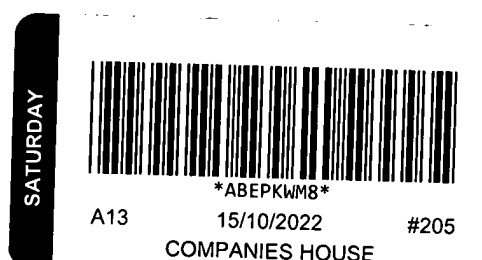


BOOKER RETAIL PARTNERS (GB) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022
Registered Number: 06460554



BOOKER RETAIL PARTNERS (GB) LIMITED

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022

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

Business review and principal activity

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

Revenue in the 52 weeks ending 27 February 2022 was £1,538.2m compared to £1,405.6m, restated, 2021.

Operating profit decreased from £18.8m to £11.4m, in 2021, although volumes are up from the prior year the decrease is driven by increased distribution costs, mainly being wage inflation.

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

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

Results and dividends

The results for the 52 weeks ended 27 February 2022 show a profit before tax of £10.2m (2021: profit before tax £17.3m), profit after tax of £10.0m (2021: profit after tax £16.1m) and turnover amounted to £1,538.2m (2021 restated (Note 3(c)): £1,405.6m).

Cost of £1.1m in relationship to the settlement loss on the closure of the Londis defined benefit pension scheme is shown as exceptional costs. As part of this closure the Trustee of the Londis Scheme put in place a buy-in policy with an insurance company to cover the Scheme’s liabilities, which were £7.2m at 28th February 2021, on 1 May 2021.

The Company has net assets at the period end of £183.1m (2021: net assets £164.9m) and has net current assets of £166.4m (2021: net current assets £160.8m).

The Directors do not recommend payment of a dividend for the 52 weeks ended 27 February 2022 (2021: £nil).

Key Performance Indicators (KPI’s)

Tesco PLC Group (the “Group”) has six simple business performance indicators:

- 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 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 16 of the Tesco PLC Annual Report and Financial Statements 2022, which does not form a part of this Report.

Future developments

The Company’s performance is expected to continue throughout the next financial period and it is anticipated that the current performance levels will be maintained.

The Company’s future developments form a part of the Group’s long-term strategies, which are discussed on pages 4 to 22 of the Tesco PLC Annual Report and Financial Statements 2022, which do not form part of this Report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 31 to 37 of the Tesco PLC Annual Report and Financial Statements 2022, which do not form part of this Report.

BOOKER RETAIL PARTNERS (GB) LIMITED**STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)**

Business risk

At present, there is an increased level of macroeconomic uncertainty, which is beginning to show initial signs of impact on operational costs. This uncertainty has been exacerbated by the war in Ukraine. The Group is actively monitoring the situation and contingency measures are in place to manage these risks across the Group. As such, management believe that the short-term risks and impacts are understood and appropriate controls are in place. However, the long-term impacts remain uncertain and will continue to be monitored closely. The Group will continue to assess and monitor the potential risks and impacts on the Company and its stakeholders as a whole, while taking mitigation measures to address local challenges as appropriate.

Financial risk management

Financial risk management for the Group, of which the Company forms a part, is discussed in Note 26 of the Tesco PLC Annual Report and Financial Statements 2022, 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 Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company sources its inventory from other Booker Group companies and is in a net receivable position with the Booker Group, therefore the liquidity risk is determined to be low.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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 future expected credit losses and believe that there are no significant unprovided overdue financial assets.

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 particular the Executive and Leadership teams) 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.

The Group's Code of Business Conduct defines the standards and behaviours expected of colleagues when interacting with our stakeholders. This is a fundamental part of the Company's culture and training which supports delivery of our Values and protects the reputation of the Company.

BOOKER RETAIL PARTNERS (GB) LIMITED**STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****Section 172(1) Statement (continued)**

The Company's key stakeholders are its workforce, customers, suppliers, unions and other Group companies. The Company will also engage 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.

Directors receive feedback on the engagement undertaken by management. This is more efficient and effective approach and 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 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 20 to 21 of the Tesco plc 2022 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 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.

Board activity	Board Consideration
Financial and operational performance	<p>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.</p> <p>The Board has continued to track the financial and business impact of economic events throughout the year, including operational activity post COVID-19, supply chain challenges and the war in the Ukraine.</p> <p>The Board also reviewed the business plan and monitor progress against that plan periodically and against the annual budget, together with updates on sales, operating costs, inflation, profit and cash generation.</p>
Strategy	<p>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.</p> <p>The Board have noted that there may be operational efficiencies to be gained from further supply chain integration, which would also help implement the Company strategy, by providing a benefit customers and aiding cash generation.</p> <p>This year the company adopted the Tesco Group purpose, which is to serve our customers, communities and the planet a little better every day. This will guide strategy and decision making moving forward to ensure that we keep customers at the heart of what we do, while also reflecting our responsibilities to the wider community and to society more broadly. Tesco Group Strategic Drivers were also adopted.</p>

BOOKER RETAIL PARTNERS (GB) LIMITED**STRATEGIC REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****Section 172(1) Statement (continued)**

Board activity	Board Consideration
Capital Expenditure and Financing arrangements	<p>Directors review and approve significant capital expenditure in line with business plans. There have been no significant capital expenditure approvals during the period.</p> <p>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.</p>
Commercial agreements	<p>The Board reviewed and approved entry into material contracts taking into consideration the operational and financial benefits and risks.</p> <p>This includes the decision to enter into a further long term agreement for the hire of new, more energy efficient vehicles to replace an aging fleet for example.</p> <p>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.</p>
Wider stakeholder engagement	<p>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.</p> <p>During the year a decision was made to close a legacy pension scheme. This was done following consultation with the trustees and members and with regard to the financial position of the scheme, which was in surplus.</p> <p>We also undertake supplier surveys. Directors also monitor colleague engagement through 'Every Voice Matters' surveys, colleague contribution panels and other employee forums; health and wellbeing and diversity and inclusivity initiatives. A new employee portal was launched to support these initiatives and drive colleague engagement along with a learning management system, which enables online learning and development for colleagues.</p> <p>Directors also receive feedback on the Company's performance under the Grocery Supplier Code of Practice via the survey undertaken by the Groceries Code Adjudicator.</p>

Further details on employee engagement are set out in the Directors' Report on pages 5 to 6.

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

Approved by the Board of Directors on 22 August 2022 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, United Kingdom

BOOKER RETAIL PARTNERS (GB) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022

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

Business review and principal activity

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

Results and dividends

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

Future developments

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

Going concern

At 27 February 2022, the Company had cash at bank and in hand of £21.0m and net amounts owed by Booker Group undertakings of £28.8m. Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 27 February 2022, Booker Group had aggregate cash at bank and in hand of £154.0m and net amounts owed by other Tesco Group undertakings of £511.5m. The Booker Group has no external debt and has access, if needed, to £200m on short term deposit with Tesco Group undertakings which are typically placed on a three month basis and an overdraft facility. The Booker Group is cash generative and has been consistently over the past few years and expect the liquidity position to only strengthen going forwards. The Directors consider that the Company has adequate resources, taking into account the ongoing impacts of Brexit and the cost of living crisis on the forecast cash flows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting period

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

Political donations

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

Research and development

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

Financial risk management

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

Employee engagement

We have now completed two annual colleague engagement surveys - Every Voice Matters - that provide a keen insight into the priorities for our colleagues on a number of topics. We are delighted that the second survey saw scores improve, but there is still more to do. Company, functional and departmental action plans and priorities are developed as a result of each set of feedback to continually drive improvements and to emphasise the fact that Booker is a place where Everyone's Welcome.

With the continuing pressure to attract and retain labour we have expanded our attraction and recruitment function to ensure we meet our summer resource plan requirements. This will expand our capabilities in digital attraction, leveraging a closer relationship with Tesco to benefit from their greater brand awareness.

We have reviewed, simplified and scaled up our 'Warehouse to Wheels' programmes across Booker and created a Driver Academy brand that will be used for external attraction purposes along with internal development opportunities to develop our own Drivers. We continue to monitor our competitiveness in pay and benefits, but this is coupled with a focus on retention and making sure that colleagues feel welcome and we are supporting them to be at their best.

Throughout FY21 and into FY22, we have focussed on creating sustainable foundations for the culture we want to set within the Business. To underpin our commitment to inclusion and making sure every colleague feels welcome, we developed and rolled out the first phase of a new leadership development programme, Everyone is Welcome, to all our manager population.

BOOKER RETAIL PARTNERS (GB) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)

Employee engagement (continued)

We launched our new Colleague portal, Our Booker, that is a one stop shop that colleagues can access on a 24/7 basis from any internet enabled device. As well as finding information on terms and conditions colleagues can access information on benefits, Health & Wellbeing support, policies and our new e-learning platform that allows us to house and run specific training and learning modules for colleagues across the business. Equally Our Booker allows the Company to communicate directly to all colleagues, keeping them up to date with current news and business developments. At the same time as we launched Our Booker we introduced e-Payslips for all colleagues - giving them easy access, when they want it, to two years' worth of payslips at any one time.

We continue to place a large focus on raising awareness of colleagues' health and wellbeing, providing accessible information for all colleagues through Our Booker and sharing support through partnering organisations and charities that colleagues and their family can access at any time. We also launched a new Menopause Policy, Wellness guide for Women and an Employee Assistance Programme to broaden our offer and help colleagues be at their best.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Fostering of business relations

Details of the Company's engagement with its stakeholders is included in the section 172(1) statement on pages 2 to 4 and forms part of this report by cross reference.

Energy and Carbon reporting

The Company's Streamlined Energy and Carbon Reporting (SECR) disclosures form a part of the Group's SECR disclosures, which are discussed on page 103 of the Tesco PLC Annual Report and Financial Statements 2022, which does not form a part of this Report.

Directors

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

Andrew Yaxley
Veselin Bandev
Colm Johnson
Helen Williams

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

Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements applicable to the Company and all other companies in the group headed by Booker Group Limited.

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.

BOOKER RETAIL PARTNERS (GB) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)

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 year. 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 22 August 2022 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, United Kingdom

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 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 27 February 2022 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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.

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

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

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

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

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

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- **Commercial Income.** As described in Note 3 to the financial statements, the company receives volume related rebates from its suppliers which requires management to estimate the amounts receivable for the relevant period.

Our audit procedures to address this risk included;

- testing whether amounts recognised were accurate and recorded in the correct period, by agreeing to the contractual performance obligations in a sample of individual supplier agreements;
- testing commercial income balances included within inventories and trade and other receivables, or netted against trade and other payables via balance sheet reconciliation procedures; and
- circularising a sample of suppliers to test whether the arrangements recorded were complete and accurate.

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

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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



Jane Boardman BSc FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
23 August 2022

BOOKER RETAIL PARTNERS (GB) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

		52 weeks ended 27 February 2022	52 weeks ended 28 February 2021 (restated¹)
	Notes	£m	£m
Revenue	4	1,538.2	1,405.6
Cost of sales		(1,495.2)	(1,346.1)
Gross profit		43.0	59.5
Administrative expenses		(30.5)	(30.6)
Administrative expenses – exceptional items		(1.1)	(10.1)
Operating profit	5	11.4	18.8
Interest receivable and similar income	8	0.9	0.9
Interest payable and similar charges	9	(2.1)	(2.4)
Profit before tax		10.2	17.3
Tax charge on profit	10	(0.2)	(1.2)
Profit for the financial period		10.0	16.1

1 - Revenue and Cost of sales have been restated, as explained in Note 3(c).

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 33 form an integral part of these financial statements.

BOOKER RETAIL PARTNERS (GB) LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

		52 weeks ended 27 February 2022	52 weeks ended 28 February 2021
	Notes	£m	£m
Profit for the financial period		10.0	16.1
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of the pension scheme	18e	9.4	(8.9)
Tax on pension scheme remeasurement	10d	(3.3)	3.1
Other comprehensive income/(loss) for the period, net of tax		6.1	(5.8)
Total comprehensive income for the period		16.1	10.3

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

The notes on pages 15 to 33 form an integral part of these financial statements.

BOOKER RETAIL PARTNERS (GB) LIMITED
BALANCE SHEET AS AT 27 FEBRUARY 2022

		27 February 2022	28 February 2021
	Notes	£m	£m
Non-current assets			
Tangible assets	11	13.2	10.6
Right of use assets	12	66.5	76.1
Investments	13	-	-
Deferred tax asset	10	-	2.3
Pension asset	18	24.1	15.4
		103.8	104.4
Current assets			
Stocks	14	68.6	61.9
Debtors: amounts falling due within one year	15	102.3	100.7
Cash at bank and in hand		21.0	18.7
		191.9	181.3
Current liabilities			
Creditors: amounts falling due within one year	16	(12.1)	(7.1)
Lease liabilities	12	(13.4)	(13.4)
Net current assets		166.4	160.8
Total assets less current liabilities		270.2	265.2
Non-current liabilities			
Lease liabilities	12	(75.8)	(91.0)
Provisions	17	(10.2)	(9.3)
Deferred tax liabilities	10	(1.1)	-
Net assets		183.1	164.9
Capital and reserves			
Called up share capital	19	56.9	56.9
Share premium	19	96.9	96.9
Capital contribution reserve	19	2.1	-
Profit and loss account		27.2	11.1
Total shareholders' funds		183.1	164.9

The notes on pages 15 to 33 form an integral part of these financial statements.

The financial statements on pages 11 to 33 were approved by the Board of Directors and authorised for issue on 22 August 2022. They were signed on its behalf by:

Veselin Bandev

Veselin Bandev

Director

Booker Retail Partners (GB) Limited

Registered Number: 06460554

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

BOOKER RETAIL PARTNERS (GB) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022**

		Called up share capital *	Share premium	Capital contribution	Profit and loss account	Total equity
	Notes	£m	£m	£m	£m	£m
Balance as at 1 March 2020		56.9	96.9	-	0.8	154.6
Total comprehensive income for the financial period		-	-	-	10.3	10.3
Balance as at 28 February 2021		56.9	96.9	-	11.1	164.9
Share based payments	20	-	-	2.1	-	2.1
Total comprehensive income for the financial period		-	-	-	16.1	16.1
Balance as at 27 February 2022		56.9	96.9	2.1	27.2	183.1

* See Note 19 for a breakdown of the Called up share capital

The notes on pages 15 to 33 form an integral part of these financial statements.

BOOKER RETAIL PARTNERS (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022

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 52 weeks ended 27 February 2022 were approved by the Board of Directors on 22 August 2022 and the Balance Sheet was signed on the Board's behalf by Veselin Bandev. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention and the Companies Act 2006.

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

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

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

2. General information

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

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

3. Accounting policies

a) Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted for use within the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. Following the UK's exit from the European Union the Company has early adopted the FRS 101 amendments 'UK exit from the European Union'.

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

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with Customers;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- 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;

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

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

- 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 79(a)(iv) of IAS 1

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.

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

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

c) Prior year restatement

The financial statements include a prior year restatement in relation to the disclosure of intercompany sales. In the prior year, sales to Tesco group companies were incorrectly shown as a deduction from cost of sales, rather than within the revenue line. The Company has corrected the prior year comparatives by recognising intercompany sales within the revenue line. The impact on the income statement for the 52 weeks ended 28 February 2021 was an increase in revenue of £145.1m and an increase in cost of sales of £145.1m. The impact on gross profit was nil.

d) Going concern

At 27 February 2022, the Company had cash at bank and in hand of £21.0m and net amounts owed by Booker Group undertakings of £28.8m. Booker Group Limited and its subsidiaries ("Booker Group") have significant interdependencies in terms of administration and financing, with two common Directors on all entities. At 27 February 2022, Booker Group had aggregate cash at bank and in hand of £154.0m and net amounts owed by other Tesco Group undertakings of £511.5m. The Booker Group has no external debt and has access, if needed, to £200m on short term deposit with Tesco Group undertakings which are typically placed on a three month basis and an overdraft facility. The Booker Group is cash generative and has been consistently over the past few years and expect the liquidity position to only strengthen going forwards. The Directors consider that the Company has adequate resources, taking into account the ongoing impacts of Brexit and the cost of living crisis on the forecast cash flows of the Booker Group as a whole given the interdependencies that exist, to remain in operation for a period of at least 12 months from the date of signing the financial statements, whilst the Company also has access if needed to balances owed by Tesco Group undertakings. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

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.

Estimates

The following key sources of estimation uncertainty have had the most significant effect on amounts recognised in the financial statements:

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 18.

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

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

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

f) Significant accounting policies**Tangible assets**

Tangible fixed assets are carried at cost less accumulated depreciation and any recognised impairment in value. Tangible fixed assets are depreciated on a straight-line basis to their residual value over its anticipated useful economic life and depreciation is charged in the profit and loss account in cost of sales and administrative expenses.

The following depreciation rates were applied for the Company and are consistent with the prior period:

Freehold land	Indefinite
Freehold buildings	30 years
Plant, equipment and vehicles	3-10 years

Leasehold premiums and improvements are depreciated in equal annual instalments over the lesser of the unexpired term of the lease and 50 years. However, that element of leasehold premium paid to acquire a beneficial rental is written off over the period to the first open market rent review.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on the derecognition of the asset is included in the Profit and Loss Account in the period of derecognition.

Investments

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

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.

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

3. Accounting policies (continued)**f) Significant accounting policies (continued)****Leases (continued)**

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.

Company as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right of use asset. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

Stocks

Stocks are stated at the lower of cost and fair value less costs to sell using the weighted average cost 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.

Cash at bank and in hand

Cash at bank and in hand in the Balance Sheet comprises of cash at bank.

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

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly in equity or other comprehensive income, in which case deferred tax is also recognised in equity or other comprehensive income, respectively.

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

3. Accounting policies (continued)**f) Significant accounting policies (continued)****Income taxes (continued)***Deferred tax (continued)*

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

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.

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.

Foreign currency translation

The Company's financial statements are presented in Pounds Sterling, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are recognised in the Profit and Loss Account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Pension and post-employment benefits*Defined contribution plans*

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

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.

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.

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

3. Accounting policies (continued)**f) 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.

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.

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.

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.

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.

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.

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.

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

3. Accounting policies (continued)**f) Significant accounting policies (continued)****Exceptional items**

An item is disclosed separately if it is considered unusual by its nature and scale and is of such significance that separate disclosure is required for the financial statements to be properly understood. Such items are referred to by the Company as exceptional items. These items are outside the normal course of business and not expected to recur.

Interest receivable and similar income

Interest receivable is calculated on accrual basis.

Interest payable and similar charges

Intercompany interest-bearing loans and bank overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Profit and Loss Account over the period of the borrowings on an effective interest basis.

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.

Share based payments

Share options granted by the parent of the group to employees of a subsidiary are accounted for as an investment in the subsidiary with a corresponding increase in reserves.

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****3. Accounting policies (continued)****f) Significant accounting policies (continued)****Share based payments (continued)**

The Group operates equity-settled share-based schemes which are granted to certain employees in exchange for services rendered by them. The fair value is measured using an option valuation model at the date of grant and is recognised as an employee expense over the period in which the employees become unconditionally entitled to the options, with a corresponding increase in equity, shown in a separate share option reserve. This valuation is based on estimates of the number of options that will eventually vest, based on related service and non-market vesting conditions that are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. Following the merger of Tesco and Booker on 5 March 2018, the awards held by employees were rolled over to new equity-settled awards linked to Tesco's share payment plans.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, fixture cash flows at a pre-tax rate reflects the time value of money and the risks specific to the liability.

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.

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. Profit before interest and tax

	2022 £m	2021 £m
Profit before interest and tax is stated after charging:		
Depreciation:		
Tangible assets (Note 11)	3.8	3.4
Right of use assets (Note 12)	11.5	12.5
Cost of stocks recognised as an expense (included in cost of sales)	1,221.5	1,153.9
Staff costs (Note 7)	68.6	61.9
Exceptional costs	1.1	10.1

The Company incurred £1.1m of costs in relation to the settlement loss on closure of the Londis defined benefit pension scheme, while in 2021 the company incurred £10.1m of integration costs relating to the merger with Tesco, shown as exceptional costs above. These costs are outside the normal course of business and not expected to recur.

6. Auditor's remuneration

The Auditor's remuneration for the current and prior period of £148,351 (2021: £105,000) was borne by another Group company for auditing the financial statements of the Company, and is not repayable.

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

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****7. Staff costs and Directors' remuneration**

	2022 £m	2021 £m
Wages and salaries	59.5	55.0
Social security costs	5.9	4.8
Other pension costs	2.1	2.1
Equity settled share based payments	1.1	-
Total staff costs	68.6	61.9

	2022 Number	2021 Number
The average monthly number of persons employed by the Company during the period was	1,454	1,573

b) Directors' remuneration

No remuneration or fees were paid by the company to any of its Directors during this or the previous period in respect of services to the company. The Directors of the company were remunerated by other Group undertakings for their services to the Group as a whole, and are not repayable. It is not practicable to allocate their remuneration in respect of each of the subsidiaries.

8. Interest receivable and similar income

	2022 £m	2021 £m
Interest on pension scheme (see note 18)	0.4	0.5
Intercompany loan interest	0.5	0.4
	0.9	0.9

9. Interest payable and similar charges

	2022 £m	2021 £m
Unwinding of discount on property provisions (see note 17)	0.2	0.2
Interest expense on lease liabilities	1.9	2.2
	2.1	2.4

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

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

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****10. Tax charge on profit (continued)****(b) Tax charge in the Profit and Loss Account**

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

	2022 £m	2021 £m
Current income tax:		
UK corporation tax on profit for the financial period	(0.1)	-
Total current income tax charge	(0.1)	-
Deferred tax:		
Current period	(1.8)	(2.5)
Adjustments in respect of prior periods	0.4	0.3
Impact of rate change adjustment	1.3	1.0
Total deferred tax charge	(0.2)	(1.2)
Total tax charge in the Profit and Loss account	(0.2)	(1.2)

(c) Reconciliation of the tax charge

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

	2022 £m	2021 £m
Profit before tax	10.2	17.3
Tax charge at standard UK corporation tax rate of 19% (2021: 19%)	(1.9)	(3.3)
Effects of:		
Expenses not deductible for tax purposes	-	(0.6)
Adjustments in respect of prior periods	0.4	0.3
Change in tax rate	1.3	1.0
Group relief surrendered without payment	-	1.4
Total tax charge	(0.2)	(1.2)

(d) Tax in the Statement of Comprehensive Income

	2022 £m	2021 £m
Deferred tax (charge)/credit on:		
Pension scheme remeasurement	(3.3)	3.1
Total tax (charge)/credit to Other Comprehensive Income	(3.3)	3.1

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****10. Tax charge on profit (continued)****(e) Deferred tax assets/(liabilities)**

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	Tax losses	Pension	Provisions	Total
	£m	£m	£m	£m	£m
Balance as at 1 March 2020	4.0	4.5	(8.3)	0.2	0.4
Origination and reversal of temporary differences					
- In respect of the current period	(0.6)	(2.0)	(0.1)	0.2	(2.5)
- In respect of prior period	0.2	0.2	-	(0.1)	0.3
- In respect of rate change	0.5	0.5	-	-	1.0
Credit to equity	-	-	3.1	-	3.1
Balance as at 28 February 2021	4.1	3.2	(5.3)	0.3	2.3
Origination and reversal of temporary differences					
- In respect of the current period	(0.9)	(0.9)	0.3	(0.3)	(1.8)
- In respect of prior period	0.1	(0.2)	-	0.5	0.4
- In respect of rate change	1.0	-	-	0.3	1.3
Charged to equity	-	-	(3.3)	-	(3.3)
Balance as at 27 February 2022	4.3	2.1	(8.3)	0.8	(1.1)

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority.

The UK Government announced an increase in the corporation tax rate from 19% to 25%, with an effective date of 1 April 2023, which was substantively enacted on 24 May 2021.

11. Tangible assets

	Land and buildings	Leasehold improvements	Plant, equipment and vehicles	Total
	£m	£m	£m	£m
Cost				
At 28 February 2021	3.4	7.7	79.4	90.5
Additions	-	1.1	5.5	6.6
Disposals	(1.7)	(0.4)	(5.3)	(7.4)
Transfer from/(to) group undertaking	-	0.1	(0.2)	(0.1)
At 27 February 2022	1.7	8.5	79.4	89.6
Accumulated amortization /impairment				
At 28 February 2021	3.4	5.5	71.0	79.9
Charge for the period	-	0.4	3.4	3.8
Disposals	(1.7)	(0.3)	(5.3)	(7.3)
At 27 February 2022	1.7	5.6	69.1	76.4
Net book value:				
At 27 February 2022	-	2.9	10.3	13.2
At 28 February 2021	-	2.2	8.4	10.6

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****12. Leases**

Lease liabilities represent rentals payable by the Company for certain of its retail, distribution and office properties and other assets such as motor vehicles. The leases have varying terms, purchase options, escalation clauses and renewal rights. Purchase options and renewal rights, where they occur, are at market value. Escalation clauses are in line with market practices and include inflation linked, fixed rates, resets to market rents and hybrids of these.

Right of use assets

	Land and buildings	Plant, equipment and vehicles	Total
	£m	£m	£m
Net carrying value at 28 February 2021	54.4	21.7	76.1
Additions and modifications	1.3	4.4	5.7
Depreciation charge for the year	(6.0)	(5.5)	(11.5)
Disposals	(5.0)	-	(5.0)
Transfer from group undertaking	1.2	-	1.2
Net carrying value at 27 February 2022	45.9	20.6	66.5

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:

	2022 £m	2021 £m
Lease liabilities		
Current	13.4	13.4
Non-current	75.8	91.0
Total lease liabilities	89.2	104.4

	2022 £m	2021 £m
Maturity analysis – contractual undiscounted lease payments		
Within one year	15.7	16.1
Greater than one year but less than five years	50.5	57.2
After five years	41.5	52.6
Total undiscounted lease payments	107.7	125.9

	2022 £m	2021 £m
Amounts recognised in the Profit and Loss Account		
Interest on lease liabilities	1.9	2.2

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****13. Investments**

	Total
	£m
Cost	
At 28 February 2021	153.8
At 27 February 2022	153.8
Provision	
At 28 February 2021	153.8
At 27 February 2022	153.8
Net book value:	
At 27 February 2022	-
At 28 February 2021	-

The subsidiaries listed below include dormant entities. Provision was made against certain investments in dormant entities in 2016 following an internal corporate simplification exercise.

Details of Subsidiary undertakings

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

Subsidiary undertakings as at 27 February 2022

Name of Entity	Registered office address	Share class	% interest held	Direct/ Indirect holding
Bishop's Group Limited	1	£0.01 Ordinary	100%	Indirect
Booker Retail Limited	1	£0.10 Ordinary	100%	Direct
Budgen Holdings Limited	1	£1.00 Ordinary	100%	Indirect
Budgens Pensions Trustees No.2 Limited	1	£1.00 Ordinary	100%	Direct
Budgens Property Investments Limited	1	£1.00 Ordinary	100%	Indirect
Budgens Stores Limited	1	£1.00 Ordinary	100%	Indirect
Linnco Limited	1	£1.00 Ordinary	100%	Direct
Londis Holdings Limited	1	£50.00 Ordinary	100%	Direct
Londis Pension Trustees Limited	1	£1.00 Ordinary	100%	Direct
Murdoch Norton Limited	1	£0.05 Ordinary	100%	Indirect

Registered office address:

1 Equity House, Irthingborough Road, Wellingborough, Northamptonshire, NN8 1LT, United Kingdom

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****14. Stocks**

	2022 £m	2021 £m
Goods held for resale	68.6	61.9

15. Debtors: amounts falling due within one year

	2022 £m	2021 £m
Trade debtors	54.7	53.3
Prepayments	0.8	3.6
Finance lease receivables	13.0	18.3
Amounts owed by Booker Group undertakings	33.8	25.5
Total	102.3	100.7

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

16. Creditors: amounts falling due within one year

	2022 £m	2021 £m
Accruals	12.1	7.1
Total	12.1	7.1

17. Provisions

	Property £m	Total £m
At 28 February 2021	9.3	9.3
Charged in the period	0.7	0.7
Unwinding of discount	0.2	0.2
At 27 February 2022	10.2	10.2

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

18. 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 £2.1m (2021: £2.1m) 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, future benefit accrual on April 2009 and was closed during the year at a cost of £1.1m (see Note 5). As part of this closure the Trustee of the Londis Scheme put in place a buy-in policy with an insurance company to cover the Scheme's liabilities, which were £7.2m at 28th February 2021, on 1 May 2021.

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****18. Post-employment benefits (continued)****Defined benefit schemes (continued)**

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 (Budgens pension scheme valuation as at 31 March 2021 is underway and due to be completed during late 2022) 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

The comparative information represents the Budgens and Londis Schemes. The current period information represents just the Budgens scheme.

	2022	2021
	%	%
RPI inflation	3.41	3.01
CPI inflation	2.97	2.25
Discount rate	2.70	1.91
Rate of increase in salaries	3.41	2.52
Rate of increase of deferred benefits	2.97	2.52
Pension increases in payment	2.91	2.51

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.

		2022	2021
Retiring at reporting date at age 65:	Male	21.8	21.8
	Female	23.9	23.8
Retiring at reporting date +25 years at age 65:	Male	23.5	23.6
	Female	25.5	25.7

(b) The amounts recognised in the balance sheet

	2022	2021
	£m	£m
Equities	-	5.3
Bonds	38.7	42.4
Other (alternative assets)	7.6	1.7
Other Liability Driven Investments (LDI)	53.0	54.3
Cash	1.3	4.3
Fair value of Scheme assets	100.6	108.0
Present value of Scheme liabilities	(76.5)	(92.6)
Net pension asset	24.1	15.4

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 assets are quoted other than the 'Other' category.

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****18. Post-employment benefits (continued)****(b) The amounts recognised in the balance sheet (continued)**

Unquoted assets are valued in accordance with IFRS 13, using the most appropriate level within the fair value hierarchy based on the specifics of the asset class, and in line with industry standard guidelines, including the RICS methodology for property and the IPEV guidelines for private equity. 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

	2022 £m	2021 £m
At start of period	108.0	112.5
Interest income	2.0	2.1
Return on assets (less amount included in interest income)	1.6	(4.2)
Settlement	(8.2)	-
Benefits paid	(2.8)	(2.4)
At end of the period	100.6	108.0

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

	2022 £m	2021 £m
At start of period	(92.6)	(88.7)
Interest cost	(1.6)	(1.6)
Remeasurement gains/(losses):		
From experience adjustments	3.1	0.1
From changes in demographic assumptions	(1.3)	-
From changes in financial assumptions	6.0	(4.8)
Settlement	7.1	-
Benefits paid	2.8	2.4
At end of the period	(76.5)	(92.6)

(e) Movement in the net defined benefit asset

	2022 £m	2021 £m
At start of period	15.4	23.8
Settlement cost	(1.1)	-
Net interest credit recognised in the profit and loss account	0.4	0.5
Total remeasurements included in the statement of other comprehensive income	9.4	(8.9)
At end of the period	24.1	15.4

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****18. Post-employment benefits (continued)****(f) Amounts recognised in the profit and loss account**

	2022 £m	2021 £m
Administrative expenses – exceptional items	(1.1)	-
Net credit on defined benefit obligation	(1.1)	-

	2022 £m	2021 £m
Expected return on pension scheme assets	2.0	2.1
Interest on pension scheme liabilities	(1.6)	(1.6)
Net credit on defined benefit obligation	0.4	0.5

(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. The Company is not required to recognise any additional liabilities in relation to funding plans, or limit the recognition of any surpluses, as any future economic benefits will be available to the Company by way of future refunds.

BOOKER RETAIL PARTNERS (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)****18. Post-employment benefits (continued)****(h) Sensitivities**

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

	2022	2021
Financial assumptions – Increase/(decrease) in defined benefit obligation		
Discount rate		
Impact of 0.1% increase of the assumption	-1.5%	-2.0%
Impact of 1.0% increase of the assumption	-13.3%	-17.1%
Impact of 0.1% decrease of the assumption	+1.5%	+2.0%
Impact of 1.0% decrease of the assumption	+16.8%	+22.7%
Inflation rate		
Impact of 0.1% increase of the assumption	+1.0%	+1.4%
Impact of 1.0% increase of the assumption	+10.1%	+14.7%
Impact of 0.1% decrease of the assumption	-0.9%	-1.4%
Impact of 1.0% decrease of the assumption	-9.1%	-11.8%
	2022	2021
Mortality assumptions – Increase/(decrease) in UK defined benefit obligation		
Impact of 1 year increase in longevity	+3.8%	+3.9%
Impact of 1 year decrease in longevity	-3.8%	-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

No contributions are due to the scheme as it is in a surplus position.

19. Capital and reserves

Called up share capital	2022	2021
	£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.

Capital contribution

This represents the cost of share-based payments to employees which are satisfied by shares issued by the ultimate holding company, Tesco PLC.

BOOKER RETAIL PARTNERS (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2022 (continued)

20. Share based payments

The total charge for the period relating to employee share-based payments was £1.1m (2021:£1.1m) all of which related to equity-settled share-based transactions.

All colleagues are eligible to participate in a savings related Share Option Scheme which permits the grant to colleagues of options in respect of ordinary shares linked to a building society/bank save-as-you-earn contract for a term of three or five years with contributions from colleagues of an amount between £5 and £500 per four-weekly period. Options are capable of being exercised at the end of the three or five-year period at a subscription price of not less than 80% of the average of the middle-market quotations of an ordinary share over the three dealing days immediately preceding the offer date.

Selected senior colleagues have been granted three-year share-based awards. The vesting of options is normally conditional upon the achievement of specified performance targets over a three-year period and continuous employment. Options are normally exercisable between the third anniversary of the original date of grant and 10 years from the date of grant.

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 is Tesco PLC, which is registered in England and Wales, and which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Tesco PLC is listed on the London Stock Exchange therefore in the opinion of the directors there is no ultimate controlling party.

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