts owed to Group undertakings	36,732	36,732
Total amount owed to creditors	36,732	36,732

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

**6. Called up share capital**

	<b>24 February 2018</b> <b>£'000</b>	<b>25 February 2017</b> <b>£'000</b>
Allotted, called up and unpaid		
20,554 (2017: 20,554) Ordinary shares of £1 each	21	21



## **BUTTONCABLE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)**

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#### **7. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Tesco Holdings Limited.

The Company's ultimate parent undertaking and controlling party is Tesco PLC which is registered in England and Wales and which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC Annual Report and financial statements can be obtained from the Company Secretary at the registered office: Tesco House Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

#### **8. Related party transactions**

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

#### **9. Subsequent events**

- a) On 28 February 2018, the wholly owned subsidiary of the Company i.e. Old FEHC Inc. was dissolved.
- b) Additional capital of £36,733k was injected by Tesco Holdings Limited, the immediate parent undertaking, that was utilized to repay the amounts owed to the Group undertakings.