

TESCO BLUE (3LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020
REGISTERED NUMBER: 10127682

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TESCO BLUE (3LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020

The Directors present their Report and the audited financial statements of Tesco Blue (3LP) Limited (the "Company") for the 53 weeks ended 29 February 2020 (prior period: 52 weeks ended 23 February 2019 ("2019")).

Business review and principal activity

The principal activity of the Company is to act as a holding company for Tesco PLC's investment in The Tesco Blue Limited Partnership ('the Partnership') and related entities. 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 the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

Results and dividends

The results for the 53 weeks ended 29 February 2020 show a result before tax of £nil (2019: £nil) and profit after tax of £647,043 (2019: £567,315).

The Company has net assets of £30,613,617 at the period end (2019: £29,966,574) and net current assets of £4,884,617 at the period end (2019: £4,237,574).

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

Future developments

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

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

Principal risks and uncertainties

The principal activity of the Company is to act as a holding company and therefore its principal risks relate to the carrying value of investments that the Company holds. To manage this risk, the Company periodically reviews the financial statements of the entities the Company has investments in.

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

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

Business risk

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

Subsequent to the balance sheet date, the World Health Organisation declared a pandemic on 11 March. The nature of the Company's operations is such that COVID-19 does not have a material impact upon the business, because there has not been significant business activity undertaken during the year.

TESCO BLUE (3LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)

Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least 12 months from the date of signing the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

Whilst COVID-19 is a threat to many businesses, management's assessment is that demand for the properties of the Partnerships financed by the Company is not expected to suffer, as primarily the tenants of the properties are grocery retailers, which have functioned as essential businesses throughout the pandemic and will continue to operate afterwards. The assessment is therefore that there is no threat to Going Concern.

Events after the reporting period

Details of events after the reporting period can be found in Note 12 to the financial statements.

Political donations

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

Research and development

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

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 (2019: none).

Directors

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

J Gibney
A Soni
Tesco Services Limited

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

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Company Secretary (who is also a Director of Tesco Services Limited which is appointed to the Board of the Company) in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors and Officers may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

Disclosure of information to auditor

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

- so far as the Directors are aware, there is no relevant information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

TESCO BLUE (3LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (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 prepared the Company financial statements in accordance with FRS 102 "The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" and applicable law.

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

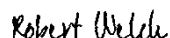
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor

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

Approval by the Board of Directors on 26 August 2020 and signed on behalf of the Board by:



Robert Welch, for and on behalf of Tesco Services Limited
Director
Tesco Blue (3LP) Limited
Registered Number: 10127682
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO BLUE (3LP) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Tesco Blue (3LP) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO BLUE (3LP) 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.

Report on other legal and regulatory requirements

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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.

Simon Letts FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
26 August 2020

TESCO BLUE (3LP) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020**

	Notes	53 weeks ended 29 February 2020	52 weeks ended 23 February 2019
		£	£
Operating result	4	-	-
Result before tax		-	-
Tax credit on result	6	647,043	567,315
Profit for the financial period		647,043	567,315

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

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

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

The notes on pages 9 to 14 form an integral part of these financial statements.

TESCO BLUE (3LP) LIMITED**BALANCE SHEET AS AT 29 FEBRUARY 2020**

	Notes	29 February 2020 £	23 February 2019 £
Fixed assets			
Investments	8	25,729,000	25,729,000
		<u>25,729,000</u>	<u>25,729,000</u>
Current assets			
Deferred tax asset	7	4,884,616	4,237,573
Debtors: amounts falling due within one year		1	1
Net current assets		<u>4,884,617</u>	<u>4,237,574</u>
Total assets less current liabilities		<u>30,613,617</u>	<u>29,966,574</u>
Net assets		<u>30,613,617</u>	<u>29,966,574</u>
Capital and reserves			
Called up share capital	9	1,001	1,001
Share premium		25,728,000	25,728,000
Profit and loss account		4,884,616	4,237,573
Total shareholders' funds		<u>30,613,617</u>	<u>29,966,574</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board and authorised for issue on 26 August 2020. They were signed on its behalf by:

Robert Welch

Robert Welch, for and on behalf of Tesco Services Limited
 Director
 Tesco Blue (3LP) Limited
 Registered Number: 10127682
 Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

TESCO BLUE (3LP) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED
29 FEBRUARY 2020**

	Called up share capital*	Share premium	Profit and loss account	Total
	£	£	£	£
Balance as at 24 February 2018	1,001	25,728,000	3,670,258	29,399,259
Profit and total comprehensive income for the financial period	-	-	567,315	567,315
Balance as at 23 February 2019	1,001	25,728,000	4,237,573	29,966,574
Profit and total comprehensive income for the financial period	-	-	647,043	647,043
Balance as at 29 February 2020	1,001	25,728,000	4,884,616	30,613,617

*See Note 9 for breakdown of Called up share capital.

The notes on pages 9 to 14 form an integral part of these financial statements.

TESCO BLUE (3LP) LIMITED

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

1. Statement of compliance

The financial statements of Tesco Blue (3LP) Limited (the “Company”) have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

2. General information

The Company is a private company limited by shares incorporated and domiciled in the United Kingdom 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 operations and its principal activities are set out in the Directors’ Report on page 1.

The financial statements of the Company for the 53 weeks period ended 29 February 2020 were approved by the Board of Directors on 26 August 2020 and the Balance Sheet was signed by Robert Welch, for and on behalf of Tesco Services Limited.

The functional and presentational currency of the Company is Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates and financial statements are also presented in Pound Sterling.

3. Accounting policies

a) Basis of preparation

The Company is a wholly owned subsidiary of Tesco PLC and is included in the consolidated financial statements of Tesco PLC, which are publicly available. The company is a qualifying entity for the purposes of FRS 102. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 section 7 “Statement of Cash Flows”.

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

The financial statements of the Company are prepared on the going concern basis under the historical cost convention, modified by the recognition of certain financial assets and liabilities measured at fair value.

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

b) Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least 12 months from the date of signing the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

Whilst COVID-19 is a threat to many businesses, management’s assessment is that demand for the properties of the Partnerships financed by the Company is not expected to suffer, as primarily the tenants of the properties are grocery retailers, which have functioned as essential businesses throughout the pandemic and will continue to operate afterwards. The assessment is therefore that there is no threat to Going Concern.

c) Critical accounting judgements and key sources of estimation uncertainty

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

TESCO BLUE (3LP) LIMITED

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

3. Accounting policies (continued)

c) Critical accounting judgements and key sources of estimation uncertainty (continued)

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

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

d) Significant accounting policies

Investments

Investments in subsidiaries and associated undertakings are stated at cost plus incidental expenses less 'where appropriate' provisions for impairment.

Impairment of investments

At each balance sheet date, the Company reviews the carrying amounts of the fixed asset investments to determine whether there is any need for impairment. Any impairment is recognised in the Profit and Loss Account in the period in which it occurs.

Income taxes

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

Group relief on taxation

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet 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.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date.

TESCO BLUE (3LP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)****3. Accounting policies (continued)****d) Significant accounting policies (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.

4. Operating result

The Directors received no emoluments for their services to the Company (2019: £nil).

The Company had no employees during the period (2019: none).

5. Auditor's remuneration

The Auditor's remuneration of £4,000 (2019: £4,000) was borne by the Tesco PLC and not recharged to the Company. The non-audit fees for the period is £nil (2019: £nil).

6. Tax credit on result**(a) Factors that have affected the tax credit:**

The standard rate of corporation tax in the UK at the balance sheet date is 19% from 1 April 2017, and 17% from 1 April 2020. This gives a corporation tax rate for the Company for the full period of 19% (2019: 19 %). Post the balance sheet date, legislation has been substantively enacted to repeal the reduction of the main corporation tax rate, thereby maintaining the current rate at 19%. These financial statements do not reflect the impact of this change as it was not substantively enacted by the balance sheet date.

(b) Tax credit in the Profit and Loss Account

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

	53 weeks ended 29 February 2020	52 weeks ended 23 February 2019
	£	£
Current income tax:		
- UK Corporation tax on profit for the financial period	-	-
Total current income tax (charge)/credit	-	-
Deferred tax:		
- Origination and reversal of timing differences	723,165	634,054
- Adjustment in respect of prior periods	-	3
- Impact of rate change adjustment	(76,122)	(66,742)
Total deferred tax credit	647,043	567,315
Total tax credit in the Profit and Loss Account	647,043	567,315

TESCO BLUE (3LP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)****6. Tax credit on result (continued)****(c) Reconciliation of the tax credit**

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

	53 weeks ended 29 February 2020	52 weeks ended 23 February 2019
	£	£
Profit before tax	-	-
Tax (charge)/credit at standard UK corporation tax rate of 19% (2019: 19%)	-	-
Effects of:		
- Expenses not deductible for tax purposes	(12,254)	(16,735)
- Allowable share of commutation payment	105,525	103,532
- Adjustments in respect of prior periods	-	3
- Group relief claimed without payment	629,894	547,257
- Impact of rate change adjustment	(76,122)	(66,742)
Total tax credit	647,043	567,315

7. Deferred tax asset

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

	Accelerated capital allowances	Short-term timing difference	Transitional adjustments	Total
	£	£	£	£
At 24 February 2018	(804,252)	4,608,468	(133,958)	3,670,258
Origination and reversal of temporary differences				
- In respect of the current period	(23,705)	636,371	21,388	634,054
- In respect of the prior period	-	3	-	3
Change in tax rate	2,495	(66,986)	(2,251)	(66,742)
At 23 February 2019	(825,462)	5,177,856	(114,821)	4,237,573
Origination and reversal of temporary differences				
- In respect of the current period	(18,840)	720,617	21,388	723,165
- In respect of the prior period	-	-	-	-
Change in tax rate	1,983	(75,854)	(2,251)	(76,122)
At 29 February 2020	(842,319)	5,822,619	(95,684)	4,884,616

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.

TESCO BLUE (3LP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 29 FEBRUARY 2020 (continued)****8. Investments**

	Shares in Group undertakings £
Cost:	
At 23 February 2019	25,729,000
At 29 February 2020	25,729,000
Net book value:	
At 23 February 2019	25,729,000
At 29 February 2020	25,729,000

The Directors believe that the carrying value of the investments is supported by their underlying net assets as the subsidiaries hold the legal title and the economic rights to all the investment property leased by The Tesco Blue Limited Partnership.

In accordance with the Companies Act 2006 information on the Company's subsidiary and associated undertakings are set out below.

Details of the Group undertakings at the period end are as follows:

Group undertakings	Registered office address	Share Class	Direct/indirect holding	% shares held	Nature of Business
The Tesco Blue Limited Partnership	Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom	Capital contribution	Direct	49.95%	Property investment
The Teesport Unit Trust	Lime Grove House, Green Street, St Helier, Jersey, JE1 2ST	Trust	Direct	0.1%	Property investment

9. Called up share capital

	29 February 2020 £	23 February 2019 £
Allotted, called up and fully paid		
1,001 Ordinary shares of £1 each (2019: 1,001 Ordinary shares of £1 each)	1,001	1,001
	1,001	1,001

On 15 April 2016 when the Company was incorporated, 1,001 Ordinary Shares of £1 each were issued to Tesco Property Holding Limited. Out of these 1,000 shares were issued at a premium of £25,728 per share, resulting in total share premium of £25,728,000.

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 BLUE (3LP) LIMITED

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

10. Ultimate parent undertaking

The Company's immediate parent undertaking is Tesco Property Holdings Limited.

The Company's ultimate parent undertaking and controlling party is Tesco PLC. The results of the Company are only included in the consolidated financial statements of Tesco PLC, which is the smallest and largest group to consolidate these financial statements.

Copies of the Tesco PLC Annual Report and financial statements are available with the Company Secretary at the registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

11. Related party transactions

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

12. Events after the reporting period

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

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