

TESCO FOOD SOURCING LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021
Registered Number: 07502096

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TESCO FOOD SOURCING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

The Directors present their Annual Report and the unaudited financial statements of the Tesco Food Sourcing Limited (the "Company") for the 52 weeks ended 27 February 2021 (prior period: 53 weeks ended 29 February 2020 ("2020")).

Business review and principal activity

The principal activity of the Company was to source bananas for Tesco PLC Group (the "Group"). During the previous financial year, the banana sourcing operations transferred to another Group company and the Company ceased trading.

There has been no activity in the period other than the few intercompany and administrative transactions and payment and receipt of open balances. There has been no significant change in the nature or level of the activity 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 2021 show a profit before tax of £989k (2020: £2,378k) and profit after tax of £988k (2020: £2,376k).

The turnover for the 52 weeks ended 27 February 2021 is £nil (2020: £52,936k).

The Company has net assets at the period end of £3,373k (2020: £23,385k) and has net current assets of £3,373k (2020: £24,214k).

The Company has not announced any dividend for the ordinary shares in relation to current financial period (2020: dividend of £21,000k was announced for the ordinary shares in relation to previous financial period).

Future developments

The Director intend to make structural changes in the foreseeable future, whereby one of the branches of the Company situated in Spain will transfer all of its assets to a new branch of Tesco International Service Ltd and consequently the Spain Branch will cease its operation.

Principal risks and uncertainties

The main financial risks faced by the Company were in relation to the availability of funds to meet business needs and fluctuations in interest rates, changes in fuel prices and foreign exchange rates. Given that the operations of the company ceased in the previous financial year, this is not applicable to the Company.

The principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. 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 2021, which do not form a part of this Report.

Business risk

The COVID-19 pandemic has continued throughout the year in the UK. However, there is no material impact of the pandemic on the Company's business, since the Company had ceased its operation during the previous period.

Going concern

Following the transfer of the banana sourcing operations to another Group entity in the previous financial year, the company ceased to trade. Accordingly, the accounts have been prepared on a basis other than going concern. No adjustments arose as a consequence of preparing the accounts on a non-going concern basis.

2021-02-27

2021-02-27

TESCO FOOD SOURCING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)

Events after the reporting period

Details of events after the reporting period can be found in Note 16 to the financial statements.

Branches outside the United Kingdom

The Company has a branch in Spain.

Political donations

There were no political donations for the period (2020: £nil) and the Company did not incur any political expenditure (2020: £nil).

Research and development

The Company does not undertake any research and development activities (2020: None).

Financial risk management

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company creditors are unsecured and interest free and predominantly comprises amounts owed to Group undertakings, 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. Debtors predominantly comprises amounts owed by Group undertakings, hence credit risk is determined to be low.

Strategic Report

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

Employees

The Company had no employees during the period (2020: nil).

Directors

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

David Berry
Amit Soni
Stephanie Wood
Andrew Yaxley

None of the Directors had any 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.

TESCO FOOD SOURCING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (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.

Directors' Responsibilities Statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Approved by the Board of Directors on 9 September 2021 and signed on behalf of the Board by:



Andrew Yaxley

Director

Tesco Food Sourcing Limited

Registered number: 07502096

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

TESCO FOOD SOURCING LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021**

	Notes	52 weeks ended 27 February 2021	53 weeks ended 29 February 2020
		£'000	£'000
Turnover	4	-	52,936
Cost of sales	5	46	(51,009)
Gross profit		46	1,927
Administrative income		846	662
Operating profit	6	892	2,589
Impairment of subsidiary	9	-	(168)
Net foreign exchange gain/(loss)		91	(88)
Interest receivable and similar income	7	6	45
Profit before tax		989	2,378
Tax charge on profit	8	(1)	(2)
Profit for the financial period		988	2,376

All operations are discontinued for the financial period.

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

The notes on pages 7 to 15 form an integral part of these financial statements.

TESCO FOOD SOURCING LIMITED**BALANCE SHEET AS AT 27 FEBRUARY 2021**

	Notes	27 February 2021 £'000	29 February 2020 £'000
Fixed assets			
Investments	9	-	11
		-	11
Current assets			
Investments	9	5	-
Debtors: amounts falling due within one year	10	553	644
Cash at bank and in hand		2,990	23,587
		3,548	24,231
Current liabilities			
Creditors: amounts falling due within one year	11	(175)	(17)
Net current assets		3,373	24,214
Total assets less current liabilities		3,373	24,225
Non-current liabilities			
Creditors: amounts falling due after more than one year	12	-	(840)
Net assets		3,373	23,385
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		3,373	23,385
Total shareholders' funds		3,373	23,385

The notes on pages 7 to 15 form an integral part of these financial statements.

For the 52 weeks ended 27 February 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

Each Director who is the Director of the Company at the date of approval of these financial statements confirms

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

The financial statements on pages 4 to 15 were approved by the Board of Directors and authorised for issue on 9 September 2021 and signed on its behalf by:

Andrew Yaxley

Andrew Yaxley
Director

Tesco Food Sourcing Limited
Registered number: 07502096

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

TESCO FOOD SOURCING LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED
27 FEBRUARY 2021**

	Called up share capital*	Profit and loss account	Total
	£'000	£'000	£'000
Balance as at 23 February 2019	-	191,909	191,909
Profit and total comprehensive income for the financial period	-	2,376	2,376
Dividend paid**	-	(170,900)	(170,900)
Balance as at 29 February 2020	-	23,385	23,385
Profit and total comprehensive income for the financial period	-	988	988
Dividend paid**	-	(21,000)	(21,000)
Balance as at 27 February 2021	-	3,373	3,373

*Refer Note 14 for a breakdown of the Called up share capital.

** The dividend per share was £21,000k (2020: £1,70,900k).

The notes on pages 7 to 15 form an integral part of these financial statements.

TESCO FOOD SOURCING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

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

The financial statements of Tesco Food Sourcing Limited (the "Company") for the 52 weeks ended 27 February 2021 were approved by the Board of Directors on 9 September 2021 and the Balance Sheet was signed on the Board's behalf by Andrew Yaxley. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared on basis other than going concern and the Companies Act 2006. The Company's financial statements are presented in Pound Sterling, and all values are rounded to the nearest thousands (£'000), except when otherwise indicated.

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare Group accounts as it is a wholly owned subsidiary of Tesco PLC. The Company's results are included in the consolidated financial statements of Tesco PLC, which are available from Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

2. General information

The Company is a private company limited by shares and is incorporated in the UK and registered in England and Wales under the Companies Act 2006. The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom. The nature of the Company's operation and its principal activity is set out in the Director's Report on page 1.

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

3. Accounting policies

a) Basis of preparation

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

As set out in the Directors' report, the Directors have decided to prepare the financial statements on a basis other than going concern, and therefore:

- all assets have been disclosed at values at which they are expected to be realised; and
- all liabilities reflect the full amount at which they are expected to materialise.

The Company is a qualifying entity for the purposes of FRS 101. Note 15 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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a) (iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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; and
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27
FEBRUARY 2021 (continued)****3. Accounting policies (continued)****a) Basis of preparation (continued)****New and revised IFRS applied with no material effect on the financial statements**

The amendments in below standards were adopted in the current period, and there is no impact on the financial statements upon their adoption.

- a. IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to update a new definition of material in IAS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.
- b. IFRS 3 'Business Combination' in connection with clarification of business definition, which help in determining whether an acquisition made is of a business or a group of assets. The amendment added a test that makes it easier to conclude that a Company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.
- c. IFRS 16 'Leases' providing lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.
- d. IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties.

Other changes to standards, interpretations and amendments effective in the current period had no material impact on the Company financial statements.

b) Going concern

Following the transfer of the banana sourcing operations into another Group entity that was completed in the previous year, the Company had ceased to trade. Accordingly, as required by IAS 1, the accounts have been prepared on a basis other than going concern. No adjustments arose as a consequence of preparing the accounts on a basis other than for going concern.

c) Critical accounting judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Carrying value of investment

For the carrying value of investments, management have assessed the underlying investment by reviewing its net assets as well as future expected cash flows to determine whether it supports the carrying value.

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

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27
FEBRUARY 2021 (continued)**

3. Accounting policies (continued)**d) Significant accounting policies****Foreign currency translation**

The Company's financial statements are presented in Pound 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 taken to 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.

Classification of stocks and accrued income

The nature of the Company's operations are such that determining the classification of product in the supply chain between stocks and accrued income requires a high degree of estimation. Whilst this has an impact on the balance sheet presentation, it does not significantly impact the reported profit for the period.

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment. In line with IFRS, the Company is required to test investments annually for impairment, or as triggering events occur. The recoverable amount of an investment is determined based on value in use calculations.

These calculations require the estimation of future cash flows, applying appropriate growth rates and determining a suitable discount rate in order to calculate the present value of these cash flows. This assessment is performed on an investment by investment basis on the underlying market which the investment holds an interest in.

However, as set out in the basis of preparation paragraph, the Directors have decided to prepare the financial statements on a basis other than that of a going concern. Accordingly, all investments have been measured at fair value on the reporting date.

Stocks

Stocks comprise goods held for sale. Stocks are valued at the lower of cost and fair value less costs to sell using the weighted average cost basis. A stock provision is booked where the realisable value of the stock is estimated to be lower than the carrying value. Management estimate the provision for different product groupings based on various factors including the expected sales profile and the prevailing sales prices.

Costs includes all cost incurred in bringing each product to its present location and condition, as follows:

Raw materials and consumables – are valued on a weighted average cost basis less any rebate income receivable.

Net realisable value is based on the estimated selling price less additional costs to completion disposal.

Turnover

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, although the nature of the Company's operations are such that determining the timing of the transfer of control requires a degree of estimation.

Sale of goods

Revenue is recognised when the control of goods is transferred to the customer.

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27
FEBRUARY 2021 (continued)**

3. Accounting policies (continued)**d) Significant accounting policies (continued)****Income taxes**

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

However, as the financial statements have been prepared on basis other than going concern, tax balances have been considered as current.

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.

Income taxes*Current tax for the period*

Current 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 tax are also recognised in other comprehensive income or directly in equity respectively.

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. The expected maturity of the financial assets and liabilities is considered to be current as the financial statements have been prepared on a basis other than going concern.

Financial assets

The Company's financial assets include debtors and other receivables. Debtors (including intercompany balances) are non-interest bearing recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. However as set out in the basis of preparation paragraph, the Directors have decided to prepare the financial statements on a basis other than going concern. Accordingly all debtors have been measured at fair value.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are recorded at amortised cost. Creditors (including intercompany balances) are non-interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method. However as set out in the basis of preparation paragraph, the Directors have decided to prepare the financial statements on a basis other than going concern. Accordingly all creditors have been measured at fair value.

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****4. Turnover****Turnover by geographical area**

Particulars	52 weeks ended 27 February 2021 £'000	53 weeks ended 29 February 2020 £'000
UK and ROI	-	50,477
Central Europe	-	2,459
Total	-	52,936

Turnover by category

Particulars	52 weeks ended 27 February 2021 £'000	53 weeks ended 29 February 2020 £'000
Acting as Principal	-	52,936

5. Cost of Sales

	27 February 2021 £'000	29 February 2020 £'000
The amount of inventories recognised as an expense	(46)	51,009

6. Operating profit

The Company had no employees during the period (2020: £nil).

The Directors received no emoluments for the services to the Company (2020: £nil).

The auditor's remuneration of £nil (2020: £31,750) was borne on the Company's behalf by Tesco Stores Limited.

7. Interest receivable and similar income

	52 weeks ended 27 February 2021 £'000	53 weeks ended 29 February 2020 £'000
Interest received on bank deposits	6	45
Total interest receivable and similar income	6	45

8. Tax charge on profit**(a) Factors that have affected the tax charge/(credit)**

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% (2020: 19%).

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the Company's deferred tax balances.

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27
FEBRUARY 2021 (continued)****8. 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:

	52 weeks ended 27 February 2021 £'000	53 weeks ended 29 February 2020 £'000
Current income tax:		
Adjustments in respect of prior periods	-	(1)
Foreign tax suffered	(1)	(1)
Total current income tax (charge)	(1)	(2)
Tax charge in the Profit and Loss Account	(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:

	52 weeks ended 27 February 2021 £'000	53 weeks ended 29 February 2020 £'000
Profit before tax	989	2,377
Tax on profit at at Standard UK rate of 19% (2020: 19%)	(188)	(451)
Effects of:		
Group relief claimed without payment	204	426
Expenses not deductible for tax purposes	(18)	(32)
Effect of overseas tax rate	1	-
Income not taxable	-	56
Adjustment in respect of prior periods	-	(1)
Overall tax charge	(1)	(2)

9. Investments**Non- Current**

	£'000
Cost	
At 23 February 2019	179
At 29 February 2020	179
Transferred to current Investments	(179)
At 27 February 2021	-
Impairment	
At 23 February 2019	-
Impairment for the period	(168)
At 29 February 2020	(168)
Transferred to current Investments	168
At 27 February 2021	-

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****9. Investments (continued)****Net book value**

At 29 February 2020	11
At 27 February 2021	-

Current**Cost**

At 23 February 2019	-
At 29 February 2020	-
Transferred from non current investments	179
Disposal during the year	(6)
At 27 February 2021	173

Impairment

At 23 February 2019	-
At 29 February 2020	-
Transferred from non current investments	(168)
At 27 February 2021	(168)

Net book value

At 29 February 2020	-
At 27 February 2021	5

The Directors believe that the carrying value of the investments is not less than the value of the underlying net assets.

In accordance with Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by Part 4 of The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, a full list of related undertakings, the registered office address, the place of incorporation and the percentage of share class owned as at 27 February 2021 are disclosed below. All undertakings are directly owned by the Company.

Related undertakings of the Company

Name of Entity	Registered address	Share class	Proportion of voting rights and shares held	Direct/ Indirect
Tesco Chile Sourcing Limitada	Avenida Santa María 5888 Piso 2 Zona A Oficina 4 Vitacura Santiago 7660268 Chile	CLP Ordinary	99.99%	Direct

TESCO FOOD SOURCING LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****10. Debtors: amounts falling due within one year**

	27 February 2021	29 February 2020
	£'000	£'000
Trade debtors	8	7
Amounts owed by Group undertakings	521	615
Other debtors	24	22
Total amounts falling due within one year	553	644

11. Creditors: amounts falling due within one year

	27 February 2021	29 February 2020
	£'000	£'000
Amount owed to Group undertakings	163	-
Accruals	12	17
Total amount owed to creditors within one year	175	17

Included within amounts owed to Group undertakings are amount that are unsecured, have no fixed date of repayment and are repayable on demand.

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

	27 February 2021	29 February 2020
	£'000	£'000
Amount owed to Group undertakings	-	840
Total amount owed to creditors after one year	-	840

Included within amounts owed to Group undertakings are amount that are unsecured, have no fixed date of repayment and are repayable on demand.

13. Related party transactions

The Company have not entered into any transactions with the related parties during the current period..

14. Called up share capital

	27 February 2021	29 February 2020
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1 each (2020: £1 each)	1	1
Total	1	1

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

TESCO FOOD SOURCING LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)

15. Ultimate Group undertaking

The Company's immediate parent undertaking is Tesco Holdings Limited. The Company's ultimate parent undertaking and controlling party is Tesco PLC which is registered in England and Wales, and which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the Tesco PLC Annual Report and Financial Statements 2021 are available from the Company Secretary at its registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

16. Events after the reporting period

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