

CADENA CAFES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006
Registered Number 41420



CADENA CAFES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006

	Note	2006 £	2005 £
Dividends receivable from group undertakings		-	50,835
Write-down of investments		-	(50,835)
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Loss on ordinary activities before tax		-	-
Dividends payable to group undertakings		-	(1,663,406)
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Loss for the financial period	5,6	-	(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 4 to 6 form part of these financial statements.

CADENA CAFES LIMITED**BALANCE SHEET AS AT 25 FEBRUARY 2006**

	Note	2006 £	2005 £
CURRENT ASSETS			
Debtors: Amounts owed by group undertakings		738,378	738,378
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NET ASSETS		738,378	738,378
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CAPITAL AND RESERVES			
Called up share capital	4	789,213	789,213
Profit and loss account		(50,835)	(50,835)
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EQUITY SHAREHOLDERS' FUNDS		738,378	738,378


For the 52 weeks ended 25 February 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249B(2).

The Directors acknowledge their responsibility for :

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board on 7th September 2006


Jonathan Lloyd
Director

The notes on pages 4 to 6 form part of these financial statements.

CADENA CAFES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006

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

During the year the company has not traded. The directors do not recommend the payment of a dividend for the year (2005: £1,663,406).

The directors received no emoluments for their services to the company (2005: £nil).

The company had no employees during the period (2005: nil).

3 FIXED ASSET INVESTMENTS

	2006	2005
	£	£
Opening investment in group undertakings	-	75,835
Redemption of investments on liquidation	-	(25,000)
Writedown in investments	-	(50,835)
Closing investment in group undertakings	-	-

The company owned 100% of the issued ordinary share capital of 3 Guys Limited registered in England. During 2005, 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 25 FEBRUARY 2006 (continued)

4 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised:		
800,000 ordinary shares of £1 each	800,000	800,000
Allotted and fully paid up:		
789,213 ordinary shares of £1 each	789,213	789,213

5 PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
Opening balance	(50,835)	1,612,571
Retained loss for the period	-	(1,663,406)
Closing balance	(50,835)	(50,835)

6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Opening shareholders' funds	738,378	2,401,784
Loss for the financial period	-	(1,663,406)
Closing shareholders' funds	738,378	738,378

7 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.

CADENA CAFES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006 (continued)

8 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.