BOOKER RETAIL PARTNERS (GB) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 1 MARCH 2020

Registered Number: 06460554

BOOKER RETAIL PARTNERS (GB) LIMITED
STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020

The Directors present their Strategic Report of Booker Retail Partners (GB) Limited (the "Company") for the 53 weeks ended 1 March 2020 (prior period: 47 weeks ended 24 February 2019) ("2019").

Business review and principal activity

The principal activity of the Company is the delivery of wholesale goods from four distribution centres.

The Company delivers a range of mainly food and drink products to Budgens and Londis retailers, as well as a number of national accounts.

Revenue in the 53 weeks of the year was £1,060.1m compared to £915.6m in the 47 weeks of the prior year.

Profit before exceptional items, interest and tax has increased from £10.5m to £17.0m, supported by good cost control and the additional synergies arising from joining forces with Tesco PLC.

The Directors are satisfied with the results given the difficult economic climate and the competitive nature of the market in which we operate.

Results and dividends

The results for the 53 weeks ended 1 March 2020 show a profit before tax of £14.9m (2019: profit before tax £17.7m), profit after tax of £13.4m (2019: profit after tax £20.8m) and turnover amounted to £1,060.1m (2019: £915.6m).

The Company has net assets at the period end of £154.6m (2019: net assets £138.6m) and has net current assets of £146.3m (2019: net current assets £141.3m).

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

Key Performance Indicators (KPI's)

Tesco PLC Group (the "Group") has six simple business performance indicators, namely:

1) Grow sales;
2) Deliver profit;
3) Improve operating cash flow;
4) Customers recommend us and come back time and again;
5) Colleagues recommend us as a great place to work and shop; and
6) Build trusted partnerships.

The Company adopts the first three KPIs and is in the process of gradually aligning to the other Group KPIs. The Directors review performance against the relevant Group KPIs on a regular basis and report as necessary to the Group.

The development, performance and position of the operations of the Group, which includes the Company, is discussed on page 12 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form a part of this Report.

Future developments

The Company's performance over the longer-term is expected to continue, however as a result of the current impact of COVID-19, as referred to further within the Business Risks section, it is anticipated that the performance levels in the following financial year may not achieve similar growth levels as a direct result of the impact of the pandemic upon the Company's market.

The Company's future developments form a part of the Group's long-term strategies, which are discussed on page 5 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form part of this Report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 13 to 18 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form 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 UK Government announced a lockdown in the United Kingdom.

This outbreak and global spread of COVID-19, may have a significant and prolonged impact on global economic conditions, disrupt our supply chain (including our supplier base, specifically regarding business closure and consolidation, labour shortage, raw material supply and potential cost inflation), increase employee absenteeism and adversely impact our operations. Governments and public bodies in affected countries introduced temporary emergency public measures such as travel bans, quarantines and public lockdowns. Should these continue for an extended period of time, they would increase pressure on our supply chain and operations. The Company, as an essential wholesaler, has continued to operate during this period. The risk is that profitability of the Company will be reduced and there could be a significant reduction in cash generation.

Failure to adapt to these changing circumstances could have an adverse effect on our business, operations and results. Our teams are working tirelessly to implement specific actions to minimise disruption faced by our customers in these challenging times. Our business continuity and crisis management plans have been mobilised and additional measures have been implemented including redeployment of colleagues where possible, securing additional supply chain capacity to meet changes in demand (including measures to prevent customer stockpiling), implementing changes to stores (including hours, additional security, hygiene and social distancing measures), and extending support to colleagues and customers at increased risk.

Financial risk management

Financial risk management for the Group, of which the Company forms a part, is discussed in Note 25 of the Tesco PLC Annual Report and Financial Statements 2020, which does not form a part of this Report.

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 finances its operations by a combination of retained profits, leases and intra-group borrowings.

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. It is the Company policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Company has an accounting policy to provide for certain overdue receivables based on past experience, and believe that there are no significant unprovided overdue financial assets.

Cash flow risk

The Company has no external borrowings and therefore has no exposure to interest rate risk. All sales are denominated in sterling. The Company makes a very small amount of purchases in foreign currencies and manages this exchange risk via customer pricing.

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(1)(a) - (f) 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 pensioners, unions, the relationships with regulators and local authorities, trade organisations and other bodies who take an interest in our business. 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.

As is normal for large companies, 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; corporate responsibility; governance, compliance, legal and regulatory matters over the course of the financial year. This is done through the consideration of reports which are sent in advance of each Board meeting and through presentations to the Board.

The Company's key stakeholders are its workforce, customers, suppliers, unions and other Group companies. The Company will also have a role with pensioners, charities, regulators, trade and industry bodies and the local communities in which we operate. 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 example we engage through colleague surveys, colleague contribution panels and wellness initiatives across the Group; environmental and charitable activities are often part of Group wide initiatives; and strategy is aligned to Group strategy. For details on the some of the engagement 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 Annual Report and Financial Statements 2020.

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 and presentations on our financial and operational performance, non-financial KPIs, risk, ESG matters and the outcomes of specific pieces of engagement (for example, the results of customer and supplier surveys and focus groups). 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.

BOOKER RETAIL PARTNERS (GB) LIMITED
STRATEGIC REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020 (continued)

Section 172(1) Statement (continued)

Board activity	Board Consideration
Financial and operational performance	The Board regularly reviewed the financial and operational position of the company to consider the strategic direction and long-term viability of the Company and ensure that future liabilities could be met. The Board reviewed the business plan and progress against the plan, together with updates on sales, profit and cash generation.
Strategy	Strategy is regularly reviewed by the Board. Strategic reviews cover improvements in product range, operating model, network changes and efficiencies; customer development and experience; technology; opportunities in brand extension, integration with the Group and possible benefits; cost savings and simplification of processes.
Capital expenditure and financing arrangements	Directors review and approve significant capital expenditure in line with business plans. There have been no significant capital expenditure approvals during the period. The Board reviewed the Company's practices for paying suppliers. When considering these matters, a range of factors would be taken into consideration including the long-term viability of the Company, its expected cash flow and financing requirement, the ongoing need for strategic investment in our business and the impact on each of the Company's stakeholder groups.
Commercial agreements	The Board reviewed and approved entry into material contracts taking into consideration the operational and financial benefits and risks. This includes the decision to enter into long term agreement for the hire of new, more energy efficient vehicles to replace an aging fleet for example. In reaching its final decision, the Board had regard to a number of factors including: the business case and financial returns; security of supply and service; improved pricing and quality of products; risk management; any impacts on colleagues, suppliers, customers, communities and the environment; and the long-term reputation of the Company.
Wider stakeholder engagement	Directors receive regular updates on stakeholder engagement: customer sentiment through surveys undertaken through the year seeking feedback on a variety of metrics; telephone/ face to face customer forums for each customer brand in the Company; market updates giving visibility of the markets we operate in, ensuring we deliver the products and services necessary to thrive in a highly competitive environment; supplier survey results; colleague engagement through Speak Up and the Diversity and Inclusivity colleague surveys and other employee forums and modern slavery statement. Directors also receive feedback on the Company's performance under the Grocery Supplier Code of Practice via the GCA survey.

Further details on employee engagement are set out in the Directors' Report on page 6.

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 17 August 2020 and signed on behalf of the Board by:

Veselin Bandev

Veselin Bandev
Director
Booker Retail Partners (GB) Limited
Registered Number: 06460554
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

BOOKER RETAIL PARTNERS (GB) LIMITED
DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 1 MARCH 2020

The Directors present their Report and the audited financial statements of the Company for the 53 weeks ended 1 March 2020 (prior period: 47 weeks ended 24 February 2019) ("2019").

Results and dividends

This is discussed in the Strategic Report on page 1.

Future developments

This is discussed in the Strategic Report on page 1.

Going concern

At 1 March 2020, the Company had cash at bank and in hand of £15.4m and net amounts owed by Group undertakings of £39m. The Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 1 March 2020, Booker Group had aggregate cash at bank and in hand of £155m and net amounts owed by other Tesco Group undertakings of £319m. The Directors consider that the Company has adequate resources, taking into account the impact of COVID-19 on the forecast cashflows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting period

Details of events after the reporting period can be found in Note 23 to the financial statements.

Political donations

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

Research and development

The Company does not undertake any research and development activities (2019: £nil).

Financial risk management

This is discussed in the Strategic Report on page 2.

Employee engagement

Our employment policies are regularly reviewed to ensure they are simple, helpful and trusted to enable an honest and transparent employment culture. We are continuously focused upon strengthening our policy positioning order to maintain this vision and culture. Much of our focus over the past year, has been placed upon removing complexity and hierarchy from our policies to create more clarity and fairness for our colleagues. As we continue to transition towards more enabling technology, our focus remains on how we can make our policies and the processes that sit within these more accessible to our colleagues. This enables self-service, and provides our colleagues with direct access to the information they need to help and support them at work.

We recognise that in order to drive our business forward we must respond to colleague feedback. Therefore, we continue to work towards improving our communication to colleagues to ensure they are engaged with the decisions we make, and so we can respond to their feedback. We also continue to work together with our recognised trade union, Usdaw, to ensure our policies are right for our business and that they support the employment needs of all our colleagues.

Employee engagement (continued)

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, gender, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

Applications for employment and promotion of disabled persons are treated on the same basis as those from other applicants having regard to aptitude, ability, requirements of the job and experience. The Company's policy is to seek to continue the employment of, and to arrange appropriate training for, employees who have become disabled during the period when they were employed by the Company.

It is the Company's policy to involve employees in the business and to ensure that matters of concern to them, including the Company's aims and objectives and its financial performance, are communicated in an open and regular way. This is achieved through the use of business briefings, newsletters and other less formal communications.

Fostering of business relations

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

Directors

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

Veselin Bandev	
Colm Johnson	(appointed 28 February 2020)
Helen Williams	(appointed 28 February 2020)
Charles Wilson	

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

Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

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 the Booker Group website at www.booker.co.uk. The statement covers the activities of the Booker 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.

Approval by the Board of Directors on 17 August 2020 and signed on behalf of the Board by:

Veselin Bandev

Veselin Bandev
Director
Booker Retail Partners (GB) Limited
Registered Number: 06460554
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKER RETAIL PARTNERS (GB) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Booker Retail Partners (GB) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 1 March 2020 and of its profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 23.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKER RETAIL PARTNERS (GB) LIMITED (continued)

Other information

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKER RETAIL PARTNERS (GB) LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J Boardman

Jane Boardman, BSc FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

Date: 18 August 2020

BOOKER RETAIL PARTNERS (GB) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 1 MARCH 2020

	Note	53 weeks ended 1 March 2020 £m	47 weeks ended 24 February 2019 £m
Revenue	4	**1,060.1**	915.6
Cost of sales		**(1,006.7)**	(868.7)
Gross profit		**53.4**	46.9
Administrative expenses		**(36.4)**	(36.4)
Operating profit	5	**17.0**	10.5
Profit on disposal of property, plant and equipment		**-**	9.7
Profit before interest and tax		**17.0**	20.2
Interest receivable and similar income	8	**1.4**	0.5
Interest payable and similar charges	9	**(3.5)**	(3.0)
Profit before tax		**14.9**	17.7
Tax (charge)/credit	10	**(1.5)**	3.1
Profit for the financial period		**13.4**	20.8

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 53 WEEKS ENDED 1 MARCH 2020

	Note	53 weeks ended 1 March 2020 £m	47 weeks ended 24 February 2019 £m
Profit for the financial period		**13.4**	20.8
Items that will not be reclassified to profit or loss			
Remeasurements of the pension scheme	19e	**4.2**	(3.5)
Tax on pension scheme remeasurements	10d	**(1.6)**	1.2
Other comprehensive income/(loss) for the period, net of tax		**2.6**	(2.3)
Total comprehensive income for the period		**16.0**	18.5

There are no material differences between the profit before tax and the profit for the financial period stated above and their historical cost equivalents in the current and previous period.

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

The notes on pages 15 to 31 form an integral part of these financial statements.

BOOKER RETAIL PARTNERS (GB) LIMITED
BALANCE SHEET AS AT 1 MARCH 2020

	Note	1 March 2020 £m	24 February 2019 £m
Non-current assets			
Tangible assets	11	**10.7**	8.9
Right of use assets	12	**88.3**	78.6
Investments in subsidiaries	13	**-**	-
Deferred tax asset	10e	**0.4**	3.1
Pension asset	19	**23.8**	19.1
		123.2	109.7
Current assets			
Stocks	14	**50.6**	47.6
Trade and other receivables	15	**106.1**	106.3
Cash at bank and in hand		**15.4**	13.3
		172.1	167.2
Current liabilities			
Trade and other payables	16	**(11.0)**	(12.5)
Lease liabilities	17	**(14.4)**	(10.9)
Current tax liabilities		**(0.4)**	(2.5)
Net current assets		**146.3**	141.3
Total assets less current liabilities		**269.5**	251.0
Non-current liabilities			
Lease liabilities	17	**(105.9)**	(101.4)
Provisions	18	**(9.0)**	(11.0)
Net assets		**154.6**	138.6
Capital and reserves			
Called up share capital	20	**56.9**	56.9
Share premium	20	**96.9**	96.9
Profit and loss account		**0.8**	(15.2)
Total shareholders' funds		**154.6**	138.6

The notes on pages 15 to 31 form an integral part of these financial statements.

The financial statements on pages 12 to 31 were approved by the Board of Directors and authorised for issue on 17 August 2020. They were signed on its behalf by:

Veselin Bandev

Veselin Bandev
Director
Booker Retail Partners (GB) Limited
Registered Number: 06460554
Registered Office: Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT

BOOKER RETAIL PARTNERS (GB) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 1 MARCH 2020

	Called up share capital * £m	Share premium £m	Profit and loss account £m	Total equity £m
At 31 March 2018	56.9	96.9	(33.7)	120.1
Total comprehensive income for the financial period	-	-	18.5	18.5
At 24 February 2019	56.9	96.9	(15.2)	138.6
Total comprehensive income for the financial period	-	-	16.0	16.0
At 1 March 2020	**56.9**	**96.9**	**0.8**	**154.6**

* See Note 20 for a breakdown of the Called up share capital

The notes on pages 15 to 31 form an integral part of these financial statements.

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

The financial statements of Booker Retail Partners (GB) Limited (the "Company") for the 53 weeks ended 1 March 2020 were approved by the Board of Directors on 17 August 2020 and the Balance Sheet was signed on the Board's behalf by Veselin Bandev. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention and the Companies Act 2006, modified to include certain items at fair value.

The current period comprises 53 weeks and the prior period comprises 47 weeks, the amounts presented in the financial statements are not entirely comparable.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Tesco PLC.

The Company's financial statements are presented in Pound Sterling, which is the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest hundred thousand, except when otherwise indicated.

2. General information

The Company is a private company limited by shares and is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT. The nature of the Company's operations and its principal activity are set out in the Strategic Report on page 1.

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

3. Accounting policies

a) Basis of preparation
The financial statements have been in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" issued by the Financial Reporting Council.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is a qualifying entity for the purposes of FRS 101. Note 22 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with Customers;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - (ii) paragraph 118(e) of IAS 38 Intangible Assets.

Additionally, the Directors are of the opinion that the Company's activities comprise a single class of business and a single geographical location (the United Kingdom) and consequently segmental reporting by class of business or geographical location has not been prepared.

New and revised IFRS
Changes to standards, interpretations and amendments effective in the current period had no material impact on the Company financial statements.

Going concern
At 1 March 2020, the Company had cash at bank and in hand of £15.4m and net amounts owed by Group undertakings of £39m. The Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 1 March 2020, Booker Group had aggregate cash at bank and in hand of £155m and net amounts owed by other Tesco Group undertakings of £319m. The Directors consider that the Company has adequate resources, taking into account the impact of COVID-19 on the forecast cashflows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

3. Accounting policies (continued)
b) Critical accounting judgements and key sources of estimation uncertainty

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

Estimates

IAS19 'Employee benefits'
The present value of the post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of post-employment benefit obligations. Key assumptions and sensitivities for post-employment benefit obligations are disclosed in Note 19.

Commercial income
Management is required to make estimates in determining the amount and timing of recognition of commercial income for some transactions with suppliers. In determining the amount of volume-related allowances recognised in any period, management estimates the probability that the Group will meet contractual target volumes, based on historical and forecast performance. There is limited estimation involved in recognising income for promotional and other allowances. Management assesses its performance against the obligations conditional on earning the income, with the income recognized either over time as the obligations are met, or recognised at the point when all obligations are met, dependent on the contractual requirements. Commercial income is recognised as a credit within cost of sales. Where the income earned relates to inventories which are held by the Group at period ends, the income is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories. Management views that the cost of inventories sold (which is inclusive of commercial income) provides a consistent and complete measure of the Group income statement impact of the overall supplier relationships.

Impairment
At each Balance Sheet date, the Company reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of an impairment loss (if any). Recoverable amount is the higher of net realisable value and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying value, the carrying value of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Impairment losses recognised for cash generating units, to which goodwill has been allocated, are credited initially to the carrying value of goodwill. Any remaining impairment loss is charged to other assets in the cash generating unit.
For the purposes of impairment reviews, the Directors are required to identify the smallest group of assets which generate an independent revenue source. The Directors have determined that the individual cafes are the smallest group of assets which generate an independent revenue source. Impairment reviews are, therefore, performed on this basis. Determining whether cash generating units have been impaired requires an estimation of the net realisable value and/or value in use of cash generating units.
This is based on the Directors' knowledge and expertise of the particular location from which the cash generating unit operates. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate present value.

Judgements
The Directors believe that there are no critical accounting judgements.

3. Accounting policies (continued)
c) Significant accounting policies

Revenue
Revenue is income arising from the sale of goods and services in the ordinary course of the Company's activities, net of value added taxes. Revenue is recognised when performance obligations are satisfied and control has transferred to the customer. There is a low level of judgement applied in determining the transaction price or the timing of transfer of control. For wholesale sales of goods, revenue is recognised on delivery to the customer.

Cost of sales
Cost of sales represents all costs incurred, net of supplier rebates (see below) up to the point of sale including the operating expenses of the warehouses.

Commercial income
A number of different types of rebate are negotiated with suppliers in connection with the purchase of goods for resale. Such rebates are only recognised when earned by the Company, which occurs when all obligations conditional for earning the rebate have been discharged, and the rebate can be measured reliably based on the terms of the contract. These rebates are recognised as a credit within cost of sales and, to the extent that the rebate relates to unsold stock purchases, as a reduction in the cost of stocks.

There are two main types of supplier rebates:

a) Terms, which are generally annual agreements (not always coterminous with the Company's period-end), are signed by the Company and the supplier. Rebates are determined relative to volumes purchased or by other conditional arrangements as follows:

- Volume based rebates include guaranteed and targeted income. Rebates are accrued based on the Company's purchasing volumes and the current agreement with the supplier.
- Non-volume based rebates include marketing support, range promotion and product development. Amounts are recognised when the rebate is earned through the completion of any required obligations and confirmed by suppliers.

Invoices are issued to suppliers periodically, quarterly or annually, depending on the terms of the agreement.

b) Promotional funding, which relates to price investments by suppliers through promotional activity. The calculation of funding is mechanical and based on a formula agreed in advance of each promotion with the supplier. Funding is recognised in the Profit and Loss Account as units are sold and is invoiced throughout the period, shortly after each promotion has ended.

Where the rebate earned relates to stocks which are held by the Company at period end, the rebates are deducted from the cost of those stocks.

3. Significant accounting policies (continued)

Income taxes
Current tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that that the Company will be required to settle that tax. Measurement is dependent on subjective judgements as to the outcome of decisions by tax authorities. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

Deferred tax
Deferred tax is provided using the balance sheet liability 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 is charged or credited in the Profit and Loss Account. 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.

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.

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.

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.

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.

3. Significant accounting policies (continued)

Tangible assets
Fixed assets are stated at historic cost less accumulated depreciation and depreciation. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their remaining estimated useful economic lives as follows:

Freehold buildings	30 years
Leasehold improvements	3-25 years
Plant and equipment	3-20 years

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

Stocks
Stocks are stated at the lower of cost and net realisable value and include costs of getting them to their present location and condition. Net realisable value is defined as selling price less further costs expected to be incurred to disposal.

Impairment
The carrying values of the Company's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any impairment. In performing the impairment reviews, the asset's recoverable amount is estimated and compared to the carrying amount.
An impairment loss is recognised to the extent that the carrying value of an asset exceeds its recoverable amount and is recognised in the profit and loss account.

Employee benefits
a) Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

b) Defined benefit plans
For defined benefit plans, obligations are measured at discounted present value (using the projected unit credit method) while plan assets are recorded at fair value. The operating and financing costs of such plans are recognised separately in the Profit and Loss Account; service costs are spread systematically over the expected service lives of employees and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

c) Short-term benefits
Short-term employee benefit obligations are expensed as the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Foreign currencies
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at the balance sheet date. Foreign exchange differences are taken to the profit and loss account in the period in which they are incurred.

3. Significant accounting policies (continued)

Financial instruments
Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit and loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent remeasurement depends on the Company's business model for managing the financial asset and its cash flow characteristics. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

a) Trade and other debtors
Trade and other debtors are non-interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment.

b) Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

c) Investments
Investments are stated at cost less any provision for impairment in value. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

d) Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

e) Cash and cash equivalents
Cash and cash equivalents comprise cash balances and deposits repayable on demand. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

f) Impairment of financial assets
The Company assesses on a forward-looking basis the expected credit losses (ECLs) associated with its financial assets carried at amortised cost. The ECLs are updated at each reporting date to reflect changes in credit risk. The three-stage model for impairment has been applied to loans and advances to customers, debt instruments at fair value through other comprehensive income, and loan receivables from joint ventures and associates. The credit risk is determined through modelling a range of possible outcomes for different loss scenarios, using reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions and taking into account the time value of money. A 12-month ECL is recognised, unless the credit risk on the financial asset increases significantly after initial recognition, when the lifetime ECL is recognised.

For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, with lifetime ECLs recognised from initial recognition of the receivable. These assets are grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined, based on the Company's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions and expected changes in forecast conditions.

At each reporting date, management reviewed the carrying amounts of its loans and advances to determine whether there was any indication that those assets had suffered an impairment loss. If there was objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and advances had been incurred, management measured the amount of the loss as the difference between the estimated future cash flows from the asset or group of assets discounted at the effective interest rate of the instrument at initial recognition. Impairment losses were assessed individually for financial assets that were individually significant and collectively for assets that were not individually significant. In making collective assessments of impairment, financial assets were grouped into portfolios on the basis of similar characteristics.

4. Revenue
Revenue represents net billed sale of goods excluding value added tax. The Company operates within one business segment being that of wholesale and distribution of grocery products with business principally transacted in the United Kingdom.

5. Operating profit	**2020**	2019
	£m	£m
Operating profit is stated after charging:		
Depreciation of tangible assets (see note 11)	**2.5**	1.7
Depreciation of right of use assets (see note 12)	**12.5**	11.8

6. Auditor's remuneration

The Auditor's remuneration for the current and prior period of £105,000 (2019: £100,000) was borne by another Group company for auditing the financial statements of the Company.
There were no non-audit fees payable to the Company's auditor in the current or prior period.

7. Staff costs and Directors' remuneration	**2020**	2019
	£m	£m
a) Staff costs		
Wages and salaries	**47.3**	37.0
Social security costs	**4.4**	3.6
Other pension costs	**1.7**	1.7
	53.4	42.3

	2020	2019
	Number	Number
The average number of persons employed by the Company during the period was	**1,477**	1,304

b) Directors' remuneration
No remuneration or fees were paid by the Company to any of its directors during this or the previous period. The Directors of the Company were remunerated by other Group undertakings for their services to the Group as a whole. It is not practicable to allocate their remuneration in respect of each of the subsidiaries.

8. Interest receivable and similar income	**2020**	**2019**
	£m	£m
Interest on pension scheme (see notes 19c and 19d)	**0.5**	0.5
Finance income receivable on net investment in leases	**0.8**	-
Intercompany loan interest	**0.1**	-
	1.4	0.5

BOOKER RETAIL PARTNERS (GB) LIMITED
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9. Interest payable and similar charges	**2020 £m**	2019 £m
Unwinding of discount on property provisions (see note 17)	**0.3**	0.4
Interest expense on lease liabilities	**3.2**	2.6
	3.5	3.0

10. Tax charge/(credit)

(a) Factors that have affected the tax credit

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 credit in the Profit and Loss Account	**2020 £m**	2019 £m
Current income tax:		
UK corporation tax	0.4	2.5
Deferred tax:		
Charge arising in the current period	**2.2**	0.9
Credit arising in respect of prior periods	**(1.1)**	(6.5)
Total tax charge/(credit) for the period	**1.5**	(3.1)

(c) Reconciliation of the tax credit

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

	2020 £m	2019 £m
Profit on ordinary activities before tax	**14.9**	17.7
Tax charge at standard UK corporation tax rate of 19% (2019: 19%)	**2.8**	3.4
Prior period adjustment	**(1.1)**	(6.5)
Change in tax rates	**(0.2)**	-
Total tax charge/(credit) for the period	**1.5**	(3.1)

(d) Tax in the statement of comprehensive income	**2020 £m**	2019 £m
Deferred tax charge/(credit)/ on:		
Pension scheme remeasurements	**1.6**	(1.2)

10. Tax charge/(credit) (continued)

(e) Deferred tax
The following are the major deferred tax assets/(liabilities) 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.

	Decelerated tax depreciation £m	Tax losses £m	Pension £m	Other items £m	Total £m
At 24 February 2019	3.7	5.8	(6.7)	0.3	3.1
Arising in respect of prior periods	1.1	-	-	-	1.1
Charged in the period	(0.8)	(1.3)	-	(0.1)	(2.2)
Charged to equity	-	-	(1.6)	-	(1.6)
At 1 March 2020	**4.0**	**4.5**	**(8.3)**	**0.2**	**0.4**

Based on an assessment of the quantum and timing of future taxable profits, all deferred tax assets are recognised in full.

11. Property, plant and equipment

	Land and buildings £m	Leasehold improvements £m	Plant and equipment £m	Total £m
Cost				
As at 24 February 2019	3.4	6.5	81.4	91.3
Additions	-	0.9	3.1	4.0
Disposals	-	-	(8.4)	(8.4)
Transfer from Group undertaking	-	-	0.3	0.3
As at 1 March 2020	**3.4**	**7.4**	**76.4**	**87.2**
Accumulated depreciation				
As at 24 February 2019	**3.4**	**5.0**	**74.0**	**82.4**
Charge for the period	-	0.2	2.3	2.5
Disposals	-	-	(8.4)	(8.4)
As at 1 March 2020	**3.4**	**5.2**	**67.9**	**76.5**
Net book value				
As at 1 March 2020	**-**	**2.2**	**8.5**	**10.7**
As at 24 February 2019	-	1.5	7.4	8.9

12. Right of use assets

	Land and buildings £m	Plant and equipment £m	Total £m
Net carrying value at 24 February 2019	70.4	8.2	78.6
Additions	22.2	0.1	22.3
Disposals	(0.1)	-	(0.1)
Depreciation charge for the period	(7.3)	(5.2)	(12.5)
Net carrying value at 1 March 2020	**85.2**	**3.1**	**88.3**

13. Investment in subsidiaries

	£m
Cost	
At start and end of period	**153.8**
Provision	
At start and end of period	**153.8**
Net book value	
At start and end of period	**-**

The Company's wholly owned subsidiary undertakings are:

	Principal activities	**Class of share held**	**Ownership**
Bishop's Group Limited	Dormant	£0.01 Ordinary	100
Booker Retail Limited *	Dormant	£0.10 Ordinary	100
Budgen Holdings Limited	Dormant	£1.00 Ordinary	100
Budgens Pensions Trustees No.2 Limited *	Dormant	£1.00 Ordinary	100
Budgens Property Investments Limited	Dormant	£1.00 Ordinary	100
Budgens Stores Limited	Dormant	£1.00 Ordinary	100
Linnco Limited *	Dormant	£1.00 Ordinary	100
Londis Holdings Limited *	Dormant	£50.00 Ordinary	100
Londis Pension Trustees Limited *	Dormant	£1.00 Ordinary	100
Murdoch Norton Limited	Dormant	£0.05 Ordinary	100

* Direct subsidiary of Booker Retail Partners (GB) Limited

For all these companies, the registered office is Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom.

14. Stocks	**2020 £m**	2019 £m
Goods held for resale	**50.6**	47.6

15. Trade and other receivables	2020 £m	2019 £m
Trade debtors	**41.7**	39.1
Amounts owed by Group undertakings	**39.0**	35.6
Prepayments and accrued income	**4.5**	8.0
Finance lease receivables	**20.9**	23.6
	106.1	106.3

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

16. Trade and other payables	2020 £m	2019 £m
Accruals and deferred income	**11.0**	12.5

17. Lease liabilities	2020 £m	2019 £m
Current	**14.4**	10.9
Non-current	**105.9**	101.4
	120.3	112.3

The maturity analysis of the contractual undiscounted lease payments, is as follows:

	2020 £m	2019 £m
Within 1 year	**17.3**	13.9
Greater than 1 year but less than 5 years	**62.2**	49.1
After than 5 years	**65.4**	74.6
Total undiscounted lease payments	**144.9**	137.6

18. Provisions	£m
At 24 February 2019	11.0
Misclassification - transfer to accruals	(2.9)
Charged in the period	0.9
Utilised in the period	(0.3)
Unwinding of discount	0.3
At 1 March 2020	**9.0**

The provisions relate to the expected future dilapidation cost on leasehold properties.

19. Post-employment benefits

The Company operates a variety of post-employment benefit arrangements, covering both funded defined benefit and funded defined contribution schemes to provide benefits to both full time and part time employees.

Defined contribution schemes
Pension contributions of £1.7m (2019: £1.7m) were charged to defined contribution schemes in the period.

Defined benefit schemes
The Company operates the Budgens Pension Scheme ('the Budgens Scheme') and the Londis (Holdings) Pension Scheme ('the Londis Scheme'), which are both trust based occupational defined benefit pension schemes. The assets of the schemes are held in separate trustee-administered funds to meet future benefit payments. The schemes are established under trust law and complies with all relevant UK legislation. The Trustees are responsible for running the Scheme in line with the Trust Deed and Rules and for complying with UK pension's legislation. They are required to oversee the administration of the schemes, arrange timely and correct payment of benefits and manage the Scheme's funding and investments.

The Londis Scheme was closed to new entrants in August 1991 and future benefit accrual on April 2009. The Budgens Scheme closed to new entrants in March 2008 and future accrual on August 2010, albeit active member's benefits retain a link to their final salaries.

The benefit obligations as at 1 March 2020 have been calculated by an independent actuary, by rolling forward from the results of the latest actuarial funding valuation, which is 31 March 2018 and 30 April 2017 for the Budgens Scheme and the Londis Scheme respectively. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

(a) Major assumptions used by the actuary

	2020	2019
RPI inflation	**2.81%**	3.13%
CPI inflation	**1.98%**	2.13%
Discount rate	**1.83%**	2.66%
Rate of increase in salaries	**1.98%**	2.13%
Rate of increase of deferred payments	**1.98%**	2.13%
Pension increases in payment	**2.08%**	2.20%

The following table illustrates the expectation of life of an average member retiring at age 65 at the reporting date and a member reaching age 65 at the reporting date +25 years. A comparison between the two retiree dates illustrates the expected improvements in mortality over the next 25 years.

		2020	2019
Retiring at reporting date at age 65:	Male	**21.8**	22.1
	Female	**23.7**	24.0
Retiring at reporting date +25 years at age 65:	Male	**23.5**	23.9
	Female	**25.6**	26.0

The weighted average duration of the defined benefit obligation is 19 years.
Whilst there are 2 separate schemes, the assumptions quoted above relate to the Budgens Scheme, as this is the larger scheme.

19. Post-employment benefits (continued)

(b) The amounts recognised in the balance sheet

	2020	2019
	£m	£m
Equities	**4.2**	0.4
Bonds	**47.3**	29.1
Other (alternative assets)	**3.3**	2.0
Other Liability Driven Investments (LDI)	**52.4**	65.6
Cash	**5.3**	6.0
Fair value of Scheme assets	**112.5**	103.1
Present value of Scheme liabilities	**(88.7)**	(84.0)
Net pension asset	**23.8**	19.1

Where relevant, the bid value of the assets was provided by each of the various fund managers in which the scheme invests in. The LDI investment provides a long term expected return in line with equities but with asset value movements which respond to changes in bond yields and inflation expectations – this helps smooth the funding level compared to holding a traditional equity investment. All scheme assets have quoted prices in active markets. The scheme does not hold any of the Company's financial instruments or property as plan assets.

(c) Movement in the fair value of the scheme assets

	2020	2019
	£m	£m
At start of period	**103.1**	105.0
Employer contributions	**-**	-
Interest income	**2.7**	2.7
Return on assets (less amount included in interest income)	**10.1**	(0.7)
Benefits paid	**(3.4)**	(3.9)
At end of the period	**112.5**	103.1

(d) Movement in the present value of the defined benefit obligation

	2020	2019
	£m	£m
At start of period	**(84.0)**	(82.0)
Service cost - current	**-**	-
Service cost – past (plan amendments)	**-**	(0.9)
Interest cost	**(2.2)**	(2.2)
Remeasurement gains/(losses):		
From experience adjustments	**4.4**	-
From changes in demographic assumptions	**0.8**	(0.8)
From changes in financial assumptions	**(11.1)**	(2.0)
Benefits paid	**3.4**	3.9
At end of the period	**(88.7)**	(84.0)

19. Post-employment benefits (continued)

(e) Movement in the net defined benefit liability

	2020 £m	2019 £m
At start of period	**19.1**	23.0
Employer contributions	**-**	-
Net credit/(charge) recognised in the profit and loss account	**0.5**	(0.4)
Total remeasurements included in the statement of other comprehensive income	**4.2**	(3.5)
At end of the period	**23.8**	19.1

(f) Amounts recognised in the profit and loss account

	2020 £m	2019 £m
Expected return on pension scheme assets	**2.7**	2.7
Interest on pension scheme liabilities	**(2.2)**	(2.2)
Service cost – past (plan amendments)	**-**	(0.9)
Net credit/(charge) on defined benefit obligation	**0.5**	(0.4)

(g) Risks associated with defined benefit pension schemes

The Company bears a number of risks in relation to the Scheme, which are described below:

Investment Risk
The Scheme's accounting liabilities are calculated using a discount rate set with reference to corporate bond yields. If the return on the Scheme's assets underperform this rate, the accounting deficit will increase. If the Scheme's assets underperform the expected return for the funding valuation, this may require additional contributions to be made.

Interest Rate Risk
A decrease in corporate bond yields will increase the accounting deficit under IAS 19. Similarly, a decrease in gilt yields will have an adverse impact on the funding position of the Scheme. This may lead to additional contributions to be made.

Inflation Risk
The Scheme's benefit obligations are linked to inflation. A higher rate of expected long-term inflation will therefore lead to higher liabilities, both for the IAS 19 and funding liability. If the Scheme's funding liability increases, this may require additional contributions to be made.

Life Expectancy Risk:
The Scheme's obligations are to provide benefits for the life of the member and so increases in life expectancy will lead to higher liabilities.

19. Post-employment benefits (continued)

(h) Sensitivities

The sensitivity of significant assumptions upon the Scheme defined benefit obligations are detailed below:

Financial assumptions – Increase/(decrease) in defined benefit obligation	Discount rate	Inflation rate
Impact of 0.1% increase of the assumption	-2.0%	1.4%
Impact of 1.0% increase of the assumption	-17.1%	14.7%
Impact of 0.1% decrease of the assumption	2.0%	-1.4%
Impact of 1.0% decrease of the assumption	22.7%	-11.8%

Mortality assumptions – Increase/(decrease) in UK defined benefit obligation	
Impact of 1 year increase in longevity	3.9%
Impact of 1 year decrease in longevity	-4.0%

Sensitivities are calculated by changing the relevant assumption whilst holding all other assumptions constant. The sensitivities reflect the range of recent assumption movements, and illustrate that the financial assumption sensitivities do not move in a linear fashion. Movements in the defined benefit obligation from discount rate and inflation rate changes may be partially offset by movements in assets.

(i) Contributions to be paid

For the Budgens Scheme, the latest actuarial valuation was carried out at 31 March 2018, and for the Londis Scheme at 30 April 2017. Both showed no shortfalls at these dates.

20. Capital and reserves

Called up share capital	**2020**	2019
	£m	£m
Allotted, called up and fully paid		
56,905,001 ordinary shares of £1 each	**56.9**	56.9

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Share premium
This represents the premium over the nominal value of the shares issued less any returns of capital.

21. 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.

22. Ultimate Group undertaking

The Company's immediate parent undertaking is Booker Wholesale 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.

23. 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. There have been no material events since the Balance Sheet date which require disclosing.

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

Impact of COVID-19
Given these events are of such significance, further explanation of the impact of increased volatility of assumptions on sensitivities presented in the financial statements are given below.

Pension deficit
Review of the key financial assumptions relating to the Company's defined benefit pension schemes subsequent to the year end indicate movements that fall within the range of sensitivities described in Note 19. It is too early to assess the impact of COVID-19 upon the Company's long term life expectancy assumptions. The fair value of plan assets is expected to be volatile in the short term due to uncertain market conditions.

The Directors have considered the impact of COVID-19 in the post balance sheet period, and there are no material impacts requiring disclosure under IAS 10 'Events after the reporting period'.