TESCO MAINTENANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

Registered Number: 06003554

TESCO MAINTENANCE LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

The Directors present their Strategic Report of Tesco Maintenance Limited (the "Company") for the 53 weeks ended 29 February 2020 (prior period: 52 weeks ended 23 February 2019 ("2019")).

Business review and principal activity

The principal activity of the Company is to act as a maintenance provider to Tesco properties including the maintenance of Tesco Distribution Centres, One Stop and in-store Family Dining Cafés within the United Kingdom. The Company receives remuneration through invoicing other group companies for the cost of the services provided.

Results and dividends

The results for the 53 weeks ended 29 February 2020 show a loss before tax of £1k (2019: profit before tax £nil (restated)), loss after tax of £299k (2019: profit after tax of £20k (restated)) and turnover of £216,584k (2019: £210,850k).

The Company has net assets at the period end of £3,772k (2019: £4,071k (restated)) and has net current assets of £3,273k (2019: £3,173k (restated)).

The Directors do not recommend payment of a dividend for the 53 weeks ended 29 February 2020 (2019: £nil).

These are the first Tesco Maintenance Limited financial statements prepared under IFRS 16, the new financial reporting standard on accounting for leases. All comparative figures included have been restated for IFRS 16 standard, which has been adopted fully retrospectively. Further detail on this can be found in Note 20 on pages 23 to 25.

Key performance indicators (KPIs)

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

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, are discussed on page 12 of the Tesco PLC Annual Report and Financial Statements 2020, 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 page 5 of the Tesco PLC Annual Report and Financial Statements 2020, which do not form a part of this Report.

The Company in 2020 is planning to extend its maintenance services to include Booker Group who are part of the Tesco Group.

Principal risks and uncertainties

The management of the business and execution of Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to include financial strategy, reputational, operational threats and performance risks in the business, IT systems and infrastructure, people retention, health and safety, fraud compliance and internal controls, regulatory, activism and terrorism and climate change risks.

Whilst noting that the only customers of Tesco Maintenance Limited are other group companies, from the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 13 to 18 of the Tesco PLC Annual Report and Financial Statements 2020, which do not form a part of this Report.

Business risk

Uncertainty around the UK's future trading relationship with the EU and a failure to prepare for all eventualities could have an adverse effect on our primary business, its financial results and operations. The Tesco PLC Board will continue to assess and monitor the potential risks and impacts on the Company and its stakeholders as a whole, while taking mitigation measures to address challenges as appropriate.

Subsequent to the balance sheet date, the World Health Organisation declared the COVID-19 outbreak a pandemic on 11 March, and on 23 March the Government declared a lockdown in the United Kingdom. The Company has continued with its operations during the period as the Company majorly provides services to Tesco Stores Limited, which is an essential grocery retailer and has continued to operate during this period.The company has assisted in implementing necessary social distancing measures within Tesco stores.

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 predominantly unsecured and interest free. The Company is engaged in maintenance activities for group entities, consequently creditors are related to such operations. Management believes that the liquidity risk is low considering that the amounts receivable from the group entities would cover the obligations towards the creditors of the Company.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Debtors predominantly comprises amounts owed by Group undertakings, hence credit risk is determined to be low.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to 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. 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 our pension Trustees and beneficiaries of the Company's pension schemes. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

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. We review matters relating to financial and operational performance; business strategy; key risks; stakeholder-related matters; health and safety; diversity and inclusivity; environmental matters; governance; compliance; legal and regulatory matters over the course of the financial year. This is done through regular meetings and dialogue with senior management, the consideration of reports which are sent in advance of each Board meeting and through presentations to the Board.

Section 172(1) Statement (continued)

The Company's key stakeholders are its colleagues, customers, suppliers, pension beneficiaries, and the local communities in which it operates. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and Tesco Group means that generally our stakeholder engagement best takes place at an operational or group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on the some of the engagements that takes place with the Company's stakeholders so as to encourage the directors to understand the issues to which they must have regard please see pages 40 to 43 of the Tesco PLC 2020 Annual Report.

During the period we received information to help us understand the interests and views of the Company's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports on our financial and operational performance, pension and investment matters, non-financial KPIs, risk, health and safety matters. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote success of the company.

Examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us are set out below.

Board activity	**Board Consideration**
Financial and operational performance	The Board reviewed the financial and operational position of the company against the operating plan, considering the strategic direction and long-term viability of the Company to ensure that future liabilities could be met. In addition, the Board reviewed their practices for paying suppliers.
Legal and regulatory matters	The Board reviewed ongoing health and safety updates, their risks and potential financial and reputational penalties.
Wider stakeholder engagement	The Board received regular updates on service delivery for customers, colleagues related matters and the pension scheme position. In reaching a decision to transfer colleagues from a third party to carry out the services in house, the Board had regard for a number of stakeholder matters including: the business case and financial returns; risk management; impact on colleagues transferring, impact on the suppliers providing the service, the benefits which would be achieved and the long-term reputation of the Company. The Board considered the views of colleagues, customers, suppliers in approving the modern slavery statement.
Service Delivery	Throughout the year, the Board reviewed service delivery, taking into consideration the measures of key performance indicators against actuals.

Further details on employee engagement are set out in the Directors' Report on page 4 and 5.

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

Approved by the Board of Directors on 28 August 2020 and signed on behalf of the Board by:

Robert Welch

Robert Welch, for and on behalf of Tesco Services Limited
Director
Tesco Maintenance Limited
Registered number: 06003554
Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

TESCO MAINTENANCE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

The Directors present their Report and the audited financial statements of the Company for the 53 weeks ended 29 February 2020 (prior period: 52 weeks ended 23 February 2019 ("2019")).

Results and dividends

This is discussed in the Strategic Report on page 1.

Future developments

This is discussed in the Strategic Report on page 1.

Going concern

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 the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

Events after the reporting period

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

Political donations

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

Research and development

The Company does not undertake any research and development activities (2019: none).

Financial risk management

This is discussed in Strategic Report on page 2.

Employee Engagement

We have continued to focus on ensuring that our policies are simple, helpful and trusted, so that our colleagues are able to source the information they need quickly and easily.

Over the last year we have continued to work with the Tesco Group's trade union in the UK, Usdaw, to improve our policies so that they address the needs of all our colleagues. In particular, we have doubled our provision for paid paternity leave from two weeks to four and also increased the amount of paid maternity leave we offer. Our local and national forums are invaluable for giving colleagues a voice and ensuring they are engaged with business decisions that are made. Such feedback helps us drive our business forward as our colleagues are closest to our customers. To supplement these forums we have also set up Colleague Contribution Panels which give our colleagues the opportunity to share their views directly with our Non-executive Directors who then relay these onto the Board for discussion and action.

Our equal opportunities, diversity and inclusion policies support managers and colleagues in creating a diverse and inclusive culture where everyone is welcome. Our policies demonstrate our commitment to providing equal opportunities to all colleagues, irrespective of age, disability (including colleagues who may have become disabled during service), gender, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

To further strengthen our commitment in this area, we have recently commenced a review of all of our family-friendly, flexible working and reasonable adjustments policies across the Group to establish common minimum standards that we can adopt in excess of legislative requirements. This is with a view to improving diversity and inclusion outcomes across all our companies and the geographies that we operate in.

We offer a range of colleague networks which we have relaunched this year, to maintain a culture of inclusivity, including: Out at Tesco; Women at Tesco; Black Asian Minority Ethnic Network; Armed Forces Network; and Disability Network. We are proud to be a Disability Confident Employer as part of the UK Government's Disability Confident scheme, a Global Diversity champion with Stonewall and a gold member of the UK Government's Armed Forces Covenant. This demonstrates Tesco's commitment to ensuring we create an environment where all colleagues have the opportunity to get on.

Employees Engagement (continued)

We actively encourage colleagues to become involved in the financial performance of our business through a variety of share and bonus schemes.

The Company had 1,655 employees on average during the 53 weeks ended 29 February 2020 (2019: 1,556).

Fostering of Business Relations

Details of the Company's engagement with its stakeholders is included in the section 172(1) statement on page 2 and 3.

Directors

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

T Golding
A Soni
Tesco Services Limited

None of the Directors had any disclosable interests in the Company during the period (2019: none).
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.

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.

Modern Slavery Act

As per section 54(1) of the Modern Slavery Act 2015, our Slavery and Human Trafficking Statement is published annually on our Group website. The statement covers the activities of the Tesco PLC Group and its subsidiaries and details policies, processes and actions we have taken to ensure that slavery and human trafficking are not taking place in our supply chains or any part of our own business.

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor

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

Approved by the Board of Directors on 28 August 2020 and signed on behalf of the Board by:

Robert Welch

Robert Welch, for and on behalf of Tesco Services Limited
Director
Tesco Maintenance Limited
Registered number: 06003554
Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO MAINTENANCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tesco Maintenance Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of its loss 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 of the Company which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 20.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO MAINTENANCE LIMITED (continued)

Other information (continued)

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

We have nothing to report in respect of these matter.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirement

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO MAINTENANCE LIMITED (continued)

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.

Simon Letts FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St. Albans, England
Date: 28 August 2020

TESCO MAINTENANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

	Notes	**53 weeks ended 29 February 2020**	52 weeks ended 23 February 2019 (restated*)
		£'000	£'000
Turnover	4	**216,584**	210,850
Cost of sales		**(203,883)**	(198,564)
Gross profit		**12,701**	12,286
Administrative expenses		**(12,699)**	(12,268)
Operating profit	5	**2**	18
Interest payable and similar expenses		**(3)**	(18)
(Loss)/result before tax		**(1)**	-
Tax (charge)/credit on (loss)/result	8	**(298)**	20
(Loss)/Profit for the financial period		**(299)**	20

*Restated for the adoption of IFRS 16 as explained in Note 3(b) and Note 20.

There are no material differences between the (loss)/result before tax and the (loss)/profit for the financial period stated above and their historical cost equivalents in the current and prior period.

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

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

The notes on pages 13 to 25 form an integral part of these financial statements.

TESCO MAINTENANCE LIMITED

BALANCE SHEET AS AT 29 FEBRUARY 2020

	Notes	29 February 2020 £'000	23 February 2019 (restated*) £'000
Fixed assets			
Intangible assets	11	**498**	498
Right of use assets	10	**1**	102
Deferred tax assets	9	**-**	298
		499	898
Current assets			
Stocks	12	**8,340**	6,124
Debtors: amounts falling due within one year	13	**26,536**	25,676
Cash at bank		**4,441**	8,826
		39,317	40,626
Current liabilities			
Creditors: amounts falling due within one year	14	**(35,530)**	(36,478)
Lease liabilities	10	**-**	(118)
Provisions for liabilities	15	**(514)**	(857)
		(36,044)	(37,453)
Net current assets		**3,273**	3,173
Net assets		**3,772**	4,071
Capital and reserves			
Called up share capital	16	**1**	1
Share premium		**780**	780
Profit and loss account		**2,991**	3,290
Total shareholders' funds		**3,772**	4,071

*Restated for the adoption of IFRS 16 as explained in Note 3(b) and Note 20.

The notes on pages 13 to 25 form an integral part of these financial statements.

The financial statements on pages 10 to 25 were approved by the Board of Directors on 28 August 2020 and signed on its behalf by:

Robert Welch

Robert Welch, for and on behalf of Tesco Services Limited
Director
Tesco Maintenance Limited
Registered number: 06003554
Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

TESCO MAINTENANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

	Called up share capital*	Share premium	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 24 February 2018 (as previously reported)	1	780	3,283	4,064
Cumulative adjustment to opening balances from application of IFRS 16 (net of tax)	-	-	(13)	(13)
At 24 February 2018 (restated)[(i)]	1	780	3,270	4,051
Profit and total comprehensive income for the financial period (as previously reported)	-	-	20	20
IFRS 16 adjustment to profit for the financial period	-	-	-	-
Profit and total comprehensive income for the financial period (restated)	-	-	20	20
At 23 February 2019 (restated)[(i)]	**1**	**780**	**3,290**	**4,071**
Loss and total comprehensive loss for the financial period	-	-	**(299)**	**(299)**
At 29 February 2020	**1**	**780**	**2,991**	**3,772**

[(i)] *Restated for the adoption of IFRS 16 as explained in Note 3(b) and Note 20.*

*Refer Note 16 for a breakdown of the Called up share capital.

The notes on pages 13 to 25 form an integral part of these financial statements.

TESCO MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

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

The financial statements of Tesco Maintenance Limited (the "Company") for the 53 weeks ended 29 February 2020 were approved by the Board of Directors on 28 August 2020 and the Balance Sheet was signed on the Board's behalf by Robert Welch, for and on behalf of Tesco Services Limited. These financial statements are 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, modified to include certain items at fair value.

The Company's financial statements are presented in Pound Sterling, except when otherwise indicated and all values are rounded to the nearest thousands (£'000), 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 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 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 by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

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

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- 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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
    - (i) paragraph 79(a)(iv) of IAS 1 and
    - (ii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- 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 paragraph 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements.

3. Accounting policies (continued)

b) Adoption of new IFRSs standards and interpretations

The Company has adopted IFRS 16 'Leases' effective for the period ending 29 February 2020. IFRS 16 has been applied fully retrospectively and comparatives for the prior periods have been restated. Further details of the impact of adoption of IFRS 16 is described in Note 20.

Other standards, interpretations and amendments effective in the current financial year have not had a material impact on the Company financial statements.

c) Prior period reclassifications

Following the adoption of IFRS 16, the Company now presents right of use assets and lease liabilities on the face of the Company balance sheet. Assets previously held under finance leases have been reclassified from 'Property, plant and equipment' to 'Right of use assets' and the associated lease liability has been reclassified from 'Creditors' to 'Lease liabilities'. The balance sheet as at 23 February 2019 has been restated to reflect the correct classification of deferred tax assets amounting to £298k as non-current, in line with FRS 101.

d) 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 the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

e) 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.

Critical accounting judgements

Critical accounting judgements, apart from those involving estimations, that are applied in the preparation of the financial statements are discussed below:

In light of the COVID-19 pandemic, the Company has considered whether any adjustments are required to reported amounts in the financial statements. This is further discussed in Note 19.

Key sources of estimation and uncertainty

The key estimates that have a significant effect on amounts recognised in the financial statements relate to the bonus and provision for damage of hired vehicles.

f) Significant accounting policies

Provisions for liabilities

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Company has a provision for liabilities towards damage to leased and hired vehicles.

Leases

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

TESCO MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)

3. Accounting policies (continued)

f) Significant accounting policies (continued)

Leases (continued)

Company as a lessee

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

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

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

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

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

Intangible assets (Goodwill)

Goodwill arising on acquisition is carried at cost established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is reviewed for impairment at least annually. The recoverable amount is the higher of the fair value less costs of disposal, and value in use. When the recoverable amounts is less than the carrying amounts, an impairment loss is recognised.

Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of an 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

The Company's financial assets include debtors and other receivables. Debtors (including intercompany balances) are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are recorded at amortised cost. Creditors (including intercompany balances) are non-interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method.

3. Accounting policies (continued)

f) Significant accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. The cost represents the purchase value of the product. Costs includes all cost incurred in bringing each product to its present location and condition.

Stocks consists of parts and consumables. Tooling items are expensed. Parts and consumables are valued on a weighted average cost basis less any rebate income receivable. Net realisable value is based on the estimated selling price less additional costs to completion and/or disposal.

Cash at bank

Cash at bank in the Balance Sheet comprise cash at bank only.

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. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Company will be required to settle that tax. Measurement is dependent on subjective judgements as to the outcome of decisions by tax authorities in the various tax jurisdictions in which the Company operates. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

Group relief on taxation

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

Deferred tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax 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 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.

Pension

All employees of the Company are entitled to join the Tesco Maintenance Limited Personal Pension Scheme (formerly Engineering Maintenance Services Group) which is a stakeholder pensions scheme provided by Scottish Widows. The Company contributes 5% and employees contribute at a rate of 3%.

The total pension costs for the stakeholder pension scheme for the period were £2,445k (2019: £1,701k). These costs are included under administrative expenses and cost of sales. Unpaid pension contributions are £1k (2019: £269k) which are included under 'Creditors: amounts falling due within one year'.

TESCO MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)

3. Accounting policies (continued)

f) Significant accounting policies (continued)

Turnover

Turnover consists of the provision of maintenance services to Tesco Stores group and is reported net of value added taxes. Turnover is recognised in the month when the service is provided. All turnover is generated within the UK.

4. Turnover

Turnover comprises of fair value of consideration received or receivable for the provision of maintenance services. All turnover was generated wholly and exclusively in the United Kingdom. Turnover by origin and destination are not materially different.

5. Operating profit

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Operating profit is stated after charging/(crediting)		
Depreciation	**101**	352
Provision for leased/hired vehicle damage (released)/ recognised	**(343)**	413
Cost of inventories recognised as an expense	**18,521**	17,509

6. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements. Costs were borne by another group company.

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Audit of the financial statements	**42**	42

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of its ultimate parent, Tesco PLC.

7. Staff costs and Directors' remuneration

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Wages and salaries	**56,122**	51,474
Social security costs	**5,349**	4,687
Other pension cost	**2,445**	1,701
	63,916	57,862

7. Staff costs and Directors' remuneration (continued)

The average weekly full time equivalents for Tesco Maintenance Limited (excluding Directors) per week during the 53 weeks ended 29 February 2020 was 1,655 (2019: 1,556). Category-wise split of employees is as below:

	53 weeks ended 29 February 2020	52 weeks ended 23 February 2019
Maintenance	**1596**	1,482
Office	**59**	74
Total	**1,655**	1,556

No remuneration was paid to Company's Directors by the Company during the period (2019: £nil), as they received their remuneration either as employees of the immediate parent company or as Directors of the ultimate parent company.

8. Tax (charge)/credit on (loss)/result

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

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

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

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Current income tax:		
UK corporation tax on result for financial period	-	-
Total current income tax (charge)/credit	-	-
Tax (charge)/credit in the Profit and Loss Account	-	-
Deferred tax:		
Current period	**(333)**	38
Adjustments in respect of prior periods	-	(14)
Impact of rate change adjustment	**35**	(4)
Total deferred tax (charge)/credit	**(298)**	20
Tax (charge)/credit in the Profit and Loss Account	**(298)**	20

8. Tax (charge)/credit on (loss)/result (continued)

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

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

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Loss before tax	**(1)**	-
Tax credit/(charge) at standard UK corporation tax rate of 19% (2019: 19%)	-	-
Effects of:		
Impact of rate change adjustment	**35**	(4)
Adjustments in respect of prior periods	-	(14)
Group relief (surrendered)/ claimed without payment	**(30)**	38
Unrecognised deferred tax previously recognised	**(303)**	-
Overall tax (charge)/credit	**(298)**	20

9. Deferred tax assets

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

	29 February 2020 £'000	23 February 2019 (restated) £'000
At the beginning of the period	**298**	278
Origination and reversal of temporary differences		
- In respect of the current period	**(298)**	38
- In respect of prior periods	-	(14)
- In respect of rate change adjustments	-	(4)
At the end of the period	-	298

	29 February 2020 £'000	23 February 2019 (restated) £'000
Excess of capital allowances over depreciation	-	249
Other short term temporary differences	-	49
	-	298

	29 February 2020 £'000	23 February 2019 £'000
Unrecognised deferred tax previously recognised:		
Excess of capital allowances over depreciation	**271**	-
	271	-

A deferred tax asset of £271k arising in respect of fixed asset temporary differences has not been recognised in the financial statements in the current period due to the lack of certainty concerning the quantum and timing of future gross taxable profits of the Company.

10. Leases

Lease liabilities represent rentals payable by the Company for motor vehicles. The leases have escalation clauses.

Right of use assets

	Motor vehicles	Total
At 29 February 2020 and for the 53 weeks ended 29 February 2020	**£'000**	**£'000**
Cost		
Carrying amount	**102**	**102**
Depreciation	**(101)**	**(101)**
Net carrying value	**1**	**1**

	Motor vehicles	Total
At 23 February 2019 and for the 52 weeks ended 23 February 2019 (restated)	**£'000**	**£'000**
Cost		
Carrying amount	454	454
Depreciation	(352)	(352)
Net carrying value	102	102

Lease liabilities

The following tables show the discounted lease liabilities included in the Company balance sheet and a maturity analysis of the contractual undiscounted lease payments:

	29 February 2020 £'000	23 February 2019 £'000
Lease liabilities		
Current	-	118
Total lease liabilities	-	118

	29 February 2020 £'000	23 February 2019 £'000
Maturity analysis – contractual undiscounted lease payments		
Within one year	-	121
Total undiscounted lease payments	-	121

The Company is not committed to payments (2019: £Nil) in relation to leases that have been signed but have not yet commenced.

TESCO MAINTENANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)

10. Leases (continued)

	53 weeks ended 29 February 2020 £'000	52 weeks ended 23 February 2019 £'000
Amounts recognised in the Profit and Loss Account		
Interest on lease liabilities	**3**	18

11. Intangible assets

	Goodwill £'000
Cost	
At 23 February 2019	498
At 29 February 2020	**498**
Net book value	
At 23 February 2019	498
At 29 February 2020	**498**

12. Stocks

	29 February 2020 £'000	23 February 2019 £'000
Parts and consumables inventories	**8,340**	6,124
	8,340	6,124

13. Debtors: amounts falling due within one year

	29 February 2020 £'000	23 February 2019 £'000
Amounts owed by Group undertakings	**24,507**	24,298
Other debtors	**180**	150
Prepayments and accrued income	**1,849**	1,228
	26,536	25,676

Included within amounts owned by Group undertakings are amounts that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Creditors: amounts falling due within one year

	29 February 2020 £'000	23 February 2019 £'000
Trade creditors	**20,659**	19,458
Other taxation and social security	**1,395**	1,299
Accruals	**11,178**	10,214
Other creditors	**2,298**	5,507
	35,530	36,478

15. Provisions for liabilities

	Vehicles £'000	Total £'000
At 24 February 2018	**444**	**444**
Amount recognised in the period	413	413
At 23 February 2019	**857**	**857**
Amount recognised in the period	(343)	(343)
At 29 February 2020	**514**	**514**

A provision has been brought forward from the prior period for damages to leased and hired vehicles which has been reassessed this year.

16. Called up share capital

	29 February 2020 £'000	23 February 2019 £'000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each (2019: 1,000)	**1**	1
	1	1

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

17. Related party transactions

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

18. Ultimate group undertaking

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

19. Events after the reporting period

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

Subsequent to the Balance Sheet date, the World Health Organisation declared a pandemic on 11 March, the UK government moved to a 'delay' phase on 12 March, announced social distancing measures on 16 March, and unprecedented 'stay at home' restrictions on 23 March. The first large falls in stock markets occurred in early March, and Tesco introduced a '3 items only' limit on purchases on 19 March in response to customer demand. The Company has therefore concluded that the necessity for large scale Government interventions in response to COVID-19 only became apparent after the Balance Sheet date and therefore that the consequences of such interventions represent non-adjusting post Balance Sheet events.

20. Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 'Leases' on the Company's financial position and financial performance. IFRS 16 is effective for the accounting period commencing 24 February 2019. The Company adopted the standard retrospectively, with comparatives restated from a transition date of 25 February 2018.

IFRS 16 requires lessees to recognise right of use assets and lease liabilities on balance sheet for all leases, except short-term and low value asset leases. At commencement of the lease, the lease liability equals the present value of future lease payments, and the right of use asset equals the lease liability, adjusted for payments already made, lease incentives, initial direct costs and any provision for dilapidation costs.

For pre-IFRS 16 operating leases, the rental charge is replaced by depreciation of the right of use asset and interest.

IFRS 16 therefore results in an increase to operating profit, which is reported prior to interest being deducted. Depreciation is charged on a straight-line basis, however, interest is charged on outstanding lease liabilities and therefore reduces over the life of the lease. As a result, the impact on the Profit and Loss Account below operating profit is highly dependent on average lease maturity. For an immature portfolio, depreciation and interest are higher than the rental charge they replace and therefore IFRS 16 is dilutive to profit. For a mature portfolio, they are lower and therefore IFRS 16 is accretive. The Company's lease portfolio on transition is mature portfolio, with most of the leases completed its lease term.

The Company applied the practical expedient not to reassess whether a contract is, or contains, a lease on transition. The Company has elected to recognise payments for short-term leases and leases of low value assets on a straight-line basis as an expense in the Profit and Loss Account.

The most significant IFRS 16 judgements and estimates include the determination of lease term when there are extension or termination options, the selection of an appropriate discount rate to calculate the lease liability and the impairment of right of use assets.

The Company's lease portfolio consists of motor vehicles.

Balance Sheet restatement

The tables below set out the impact of IFRS 16 on the balance sheet as at 23 February 2019. Right of use assets (net of any impairments) and lease liabilities are presented separately on the face of the balance sheet.

A deferred tax liability is recognised on the transition adjustment which is presented as a net off with the existing deferred tax asset.

20. Changes in accounting policies (continued)

Balance Sheet restatement (continued)

	Reported 23 February 2019	**IFRS 16 impact** 23 February 2019	**Restated** 23 February 2019
	£'000	£'000	£'000
Fixed assets			
Intangible assets	498	-	498
Right of use assets	-	102	102
Deferred tax assets	295	3	298
	793	**105**	**898**
Current assets			
Stocks	6,124	-	6,124
Debtors: amounts falling due within one year	25,676	-	25,676
Cash at bank and in hand	8,826	-	8,826
	40,626	**-**	**40,626**
Current liabilities			
Creditors: amounts falling due within one year	(36,478)	-	(36,478)
Lease liabilities	-	(118)	(118)
Provisions for liabilities	(857)	-	(857)
	(37,335)	**(118)**	**(37,453)**
Net current assets	**3,291**	**(118)**	**3,173**
Total assets less current liabilities	**4,084**	**(13)**	**4,071**
Net assets	**4,084**	**(13)**	**4,071**
Capital and reserves			
Called up share capital	1	-	1
Share premium	780	-	780
Profit and loss account	3,303	(13)	3,290
Total shareholders' funds	**4,084**	**(13)**	**4,071**

Note: The reported number is shown after reclassification of deferred tax from current to non-current.

20. Changes in accounting policies (continued)

Profit and Loss Account restatement

The table below sets out the impact of IFRS 16 on the comparative period Profit and Loss Account for the 52 weeks ended 23 February 2019. Administrative expenses reduce and interest expense increase as straight-line operating lease rental expense is replaced by depreciation of the right of use asset and interest on the lease liability. This results in higher operating profit and operating margin. As the interest expense is front-end loaded and decreases as the lease liability decreases, profit before tax is lower in the early stages of a lease and higher in the later stages when compared to a straight-line rental expense.

	Reported 52 weeks ended 23 February 2019 £'000	**IFRS 16 impact** 52 weeks ended 23 February 2019 £'000	**Restated** 52 weeks ended 23 February 2019 £'000
Turnover	210,850	-	210,850
Cost of sales	(198,564)	-	(198,564)
Gross profit	**12,286**	-	**12,286**
Administrative expenses	(12,286)	18	(12,268)
Operating result/profit	-	***18***	***18***
Interest payable and similar charges	-	(18)	(18)
Result/Profit before tax	-	-	-
Tax credit on profit	20	-	20
Profit for the financial period	**20**	-	**20**