

TESCO INTERNATIONAL INTERNET RETAILING
LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

Registered Number: 00041420



TESCO INTERNATIONAL INTERNET RETAILING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

The Directors present their Report and the audited financial statements of Tesco International Internet Retailing Limited (the "Company") for the 52 weeks ended 22 February 2014 (Prior 52 weeks ended 23 February 2013).

Business review and principal activities

The principal activity of the Company is international internet retailing. Turnover has increased significantly during the period following an increased focus on the multi-channel offering for the F&F Brand. The Directors expect this to increase significantly again throughout the next financial period with the roll out of local currency and local language Online platforms

Results and dividends

The results for the period show a pre-tax profit of £2,360k (2013: £884k) and sales of £5,147k (2013: £2,093k). The Directors do not recommend payment of a dividend for the 52 weeks ended 22 February 2014 (2013: £nil). The retained profit for the 52 weeks ended 22 February 2014 amounted to £2,360k (2013: £884k).

Principal risks and uncertainties

The Company is susceptible to economic downturns in the countries where it carries out its business activities.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (the "Group") and are not managed separately. Accordingly, the principle risks and uncertainties of the Group, which include the Company, are discussed on pages 20 to 25 of the Tesco PLC Group Annual Report for the 52 weeks ending 22 February 2014 which does not form part of this Report.

Political contributions

There were no political donations for the period (2013: nil).

Future outlook

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

The Company's future developments form a part of the Group's long-term strategy, which is discussed on pages 12 to 15 of the Group's Annual Report for the 52 weeks ended 22 February 2014, which does not form part of this Report.

Going concern

It is the current intention of the Company's ultimate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations for the foreseeable future. Accordingly the accounts have been prepared on a going concern basis.

Key performance indicators (KPI's)

Given the straightforward nature of the business the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, is discussed on pages 16 to 18 of the Group's Annual Report which does not form part of this Report.

Research and development

The Company does not undertake any research and development activities (2013: none).

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

Employees

The Company had no employees during the period (2013: none).

Directors and their interests

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

J Easterbrook

J Tarry

K Towle

Tesco Services Limited (appointed – 18 November 2013)

Save as set out below, 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 each of the Tesco PLC Directors listed above and the Tesco PLC company secretary (who is also a Director of Tesco Services Limited which is a Director 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 may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial period.

Strategic Report

The Directors have taken advantage of the exemption provided by section S414B (b) of the companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a Strategic Report.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

Statement of Directors' responsibilities

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

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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, 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.

Disclosure of information to auditors

Each Director who is a Director of the Company at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The independent auditors of the Company, PricewaterhouseCoopers LLP, are proposed for reappointment.

On behalf of the Board

17 November 2014.

J Tarry
Director
Tesco International Internet Retailing Limited
Registered Number: 41420
Registered Office: Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO INTERNATIONAL INTERNET RETAILING LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 22 February 2014 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Tesco International Internet Retailing Limited, comprise:

- the Balance Sheet as at 22 February 2014;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO INTERNATIONAL RETAILING LIMITED (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- we have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement To Exemptions

Under the companies Act 2006 we are required to report to report to you if in our opinion, the directors were Not entitled to take advantage of the small companies' exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Director's Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Dasa Brynjolffssen (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

2014

20 November

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

	Notes	52 weeks to 22 February 2014 £'000	52 weeks to 23 February 2013 £'000
Turnover		5,147	2,093
Cost of sales		(2,789)	(1,172)
Gross profit		2,358	921
Administrative expenses		2	(37)
Operating profit		2,360	884
Profit on ordinary activities before taxation		2,360	884
Tax on profit on ordinary activities	5	-	-
Total Comprehensive Income for the financial period		2,360	884

There are no material differences between the profit on ordinary activities before taxation and the total comprehensive income for the period stated above and their historical cost equivalents.

All operations are continuing for the financial period.

The notes on pages 10 to 13 form part of these financial statements.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

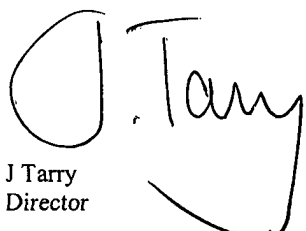
STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

	<i>Equity share capital</i>	<i>Retained earnings</i>	<i>Total equity</i>
	£'000	£'000	£'000
At 25 February 2012	738	109	847
Total comprehensive profit	0	884	884
At 23 February 2013	738	993	1,731
Total comprehensive profit	0	2,360	2,360
At 22 February 2014	738	3,353	4,091

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

BALANCE SHEET AS AT 22 FEBRUARY 2014

		22 February 2014 £'000	23 February 2013 £'000
	Notes		
Current assets			
Debtors: amounts falling due within one year	6	4,091	1,731
Net current assets		4,091	1,731
Total assets less current liabilities		4,091	1,731
Net assets		4,091	1,731
Capital and reserves			
Called up share capital	7	738	738
Retained earnings		3,353	993
Total equity		4,091	1,731



J Tarry
Director

17 November 2014.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of Tesco International Internet Retailing Limited (the "Company") for the year ended 22 February 2014 were authorised for issue by the Board of Directors on 17 November 2014 and the Balance Sheet was signed on the board's behalf by J Tarry. Tesco International Internet Retailing Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The results of the Group are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

The principal accounting policies adopted by the Company are set out in note 2.

2 ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 1 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company's date of transition to FRS 101 is 26 February 2012. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with UK GAAP was not material on the shareholders' equity as at the date of transition and as at 22 February 2014 and on the profit or loss for the year ended 22 February 2014.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of Cash Flows;
- 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.

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

Turnover

Turnover consists of international sales through internet websites carried out by Tesco Stores Limited on behalf of Tesco International Internet Retailing Limited. Turnover is reported net of returns, vouchers and value added taxes. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Cost of Sales

Cost of Sales consists of goods purchased from Tesco Stores Limited at book price.

Current taxation

The amount included in the Statement of Comprehensive Income is based on the profit on ordinary activities before taxation and is calculated at current local tax rates, taking into account timing differences and the likelihood of realisation of deferred tax assets and liabilities.

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 Statement of Comprehensive Income.

Debtors

Debtors are amounts due from Group Undertakings. Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

3 AUDITORS' REMUNERATION

The auditors' remuneration for the current and prior period was borne by another Group Company.

4 STAFF COSTS AND DIRECTORS' REMUNERATION

The Directors received no emoluments for their services to the Company (2013: £nil).

The Company had no employees during the period (2013: none).

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of Corporation Tax in the UK was changed from 24% to 23% with effect from 1 April 2013. This gives an overall blended Corporation Tax rate for the company for the full year of 23.1% (2013: 24.2%).

	52 weeks to 22 Feb 2014 £'000	52 weeks to 23 Feb 2013 £'000
Current income tax:		
UK Corporation tax on profit for the period	-	-
Tax expenses in the statement of comprehensive income	-	-

Reconciliation of total tax charge

The tax assessed for the period is lower (2013: lower) than the blended rate of corporation tax in the UK of 23.1% (2013: 24.2%). The differences are explained below:

	52 weeks to 22 Feb 2014 £'000	52 weeks to 23 Feb 2013 £'000
Profit on ordinary activities before tax	2,360	884
Profit on ordinary activities multiplied by blended rate in the UK 23.1% (2013: 24.2%)	545	214
Effects of:		
Group relief received without payment	(545)	(214)
Current tax charge for the financial period	-	-

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

6 DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Amounts owed by Group undertakings	4,091	1,731
	4,091	1,731

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

7 CALLED UP SHARE CAPITAL

	2014	2013
	£'000	£'000
Allotted, called up and fully paid:		
738,378 Ordinary shares of £1 each (2013: 738,378)	738	738

8 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking and controlling party is Tesco PLC. The Company is included within the Tesco PLC Group financial statements which are publicly available.

9 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exception under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.