

TESCO PROPERTY PARTNER (NO.1) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012

Registered Number: 04945945

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TESCO PROPERTY PARTNER (NO.1) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012

The Directors present their report and the audited financial statements of Tesco Property Partner (No 1) Limited (the "Company") for the 52 weeks ended 25 February 2012 (prior period 52 weeks ended 26 February 2011)

Business review and principal activities

The principal activity of the Company is to act as an investment company for Tesco PLC in The Tesco Property Limited Partnership Group. 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.

Results and dividends

The results for the period show a pre-tax result of £nil (2011 result £nil) and sales of £nil (2011 £nil).

The Directors do not recommend a payment of a dividend for the period ended 25 February 2012 (2011 £nil).

The Company had net assets of £49,227 (2011 £49,227).

Principal risks and uncertainties

From the perspective of the Company, the principal risks relate to the carrying value of investments that this company holds.

To manage this risk the Company periodically reviews the financial statements of the entities the Company has investments in.

Charitable and political contributions

There were no charitable or political donations for the period (2011 £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 maintained.

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.

Research and development

The Company does not undertake any research and development activities (2011 £nil).

Supplier payment policy

The Company does not have any direct supplier relationships.

TESCO PROPERTY PARTNER (NO.1) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

Employees

The Company had no employees during the period (2011 none)

Directors and their interests

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

A Higginson	(Resigned 29 February 2012)
J Lloyd	

Save as set out below, none of the Directors had any disclosable interests in the Company during this period

A Higginson was also a former director of Tesco PLC, the Company's ultimate parent company, and as such his disclosable interest in Tesco PLC is declared in the financial statements of that company

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 director listed above and the Tesco PLC company secretary (who is also 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

Cautionary statement regarding forward-looking information

Where this review 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 important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

TESCO PROPERTY PARTNER (NO.1) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

The Companies Act 2006 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Companies Act 2006, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

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 has taken all the steps that he ought to have taken as a director to make himself 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

20 AUGUST

2012



J. Lloyd
Director

Tesco Property Partner (No 1) Limited

Registered Number 04945945

Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TESCO PROPERTY PARTNER (NO.1) LIMITED

We have audited the financial statements of Tesco Property Partner (No 1) Limited for the 52 weeks ended 25 February 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' 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 International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 25 February 2012 and of its result for the 52 weeks 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.

Opinion on other matters 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



David Beer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

20/8/2012

TESCO PROPERTY PARTNER (NO.1) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012

	Notes	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
Administrative expenses		-	-
Result on ordinary activities before taxation	2	-	-
Tax on result on ordinary activities	3	-	-
Result for the financial period	9,10	-	-

There are no recognised gains or losses other than those shown in the Profit and Loss Account above

There are no material differences between the result on ordinary activities before taxation and the result for the period stated above and their historical cost equivalents

All operations are continuing for the financial period

The notes on pages 8 to 12 form part of these financial statements

TESCO PROPERTY PARTNER (NO.1) LIMITED

BALANCE SHEET AS AT 25 FEBRUARY 2012

	Notes	25 February 2012 £	26 February 2011 £
Fixed assets			
Investments	4	1,000	1,000
Current assets			
Cash at bank and in hand		43,359	43,359
Debtors – due within one year	5	1,300,717	-
Debtors – due after one year	6	5,504,151	12,954,151
Net current assets		6,848,227	12,997,510
Total assets		6,849,227	12,998,510
Creditors – amounts falling due after more than one year	7	(6,800,000)	(12,949,283)
Net assets		49,227	49,227
Capital and reserves			
Called up share capital	8	2,000	2,000
Profit and loss account	9	47,227	47,227
Total equity shareholder's funds	10	49,227	49,227

The financial statements on pages 6 to 12 were approved by the board of Directors on 26 Aug 2012 and were signed on its behalf by



J Lloyd
Director
Tesco Property Partner (No 1) Limited
Registered Number 04945945

TESCO PROPERTY PARTNER (NO.1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, in accordance with applicable United Kingdom accounting standards, under the historical cost convention and in accordance with the Companies Act 2006. The Company's principal accounting policies have been applied consistently during the period.

In accordance with FRS 2 "Accounting for Subsidiary Undertakings" and Section 400 of the Companies Act 2006, group financial statements have not been prepared because the Company is a wholly owned subsidiary of Tesco PLC, incorporated in England and Wales.

Cash flow statement

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. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "Cash Flow Statements".

Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less where appropriate provisions for impairment.

Impairment of fixed assets

At each balance sheet date the Company reviews the carrying amounts of the fixed assets to determine whether there is any need for impairment in accordance with FRS 11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the Profit and Loss Account in the period in which it occurs.

Current taxation

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

TESCO PROPERTY PARTNER (NO.1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

2. RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Directors received no emoluments for their services to the Company (2011 £nil)

The Company had no employees during the period (2011 £nil)

The auditors' remuneration for the current and prior period was borne by another group company

3. TAX ON RESULT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of corporation tax in the UK was changed from 28% to 26% with effect from 1 April 2011. This gives an overall blended Corporation Tax rate for the Company for the full year of 26.2% (2011 28%).

	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
Current tax:		
UK Corporation tax on profit for the financial period	-	-
Total current tax	-	-
Deferred tax		
Current period tax	-	-
Prior period items	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the period is the same as (2011 same as) the blended rate of corporation tax in the UK of 26.2% (2011 28%). The differences are explained below

	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
Result on ordinary activities before tax	-	-
Result on ordinary activities multiplied by blended rate in the UK 26.2% (2011 28%)	-	-
Effects of		
Taxable share of partnership income	1,756,403	1,938,069
Group relief received without payment	(1,756,403)	(1,938,069)
Current tax charge for the financial period	-	-

TESCO PROPERTY PARTNER (NO.1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

4. INVESTMENTS

	Investments £
Cost	
At 27 February 2011	1,000
Additions	-
At 25 February 2012	1,000
Net book value	
At 25 February 2012	1,000
At 26 February 2011	1,000

The Directors believe that the carrying value of the investments is supported by their underlying net assets. Details of the principal associate undertakings at the period end are as follows:

Subsidiary undertakings	Country of incorporation	% Interest held	Nature of business
The Tesco Property Limited Partnership	England and Wales	49.95%	Property investment

5. DEBTORS – DUE WITHIN ONE YEAR

	25 February 2012 £	26 February 2011 £
Tesco PLC	1,300,717	-
	1,300,717	-

Amounts owed by Tesco PLC are unsecured, interest free and repayable on demand.

6. DEBTORS – DUE AFTER ONE YEAR

	25 February 2012 £	26 February 2011 £
The Tesco Property Limited Partnership	5,504,151	12,954,151
	5,504,151	12,954,151

Amounts owed by The Tesco Property Limited Partnership are unsecured, interest free and repayable by 28 February 2029.

TESCO PROPERTY PARTNER (NO.1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

7. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	25 February 2012 £	26 February 2011 £
Tesco Stores Limited	6,800,000	6,800,000
Tesco PLC	-	6,149,283
	6,800,000	12,949,283

Amounts owed to Tesco Stores Limited and Tesco PLC are unsecured, interest free and repayable in 28 February 2029

8. CALLED UP SHARE CAPITAL

	25 February 2012 £	26 February 2011 £
Allotted, called up and fully paid 2,000 (2011 2,000) Ordinary shares of £1 each	2,000	2,000

9. RESERVES

	Profit and loss reserve £
As at 27 February 2011	47,227
Result for the financial period	-
As at 25 February 2012	47,227

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 25 FEBRUARY 2012

	25 February 2012 £	26 February 2011 £
Result for the financial period	-	-
Net movement in shareholder's funds	-	-
Opening shareholder's funds	49,227	49,227
Closing shareholder's funds	49,227	49,227

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking is Tesco PLC. Tesco PLC is registered in England and Wales and 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.

TESCO PROPERTY PARTNER (NO.1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

12. RELATED PARTY TRANSACTIONS

During the year, Tesco PLC, received £7,450,000 (2011 £nil) in loan repayments from The Tesco Property Limited Partnership. This has been treated as a loan repayment to Tesco PLC and from The Tesco Property Limited Partnership in this Company's financial statements.

Transactions with other subsidiary companies within the group are not disclosed as the Company has taken advantage of the exemption under paragraph 3(c) of FRS 8 "Related Party Disclosures", as the consolidated financial statements of Tesco PLC, in which the Company is included, can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.