

BUTTONCASE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019
REGISTERED NUMBER: 05298861



BUTTONCASE LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019

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

Business review and principal activities

The principal activity of the Company is to act as a financing company for Tesco PLC Group entities.

There has been no significant change in the nature 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 the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

Results and dividends

The results for the 52 weeks ended 23 February 2019 show a profit before tax of £8k (2018: £nil) and profit after tax of £8k (2018: £nil).

The Company has net assets at the period end of £76k (2018: £68k) and has net current assets at the period end of £4,876k (2018: £4,868k).

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

Future developments

The Company's future developments form a part of the Tesco PLC Group's (the "Group") long term strategy, which is discussed on pages 14 and 15 of the Tesco PLC Annual Report and Financial Statements 2019, which does not form a part of this Report. 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.

Principal risks and uncertainties

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

Business risk

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

Key performance indicators (KPIs)

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

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

BUTTONCASE LIMITED

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

Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least twelve months from date of signing and have therefore continued to adopt the going concern basis in preparing the financial statements.

Events after the Balance Sheet date

There were no material events after the balance sheet date.

Political donations

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

Research and development

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

Financial risk management

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

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 receivables of the Company are primarily pertaining to receivables from Group undertakings, the credit risk of receivables is determined to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The principal risks and uncertainties are related to the obligation to make repayments against amounts owed to preference shareholders when due.

The amounts owed to preference shareholders is repayable on winding up of the Company, in priority to ordinary shares, together with any arrears of dividend.

Strategic report

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

Employees

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

Directors

The following Directors served during the period and up to the date of signing the financial statements, unless otherwise stated.

L Heywood
Tesco Services Limited
R Welch

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

BUTTONCASE LIMITED

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

Directors (continued)

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 his office, to the extent permitted by law. In respect of those liabilities for which Tesco appointed Directors and officers may not be indemnified. Tesco PLC maintained a directors' and officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

Cautionary statement regarding forward-looking information

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

Directors' Responsibilities Statement

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

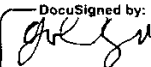
Company Law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), FRS 102. "The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law". 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, disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 2 August 2019 and has been prepared in accordance with the small companies' regime of the Companies Act 2006.

By order of the Board

DocuSigned by:

C6205F63120440E

John Gibney, for and on behalf of Tesco Services Limited

Director

Buttoncase Limited

Registered Number: 05298861

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

BUTTONCASE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2019**

	Notes	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
Operating result	4	-	-
Interest receivable and similar income	5	8	-
Profit/result before tax		8	-
Tax credit/(charge) on profit/result	6	-	-
Profit/result for the financial period		8	-

There are no material differences between the profit/result before tax and the profit/result for the period stated above and their historical cost equivalents.

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 financial period.

The notes on pages 7 to 13 form part of these financial statements.

BUTTONCASE LIMITED**BALANCE SHEET AS AT 23 FEBRUARY 2019**

	Notes	23 February 2019 £'000	24 February 2018 £'000
Current assets			
Cash at bank and in hand		6,607	4,867
Debtors: amounts falling due within one year	7	-	1
		<u>6,607</u>	<u>4,868</u>
Creditors: amounts falling due within one year	8	(1,731)	-
Net current assets		<u>4,876</u>	<u>4,868</u>
Total assets less current liabilities		<u>4,876</u>	<u>4,868</u>
Creditors: amounts falling due after more than one year	9	(4,800)	(4,800)
Net assets		<u>76</u>	<u>68</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		75	67
Total shareholder's funds		<u>76</u>	<u>68</u>

The notes on pages 7 to 13 form part of these financial statements.

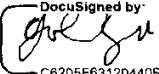
For the 52 weeks ended 23 February 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

- the members have not required the Company to obtain an audit of its accounts for the period 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 4 to 13 were approved by the Board of Directors and authorised for issue on 2 August 2019. They were signed on its behalf by:

DocuSigned by:


C6205F6312D440E

John Gibney, for and on behalf of Tesco Services Limited
 Director

Buttoncase Limited

Registered Number: 05298861

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

BUTTONCASE LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED
23 FEBRUARY 2019**

	Called up share capital*	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 25 February 2017	1	67	68
Balance as at 24 February 2018	1	67	68
Profit and total comprehensive income for the period	-	8	8
Balance as at 23 February 2019	1	75	76

*See Note 10 for a breakdown of the Called up share capital.

The notes on pages 7 to 13 form part of these financial statements.

BUTTONCASE LIMITED

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

1. Statement of compliance

The financial statements of Buttoncase Limited (the "Company") have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2. General information

The Company is a Private Company limited by shares and is incorporated and domiciled in England and Wales under the Companies Act 2006.

The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 1.

The financial statements of the Company for the 52 weeks period ended 23 February 2019 were approved by the Board of Directors on 2 August 2019 and the Balance Sheet was signed on the Board's behalf by John Gibney, for and on behalf of Tesco Services Limited.

The functional and presentational currency of the Company is Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates. The financials are rounded to the "nearest thousand" except when otherwise stated.

3. Accounting policies

a) Basis of preparation

The financial statements of the Company are prepared on the going concern basis under the historical cost convention. The Company is a wholly owned subsidiary of Tesco PLC and is included in the consolidated financial statements of Tesco PLC, which are publicly available.

The Company is a qualifying entity for the purposes of FRS 102. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 section 7 "Statement of Cash Flows".

Transactions with fellow wholly owned subsidiaries are not disclosed as the Company has taken advantage of the exemption under FRS 102 section 33.1A.

The Company has taken advantage from the financial instrument disclosures, required under FRS 102 paragraph 11 and 12, as the information is provided in the consolidated financial statement disclosures.

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

There are no new and mandatorily effective standards in the year that would have a material impact on the financial statements.

b) Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least twelve months from the date of signing the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

The Company has significant cash assets that greatly outweigh its liabilities. Having assessed the Company's future expected cash flows, the Directors' believe that the Company can continue to support itself. The Directors have therefore prepared the financial statements on a going concern basis.

BUTTONCASE LIMITED

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

3. Accounting policies (continued)

c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described hereafter, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The Directors do not consider any of the estimates and judgements made within these financial statements as significant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

d) Significant accounting policies

Income taxes

Current tax, including United Kingdom (UK) corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Group relief on taxation

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the Profit and Loss Account.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

BUTTONCASE LIMITED

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

3. Accounting policies (continued)

d) Significant accounting policies (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

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

Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets within the scope of section 11 of FRS 102 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at transaction price including directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash, trade and other receivables, loans, unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Loans and receivables include amounts owed by Group undertakings.

BUTTONCASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED
23 FEBRUARY 2019 (continued)****3. Accounting policies (continued)****d) Significant accounting policies (continued)****Financial instruments (continued)***Financial liabilities**Initial recognition and measurement*

Financial liabilities within the scope of section 11 of FRS 102 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 transaction cost 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 transaction price and subsequently measured at amortised cost using the effective interest (EIR) method. Amortised cost is calculated by taking into account transaction costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the Profit and Loss Account.

Loans and borrowings includes amounts owed to Group undertakings and cumulative redeemable preference shares.

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.

4. Operating result

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

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

5. Interest receivable and similar income

	52 weeks ended 23 February 2019	52 weeks ended 24 February 2018
	£'000	£'000
Interest receivable	8	-
	8	-

BUTTONCASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED
23 FEBRUARY 2019 (continued)****6. Tax credit/(charge) on profit****(a) Factors that have affected the tax credit/(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% (2018: 19.09%).

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

The analysis of the credit/(charge) for the period is as follows:

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

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

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

	52 weeks ended 23 February 2019 £'000	52 weeks ended 24 February 2018 £'000
Profit/(loss) before tax	8	-
Profit multiplied by standard tax rate in the UK of 19% (2018: 19.09%)	(2)	-
Effects of:		
Group relief claimed without payment	2	-
Overall tax credit/(charge)	-	-

(d) Tax rate changes

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

7. Debtors: amounts falling due within one year

	23 February 2019 £'000	24 February 2018 £'000
Amounts owed by Group undertakings	-	1
	-	1

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

BUTTONCASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED
23 FEBRUARY 2019 (continued)****8. Creditors: amounts falling due within one year**

	23 February 2019	24 February 2018
	£'000	£'000
Amounts owed to Group undertakings	1,731	-
	<u>1,731</u>	<u>-</u>

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

9. Creditors: amounts falling due after more than one year

	23 February 2019	24 February 2018
	£'000	£'000
4,800,000 2% Cumulative Redeemable Preference Shares of £1 each (2018: 4,800,000)	4,800	4,800
	<u>4,800</u>	<u>4,800</u>

The cumulative redeemable preference shares confer on the holder the right to receive a fixed dividend of 2% on the nominal capital of the preference shares. As regards capital on a winding up of the Company, the cumulative redeemable preference shares shall be deemed in priority to the ordinary shares, together with any arrears in dividends.

The Company shall have the right to redeem, at par, all or part of the cumulative redeemable preference shares in issue at any time.

The cumulative redeemable preference shares are non-voting except where the preferential dividend on the shares is six months or more in arrears or where a resolution is proposed which amends certain rights of the cumulative redeemable preference shareholders, in which case the shareholders are entitled to vote on such amendments.

The sole preference shareholder, Tesco PLC, has waived its right to receive a dividend for the current financial year.

10. Called up share capital

	23 February 2019	24 February 2018
	£'000	£'000
1,001 Ordinary shares of £1 each (2018: 1,001)	1	1
	<u>1</u>	<u>1</u>

BUTTONCASE LIMITED

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

11. Ultimate group undertaking

The Company's immediate and ultimate parent undertaking is Tesco PLC. The results of the Company are only included in the consolidated financial statements of Tesco PLC, which is the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC Annual Report and Financial Statements 2019 are available from the Company Secretary at its registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

12. Events after the Balance Sheet date

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