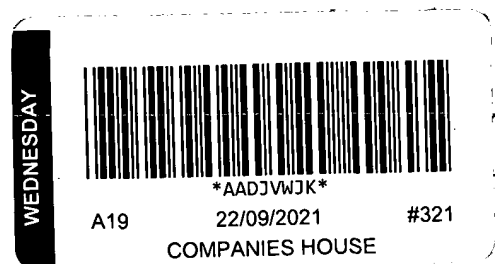


FORZA AW LIMITED

Reports and Financial Statements

26 December 2020

Registered Number: 05967526



Forza AW Limited

Registered Number: 05967526

COMPANY INFORMATION

DIRECTORS

MS Smith-Hilliard

J Fasey (resigned 31 July 2020)

P Grover (appointed 31 July 2020)

M Snell

SECRETARY

V Rehal

AUDITORS

Ernst & Young LLP

1 Bridgewater Place

Water Lane

Leeds

West Yorkshire

LS11 5QR

REGISTERED OFFICE

Unit 1 Foxbridge Way

Normanton Industrial Estate

Normanton

Wakefield

West Yorkshire

WF6 1TN

BANKERS

Barclays Bank PLC

10 Hall Place

Spalding

Lincolnshire

PE11 1SR

STRATEGIC REPORT

The directors present their Strategic Report and financial statements for the 52-week period ended 26 December 2020.

Principal activities of the Business

The principal activity of Forza AW Limited (hereafter referred to as “Forza AW” or “the Company”) is to act as an intermediate parent company of Forza Foods Limited (“Forza Foods”).

Change in ownership

The company is part of a wholly owned group headed by parent undertaking ASDA Group Limited. On 16 February 2021, the ultimate parent company and controlling party of ASDA Group Limited (“ASDA”), Walmart Inc. (“Walmart”), completed the sale to Mohsin and Zuber Issa, founders and co-CEOs of EG Group, a global convenience and forecourts retailer, headquartered in Blackburn, UK, and investment funds managed by TDR Capital LLP (“TDR Capital”), a leading UK-based private equity firm, of Walmart's equity interest in ASDA. Following this transaction Mohsin and Zuber Issa and TDR Capital will jointly control ASDA. This is a non-adjusting post balance sheet event and has no impact on the carrying value of the Company's assets and liabilities at 26 December 2020.

Company profit and dividends

The profit after taxation for the period was £nil (2019: £nil). The directors are satisfied with the results and achievements in the period to 26 December 2020 and believe that the future prospects of the Company are sound and consider that the business is adequately financed.

No dividends were paid during the period (2019: £nil).

Capital management

As a wholly owned subsidiary, the capital of Forza AW was monitored in accordance with the overall capital management policy of the ultimate parent company during the period Walmart Inc. and the primary objective of Forza AW's capital management policy was to be consistent with the requirements of the ultimate parent.

The consolidated financial statements of the ultimate parent company disclose how Walmart Inc. define and manage capital and meet the Group capital objectives.

Section 172 statement

The following section serves as the section 172 statement for Forza AW, pursuant to the requirements of The Companies (Miscellaneous Reporting) Regulations 2018. Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of its shareholders, a business' long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The directors of the Company (the “Directors”) are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006 and are keen to ensure proper reflection on stakeholder engagement and issues at Director level and promote continuous reflection on opportunities for development.

The Company is the intermediate parent company of Forza Foods Limited. The Company does not itself trade, own assets (other than interests in subsidiary undertakings) nor carry on business or incur any liabilities. The Company has no employees.

The operating subsidiary of the Company, Forza Foods, is indirectly held by the Company through (and a subsidiary of) International Procurement and Logistics Limited (“IPL”). Detailed governance policies are in place which provide for the main UK governance function of Forza Foods to be undertaken through IPL.

In accordance with those governance policies, all decisions which are material to the operating and employer entity owned by Forza AW are taken by the directors of Forza Foods, with direction, oversight and approval from the board of directors of IPL where required.

STRATEGIC REPORT (continued)

Section 172 statement (continued)

As the Company is not trading, it is rare that the directors are required to make a decision in relation to the Company. However, in circumstances where decisions are required to be taken by the Directors,

- the outcome of any relevant stakeholder engagement is made available and considered by the Directors; and
- the Directors, as part of their decision-making process, consider the impact of such decisions on each stakeholder group, recognising that the pertinence of a particular stakeholder group may vary depending upon the matter under discussion.

Key stakeholder engagement

Investors – International Procurement and Logistics Limited ("IPL")

IPL is a key stakeholder; it is the Company's parent company and is the provider of investor capital. IPL's investment enables Forza Foods, which the Company is the intermediate parent company of, to deliver long-term success.

Detailed governance policies and procedures are in place which provide for a continuous and structured dialogue directly between the IPL and the Directors of Forza AW. In addition, all of the directors of Forza AW are also Directors of IPL. Due to the nature of the business carried out by the Company, and the low frequency of decisions, such engagement is on an ad hoc basis.

Employees

- The Company itself does not have any employees. Forza Foods is the Group's principal employer.
- In accordance with the Group's governance policies, all decisions material to the operating and employer entity within the Group are taken by the directors of that entity with direction, oversight and approval from the board of directors of IPL where required.

Suppliers, customers and others in a business relationship with the Company

- The Company does not itself contract with any suppliers or customers. Again, all decisions material to relationships with the Group's suppliers, customers and other relevant stakeholders are taken by the boards of directors of the entity that has those relationships, with direction, oversight and approval from the board of directors of IPL.

Further detail of how the directors of the Group's key operating and employer entity engages with employees, suppliers, customers and other stakeholders; and have regard to their interests and the effect of that regard on the principal decisions taken by those entities in the period, are set out in the strategic report contained within the financial statements of Forza Foods Limited for the period ended 26 December 2020.

Where relevant to any decision required to be made by the Directors, the outcome of relevant stakeholder engagement as undertaken by and/or provided to directors of the Group's key operating and employer entities are fed back to and form part of the discussions of the Directors when decisions are being considered and made. This ensures that the interests of and relationships with those stakeholders are taken into account when Company level decisions are made.

During the period the only decisions taken by the Company were administrative in nature such as the consideration and approval of the previous period's financial statements.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

Risk is an inevitable part of the business. On an ongoing basis the Board review the principal risks, assess their likelihood and consequence, and develop and monitor appropriate controls. The Board has overall responsibility for risk management and ensures this is aligned with the business strategy and objectives. Key risks and mitigating actions are set out below:

- **Strategic risk**

We continue to invest in new opportunities and areas of growth in order to diversify our offering. The Board invests significant time in working with our parent company to formulate, review and communicate strategy effectively to those delivering it.

- **Economic risk**

At the date of approval of the Accounts, the Directors recognise that there is still significant economic and social uncertainty surrounding the outbreak and spread of COVID-19. The key risks to the Company's subsidiary, Forza Foods Limited include;

- changes in customer trends impacting demand for our products.
- disruption due to outbreaks of COVID-19 at locations within our supply chain or other related disruption at suppliers which impact on availability; and
- operational impacts due to the maintenance of social distancing and other measures to protect colleagues.

Forza AW considered the economic impact on the Company's subsidiary, Forza Foods Limited of the UK's withdrawal from the European Union including the effect on the price and availability of products and impact on our colleagues. A cross-functional working group was in place during the period with its main objective being to manage the impacts to Forza of the UK's withdrawal in order to minimise disruption to its production and ultimately ASDA's customers. As part of this working group, Forza also considered the potential tariff impact and the Customs regime in relation to products imported from the European Union.

- **Financial risk**

The principal financial risk is having the funds available at the right time to meet business needs. This risk is managed by business forecasting for performance outturn and cash flow to ensure that the adequate funds are in place to meet the liabilities to suppliers and colleagues.

As detailed in note 8, on 16 February 2021, the ultimate parent company and controlling party of ASDA Group Limited, Walmart Inc. ("Walmart"), completed the sale to Mohsin and Zuber Issa, founders and co-CEOs of EG Group, a global convenience and forecourts retailer, headquartered in Blackburn, UK, and investment funds managed by TDR Capital LLP ("TDR Capital") of the entire issued share capital of the Group. Following this transaction, ASDA Group Limited has access to external borrowing facilities for short-term liquidity requirements, and continues to forecast cash flows to ensure that liabilities can be met as they fall due.

- **Regulatory and compliance risk**

We recognise that Forza AW Limited operates in an environment where we can be impacted by changes in Government policy. In response to this, we continue to risk assess all regulatory development and test compliance with internal processes to mitigate risks, making improvements where required.

- **Fraud risk**

We have a control framework in place to help prevent and detect potential fraud and dishonest activity. Our Statement of Ethics provides clear guidance to colleagues on appropriate behaviour, including guidance on how to raise any business conduct concerns they may have. Colleagues can raise issues by contacting the independent Ethics hotline, or by contacting the Ethics team directly by email or phone. In addition, stringent procedures and regular monitoring is in place in respect of compliance with the UK Bribery Act and US Foreign Corrupt Practices Act

- **System risk**

Detailed disaster recovery plans are in place in the event of an incident which could severely affect our ability to trade.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

- **Environmental risk**

We recognise that we have a responsibility to minimise the adverse impact that our business activities may have on the environment. Failure to do so may result not only in adverse environmental impacts, but also financial penalties and long term damage to our reputation.

- **Data Protection risk**

In the event of non-compliance with the requirements of the General Data Protection Regulations ("GDPR"), there is a risk of data loss or misuse or other data breaches which could lead to significant fines and reputational damage. In response to this, we continue to risk assess all aspects of data protection and mitigate risk accordingly.

On behalf of the board:



P Grover
Director
20 September 2021

DIRECTORS' REPORT

The directors present their report and financial statements for the period ended 26 December 2020.

Directors

The directors during the period are disclosed on page 1.

Dividends

No dividends were received during the period (2019: nil).

Political and charitable contributions

During the period, the Company did not make any cash donations to charitable organisations or political donations (2019: £nil).

Going concern and future outlook

The financial statements for the period ended 26 December 2020 have been prepared on the going concern basis as the Directors have determined that the Company has sufficient resources and liquidity facilities to meet its liabilities as they fall due for the period from the date of approval of the accounts up to 31 December 2022. The directors of ASDA Group Limited have provided a letter of support to the Company stating that ASDA Group Limited will provide financial support to the Company should it be required to enable it to continue to meet its liabilities as they fall due until 31 December 2022. Further details of the going concern assessment undertaken by the directors of ASDA Group Limited are provided in the annual report of ASDA Group Limited, for which copies are available on request from the registered office of that company.

Directors' liabilities

During the period, the Directors were insured against liability in respect of proceedings brought by third parties, subject to the limitations set out in the Companies Act 2006. The insurance was controlled and paid centrally by the ultimate parent company during the period.

At the point of the sale of the share capital of ASDA Group Limited, the Company's parent, from ASDA Holdings UK Limited to Bellis Acquisition 3 Limited, a new insurance policy was taken out by the Company. Such insurance remains in force at the date of approving the Directors' Report.

For a list of directors who held office during the period please refer to the beginning of these financial statements

Events since balance sheet date

Brexit

On 1 January 2021, the United Kingdom withdrew from the European Union. The Company's subsidiary, Forza Foods Limited has put in place measures to mitigate the impact of this on colleagues and the Directors do not believe that there is any significant impact on the carrying value of the Company's assets and liabilities at the balance sheet date.

DIRECTORS' REPORT (continued)

Events since balance sheet date (continued)

Change in ownership

The Company is a wholly owned subsidiary of ASDA Group Limited. On 16 February 2021, the ultimate parent company and controlling party of ASDA Group Limited, Walmart Inc. ("Walmart"), completed the sale to Mohsin and Zuber Issa, founders and co-CEOs of EG Group, a global convenience and forecourts retailer, headquartered in Blackburn, UK, and investment funds managed by TDR Capital LLP ("TDR Capital"), a leading UK-based private equity firm, of Walmart's equity interest in ASDA for an enterprise value of £6.8 billion, on a debt-free and cash-free basis. Under the new ownership structure, Mohsin and Zuber Issa and TDR Capital own 100% of the ordinary shares in Bellis Acquisition Company 3 Limited ("BAC3L") which in turn has acquired the entire issued share capital of ASDA from ASDA's immediate parent at the balance sheet date - ASDA Holdings UK Limited ("AHUKL") - and as such, Mohsin and Zuber Issa and TDR Capital will jointly control ASDA. This is a non-adjusting post balance sheet event and has no impact on the carrying value of the Company's assets and liabilities at 26 December 2020.

Following the sales of its interest in the ordinary share capital of the immediate parent company, Walmart will continue to provide a reduced selection of services to ASDA, including services such as IT and access to innovation and know-how under the Transitional Services Agreement and the Ancillary Services Agreement, for a transitional period.

Initial Enforcement Order

On 20 April 2021, the Competition and Markets Authority ("CMA") published its Phase 1 decision on the Initial Enforcement Order ("IEO") which it previously issued under section 72(2) of the Enterprise Act 2002 on Mr Zuber Issa, Mr Mohsin Issa, TDR Capital LLP ("TDR"), TDR Capital III Holdings L.P., TDR Capital III Investments (2019) L.P., and ASDA Group Limited ("ASDA") in relation to the acquisition by Bellis Acquisition Company 3 Limited ("BAC3L") of ASDA. The decision stated that the CMA believed the transaction gave rise to a realistic prospect of a substantial lessening of competition in the retail supply of road fuel in 36 local areas; and in the retail supply of auto-LPG in one local area.

On 5 May 2021, the CMA announced that Mr Zuber Issa, Mr Mohsin Issa and TDR Capital LLP jointly offered undertakings to the CMA, which involve divesting 27 EG Group Limited petrol filling stations to address the CMA's competition concerns ("undertakings in lieu of reference").

On 16 June 2021, the CMA announced that it had accepted the undertakings in lieu of reference. The IEO put in place by the CMA at completion of the acquisition has been lifted as of 16 June 2021.

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



P Grover
Director
20 September 2021

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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). 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 for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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'S REPORT TO THE MEMBERS OF FORZA AW LIMITED

Opinion

We have audited the financial statements of Forza AW Limited for the period ended 26 December 2020 which comprise the Income Statement, Statement of Changes in Equity, Balance Sheet, and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 26 December 2020 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 through 31 December 2022 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 FORZA AW
LIMITED (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

Forza AW Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORZA AW LIMITED (*continued*)

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice) and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to health and safety and employee matters.
- We understood how Forza AW Limited is complying with those frameworks by making enquiries of company management, Group management, Group Legal, Group Ethics & Compliance, and Internal Audit. We corroborated our enquiries through our review of board minutes and papers and inspection of commentary in the group management accounts.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the wider Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing on the full population of journals, with a focus on manual consolidation journals, and journals indicating large or unusual transactions based on our understanding of the business; enquiries of company management, Group Legal, Group Ethics & Compliance, and Internal Audit. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements with the requirements of the relevant accounting standards, and UK legislation.

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

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.

Ernst & Young LLP

Victoria Venning (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
20 September 2021

Forza AW Limited

INCOME STATEMENT for the period ended 26 December 2020

		<i>Period Ended 26 December 2020 £000</i>	<i>Period Ended 28 December 2019 £000</i>
	<i>Note</i>		
Administrative income/(costs)	2	-	-
Operating profit		-	-
Profit before taxation		-	-
Income tax		-	-
Profit for the period		-	-

The profit for the period of £nil (2019: £nil) is all attributable to continuing operations.

There are no other items of other comprehensive income in the period (2019: none)

Forza AW Limited

STATEMENT OF CHANGES IN EQUITY

for the period ended 26 December 2020

	<i>Share capital £000</i>	<i>Share Premium £000</i>	<i>Retained earnings £000</i>	<i>Total equity £000</i>
Balance at 29 December 2018	103	951	10,946	12,000
Profit for the period	-	-	-	-
Balance at 28 December 2019	<u>103</u>	<u>951</u>	<u>10,946</u>	<u>12,000</u>

	<i>Share capital £000</i>	<i>Share Premium £000</i>	<i>Retained earnings £000</i>	<i>Total equity £000</i>
Balance at 28 December 2019	103	951	10,946	12,000
Profit for the period	-	-	-	-
Balance at 26 December 2020	<u>103</u>	<u>951</u>	<u>10,946</u>	<u>12,000</u>

Forza AW Limited

BALANCE SHEET

as at 26 December 2020

	<i>Note</i>	<i>26 December 2020 £000</i>	<i>28 December 2019 £000</i>
Assets			
<i>Non-current assets</i>			
Investments	3	12,000	12,000
Total assets		<u>12,000</u>	<u>12,000</u>
Equity and liabilities			
<i>Equity attributable to the owners of the parent</i>			
Called up share capital	4	103	103
Share premium account	5	951	951
Retained earnings	5	10,946	10,946
Total equity		<u>12,000</u>	<u>12,000</u>
Total liabilities		<u>-</u>	<u>-</u>
Total equity and liabilities		<u>12,000</u>	<u>12,000</u>

The financial statements were approved by the board of directors and signed on its behalf by:



P Grover
Director
20 September 2021

NOTES TO THE ACCOUNTS
for the period ended 26 December 2020

1. ACCOUNTING POLICIES

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Forza AW Limited (the “Company”) for the period ended 26 December 2020 were authorised for issue by the board of directors on 20 September 2021 and the balance sheet was signed on behalf of the directors by P Grover. The Company is a private company limited by shares, incorporated and domiciled in England under the Companies Act 2006 (registration number 05967526).

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with historical cost convention, the Companies Act 2006 and applicable accounting standards.

The Company’s financial statements are presented in Sterling and all values are rounded to the nearest one thousand pounds (£000) except when otherwise indicated. The presentational currency is also the Company functional currency.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of ASDA Group Limited. The results of the Company are included in the consolidated financial statements of ASDA Group Limited, which are available from ASDA House, Southbank, Great Wilson Street, Leeds, LS11 5AD. These financial statements are therefore separate financial statements of the Company only.

The accounting policies below have, unless otherwise stated, been applied consistently to all periods presented in these Company financial statements.

Basis of preparation

The financial statements of the Company are made up to the nearest Saturday to 31 December each year. The current financial year is the 52 weeks ended 26 December 2020 (‘the period’). The comparative financial year is the 52 weeks ended 28 December 2019 (‘the prior period’).

Going concern

The financial statements for the period ended 26 December 2020 have been prepared on the going concern basis as the Directors have determined that the Company has sufficient resources and liquidity facilities to meet its liabilities as they fall due for the period from the date of approval of the accounts up to 31 December 2022.

The directors of ASDA Group Limited have provided a letter of support to the Company stating that ASDA Group Limited will provide financial support to the Company should it be required to enable it to continue to meet its liabilities as they fall due until 31 December 2022. Further details of the going concern assessment undertaken by the directors of ASDA Group Limited are provided in the annual report of ASDA Group Limited, for which copies are available on request from the registered office of that company.

NOTES TO THE ACCOUNTS
for the period ended 26 December 2020

1. ACCOUNTING POLICIES (continued)

Summary of disclosures exemption

The accounting policies which follow have, unless otherwise stated, been applied consistently to all periods presented in these Company financial statements. 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 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;
 - Paragraph 73 of IAS 16 'Property, Plant and Equipment'; and
 - Paragraph 118 of IAS 38 'Intangible Assets'.
- The requirements of paragraphs 10(d), 10(f), 16, 38A-D, 40A-D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- 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 of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures';
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135-135 of IAS 36 'Impairment of Assets'.

Where applicable, equivalent disclosures are included in the consolidated financial statements of ASDA Group Limited, in which the Company is consolidated.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material impact on the financial statements.

New standards, interpretations and amendments effective

There are no issued but not yet effective standards, interpretations and amendments, which have not been applied in these financial statements that will or may have an effect on the Company financial statements in the future.

Judgements, estimates and assumptions

Management are required to make judgements, estimates and assumptions that affect the application of policies and reported assets and liabilities, income and expenses. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed further below.

Judgement is applied in determining whether control exists over entities and whether they should be treated as subsidiaries (note 3). Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

NOTES TO THE ACCOUNTS
for the period ended 26 December 2020

1. ACCOUNTING POLICIES (continued)

Taxation

Taxation comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes except:

- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2. ADMINISTRATIVE INCOME/COSTS

No directors received any remuneration for the period in relation to qualifying services provided to the Company. The directors are all paid by other companies within the ASDA Group for their overall services to the Company with no recharge being made to Forza AW Limited. The emoluments of these directors are disclosed in the financial statements of International Procurement and Logistics Limited.

Fees payable to the company's auditors for audit of the company's annual accounts are paid by another group company.

Forza AW Limited

NOTES TO THE ACCOUNTS for the period ended 26 December 2020

3. INVESTMENTS

	<i>26 December 2020 £000</i>	<i>28 December 2019 £000</i>
Subsidiary undertaking		
Cost and net book value	12,000	12,000

	Place of incorporation	Principal activity	Proportion of ordinary shares held %
Forza Foods Limited	England & Wales	Supply of sliced cooked meats	100%

The registered address of Forza Foods Limited is Unit 1, Foxbridge Way, Normanton, West Yorkshire, WF6 1TN

4. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid At 26 December 2020 and 28 December 2019 Ordinary shares of £1 each	<i>No.</i>	<i>£000</i>
	103,000	103

5. RESERVES

	<i>Share premium £000</i>	<i>Retained earnings £000</i>	<i>Total equity £000</i>
As at 29 December 2018	951	10,946	11,897
Profit for the period	-	-	-
As at 28 December 2019	951	10,946	11,897
	<i>Share premium £000</i>	<i>Retained earnings £000</i>	<i>Total equity £000</i>
As at 28 December 2019	951	10,946	11,897
Profit for the period	-	-	-
As at 26 December 2020	951	10,946	11,897

The share premium account represents the additional amount shareholders paid for their issued shares in excess of the par value of those shares.

NOTES TO THE ACCOUNTS
for the period ended 26 December 2020

6. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the Company has taken advantage of the exemption in paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of the Broadstreet Great Wilson Europe Limited group.

7. PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is International Procurement and Logistics Limited, a company incorporated in England and Wales.

The smallest group at which consolidated financial statements are prepared is ASDA Group Limited. Copies of these financial statements are available from the registered office, ASDA House, Southbank, Great Wilson Street, Leeds, LS11 5AD.

In the directors' opinion, the ultimate parent undertaking and controlling party during the period was Walmart Inc. which is incorporated in the USA. Copies of its consolidated financial statements, which include this Company, can be obtained from the Company Secretary, Walmart Inc., Corporate Offices, 702 SW 8th Street, Bentonville, AR72716, USA.

At the date of approval of the financial statements, the ultimate parent company is Bellis Holdco Limited which is jointly controlled by the Issa brothers and TDR Capital LLP. See note 8 for changes since the Balance Sheet date.

8. EVENTS SINCE THE BALANCE SHEET DATE

Brexit

On 1 January 2021, the United Kingdom withdrew from the European Union. The Company's subsidiary, Forza Foods Limited has put in place measures to mitigate the impact of this on colleagues and the Directors do not believe that there is any significant impact on the carrying value of the Company's assets and liabilities at the balance sheet date.

Change in ownership

The Company is a wholly owned subsidiary of ASDA Group Limited. On 16 February 2021, the ultimate parent company and controlling party of ASDA Group Limited, Walmart Inc. ("Walmart"), completed the sale to Mohsin and Zuber Issa, founders and co-CEOs of EG Group, a global convenience and forecourts retailer, headquartered in Blackburn, UK, and investment funds managed by TDR Capital LLP ("TDR Capital"), a leading UK-based private equity firm, of Walmart's equity interest in ASDA for an enterprise value of £6.8 billion, on a debt-free and cash-free basis. Under the new ownership structure, Mohsin and Zuber Issa and TDR Capital own 100% of the ordinary shares in Bellis Acquisition Company 3 Limited ("BAC3L") which in turn has acquired the entire issued share capital of ASDA from ASDA's immediate parent at the balance sheet date - ASDA Holdings UK Limited ("AHUKL") - and as such, Mohsin and Zuber Issa and TDR Capital will jointly control ASDA. This is a non-adjusting post balance sheet event and has no impact on the carrying value of the Company's assets and liabilities at 26 December 2020.

Following the sales of its interest in the ordinary share capital of the immediate parent company, Walmart will continue to provide a reduced selection of services to ASDA, including services such as IT and access to innovation and know-how under the Transitional Services Agreement and the Ancillary Services Agreement, for a transitional period.

NOTES TO THE ACCOUNTS
for the period ended 26 December 2020

8. EVENTS SINCE THE BALANCE SHEET DATE (continued)

Initial Enforcement Order

On 20 April 2021, the Competition and Markets Authority (“CMA”) published its Phase 1 decision on the Initial Enforcement Order (“IEO”) which it previously issued under section 72(2) of the Enterprise Act 2002 on Mr Zuber Issa, Mr Mohsin Issa, TDR Capital LLP (“TDR”), TDR Capital III Holdings L.P., TDR Capital III Investments (2019) L.P., and ASDA Group Limited (“ASDA”) in relation to the acquisition by Bellis Acquisition Company 3 Limited (“BAC3L”) of ASDA. The decision stated that the CMA believed the transaction gave rise to a realistic prospect of a substantial lessening of competition in the retail supply of road fuel in 36 local areas; and in the retail supply of auto-LPG in one local area.

On 5 May 2021, the CMA announced that Mr Zuber Issa, Mr Mohsin Issa and TDR Capital LLP jointly offered undertakings to the CMA, which involve divesting 27 EG Group Limited petrol filling stations to address the CMA’s competition concerns (“undertakings in lieu of reference”).

On 16 June 2021, the CMA announced that it had accepted the undertakings in lieu of reference. The IEO put in place by the CMA at completion of the acquisition has been lifted as of 16 June 2021.