

41420

CADENA CAFES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 26 FEBRUARY 2005



## **CADENA CAFES LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and financial statements for the 52 weeks ended 26 February 2005.

#### **Principal activities**

The company did not trade in the period. However, its subsidiary company was liquidated in the period which, has led to income from that subsidiary being received by the company, and changes in the company's investments.

#### **Directors and their interests**

The directors of the company during the period were as follows:

R S Ager	(resigned 15 March 2004)
A T Higginson	
M J Field	(resigned 31 May 2005)
L Neville-Rolfe	(appointed 15 March 2004)
J Lloyd	(appointed 31 May 2005)

None of the directors had any disclosable beneficial interests in the company.

A T Higginson is also a director of Tesco PLC, the company's ultimate parent company, and as such his disclosable interests in Tesco PLC are declared in the accounts of that company.

For the directors who were not also directors of the ultimate parent company, their interests in the shares of Tesco PLC at the beginning of the year (or appointment if later) and end of the year are given below:

	Ordinary shares		2005	Share Options *		2004, or on appointment
	2005	2004, or on appointment		Granted	Exercised	
M J Field	95,943	40,837	123,769	35,174	(17,235)	105,830
L Neville-Rolfe	270,740	157,744	328,410	129,774	(167,025)	365,661

\* Executive share option scheme (1984, 1994 and 1996) and savings related share option scheme (1981). Details of these schemes are set out in the annual report and accounts of Tesco PLC.

## **CADENA CAFES LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Directors' responsibilities for the preparation of the financial statements**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period.

The directors consider that in preparing the financial statements on pages 4 to 8 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Auditors**

PricewaterhouseCoopers LLP were appointed as auditors of the company by the directors, to fill the casual vacancy arising following cessation of the dormant status. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board on 9<sup>th</sup> November 2005



J Lloyd  
Director

Cadena Cafes Limited  
Registered Number 41420

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF CADENA CAFES LIMITED

PricewaterhouseCoopers LLP  
10 Bricket Road  
St Albans AL1 3JX  
Telephone +44 (0) 1727 844155  
Facsimile +44 (0) 1727 845039

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 26 February 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
10 Bricket Road  
St Albans  
Herts  
AL1 3JX

15<sup>th</sup> November 2005

**CADENA CAFES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 26 FEBRUARY 2005**

	<b>Note</b>	<b>2005 £</b>	<b>2004 £</b>
Dividends receivable from group undertakings		50,835	-
Write-down of investments		(50,835)	-
<hr/>			
Loss on ordinary activities before tax		-	-
Tax on ordinary activities	3	-	-
Dividends payable to group undertakings		(1,663,406)	-
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Loss for the financial period	6,7	(1,663,406)	-

The company had no recognised gains or losses other than those reflected in the profit and loss account above.

The notes on pages 6 to 8 form part of these financial statements.

**CADENA CAFES LIMITED****BALANCE SHEET AS AT 26 FEBRUARY 2005**

	Note	2005 £	2004 £
FIXED ASSET INVESTMENTS			
Shares in group undertakings (at cost)	4	-	75,835
CURRENT ASSETS			
Amounts owed by group undertakings		738,378	2,438,305
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year			
Amounts owed to group undertakings		-	(112,356)
NET ASSETS		738,378	2,401,784
CAPITAL AND RESERVES			
Called up share capital	5	789,213	789,213
Profit and loss account	6	(50,835)	1,612,571
EQUITY SHAREHOLDERS' FUNDS	7	738,378	2,401,784

Approved by the Board on 9<sup>th</sup> November 2005



J Lloyd  
Director

The notes on pages 6 to 8 form part of these financial statements.

## **CADENA CAFES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 FEBRUARY 2005**

#### **1 PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

In accordance with Financial Reporting Standard 2 “ for subsidiary Undertakings”, group financial statements have not been prepared because the company is a wholly owned subsidiary of a body corporate, incorporated in Great Britain

In accordance with FRS1 (revised), the company, being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flows of this company, has not prepared such a statement itself.

#### **2 ACTIVITY AND DIRECTORS**

The company did not trade in the period.

The directors received no emoluments for their services to the company (2004: £nil).

The company had no employees during the period (2004: £nil).

Auditors' remuneration was borne by another group company.

#### **3 TAXATION**

##### **a) Analysis of charge in the year**

	<b>52 weeks ended 26 February 2005 £</b>	<b>53 weeks ended 28 February 2004 £</b>
Corporation tax at 30% (2004:30%)	-	-
Tax on profit on ordinary activities	-	-

**CADENA CAFES LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
26 FEBRUARY 2005 (continued)****3 TAXATION (continued)****b) Factors affecting tax charge for the year**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30.0%). The differences are explained below:

	<b>52 weeks ended 26 February 2005 £</b>	<b>53 weeks ended 28 February 2004 £</b>
Loss on ordinary activities before tax	-	-
Loss on ordinary activities multiplied by standard rate of corporation tax of 30.0% (2004: 30.0%).	-	-
Effects of:		
Other Items	-	-
Current tax charge for the year	-	-

**4 FIXED ASSET INVESTMENTS – Shares in Group undertakings**

	<b>2005 £</b>	<b>2004 £</b>
At 28 February 2004	75,835	75,835
Redemption of investments on liquidation	(25,000)	-
Write-down in investments	(50,835)	-
At 26 February 2005	-	75,835

The Company owned 100% of the issued ordinary share capital of 3 Guys Limited, registered in England. During the year, 3 Guys Limited was liquidated and therefore its share capital was redeemed.



**CADENA CAFES LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
26 FEBRUARY 2005 (continued)****5 CALLED UP SHARE CAPITAL**

	2005 £	2004 £
Authorised:		
800,000 ordinary shares of £1 each	800,000	800,000
Allotted, called up and fully paid:		
789,213 ordinary shares of £1 each	789,213	789,213

**6 PROFIT AND LOSS ACCOUNT**

	£
As at 28 February 2004	1,612,571
Retained loss for the period	(1,663,406)
Retained loss at 26 February 2005	(50,835)

**7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2005 £	2004 £
Opening shareholders' funds	2,401,784	2,401,784
Loss for the financial period	(1,663,406)	-
Closing shareholders' funds	738,378	2,401,784

**8 ULTIMATE PARENT UNDERTAKING**

The immediate and ultimate parent company and controlling party is Tesco PLC, which is incorporated in Great Britain and 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 financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

**9 RELATED PARTY DISCLOSURES**

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures", as the consolidated financial statements of Tesco PLC, in which the company is included, are available at the address noted above.