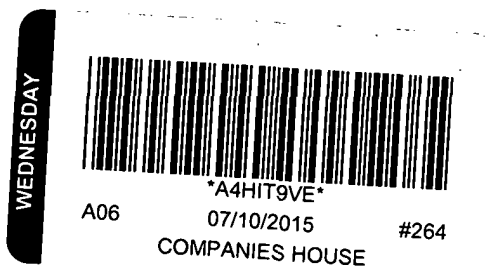


TESCO PROPERTY PARTNER (NO.1) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Registered Number: 04945945



# **TESCO PROPERTY PARTNER (NO.1) LIMITED**

## **DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015**

The Directors present their report and the audited financial statements of Tesco Property Partner (No.1) Limited (the "Company") for the 53 weeks ended 28 February 2015 (prior period: 52 weeks ended 22 February 2014).

### **Business review and principal activities**

The principal activity of the Company is to act as an investment company for the Tesco Group into 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 profit on ordinary activities before tax of £5,994,000 (2014: £nil).

The Directors do not recommend a payment of a dividend for the 53 weeks ended 28 February 2015 (2014: £nil).

At the period end the Company had net assets of £6,043,230 (2014: £49,230).

### **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.

### **Political donations**

There were no political donations for the period (2014: £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**

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.

### **Employees**

The Company had no employees during the period (2014: none).

## **TESCO PROPERTY PARTNER (NO.1) LIMITED**

### **DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)**

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

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

J Lloyd	(Resigned on 23 January 2015)
P Moore	(Appointed on 23 January 2015)
J Gibney	(Appointed on 20 March 2015)
Tesco Services Limited	(Appointed on 23 January 2015)

The Directors did not have 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 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.

#### **Strategic Report**

The Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 from preparing a Strategic Report.

## **TESCO PROPERTY PARTNER (NO.1) LIMITED**

### **DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)**

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Companies 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 group and company, and of the profit or loss of the group 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 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 the group, 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 the group 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.

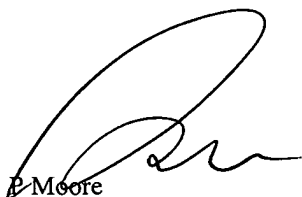
#### **Disclosure of information to auditors**

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.

On behalf of the Board

*7 AUGUST* 2015 .



P. Moore  
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 members of Tesco Property Partner (No.1) Limited**

## **Report on the financial statements**

### **Our opinion**

In our opinion, Tesco Property Partner (NO.1) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit for the 53 week period (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.

### **What we have audited**

Tesco Property Partner (NO.1) Limited's financial statements comprise:

- the balance sheet as at 28 February 2015;
- the profit and loss account 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 the preparation of the financial statements 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.

### **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.

### **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.

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 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 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) ("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.

### **What an audit of financial statements involves**

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



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

10 August 2015

# TESCO PROPERTY PARTNER (NO.1) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

	Notes	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Operating result	2	-	-
Income received from investment		5,994,000	-
Profit/result on ordinary activities before taxation		5,994,000	-
Tax on profit/result on ordinary activities	3	-	-
Profit/result and total comprehensive income for the financial period	9	5,994,000	-

## STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

	Notes	Called up share capital £	Profit and loss account £	Total shareholder's funds £
At 23 February 2013		2,000	47,230	49,230
Result and total comprehensive income for the period		-	-	-
At 22 February 2014		2,000	47,230	49,230
Profit and total comprehensive income for the period		-	5,994,000	5,994,000
At 28 February 2015		2,000	6,041,230	6,043,230

# TESCO PROPERTY PARTNER (NO.1) LIMITED

## BALANCE SHEET AS AT 28 FEBRUARY 2015

	Notes	28 February 2015 £	22 February 2014 £
<b>Fixed assets</b>			
Investments	4	1,000	1,000
<b>Current assets</b>			
Debtors	5	12,798,871	6,804,871
Cash at bank and in hand		43,359	43,359
<b>Net current assets</b>		<b>12,842,230</b>	<b>6,848,230</b>
<b>Total assets</b>		<b>12,843,230</b>	<b>6,849,230</b>
Creditors: amounts falling due after more than one year	6	(6,800,000)	(6,800,000)
<b>Net assets</b>		<b>6,043,230</b>	<b>49,230</b>
<b>Capital and reserves</b>			
Called up share capital	7	2,000	2,000
Profit and loss account	8	6,041,230	47,230
<b>Total shareholders' funds</b>	9	<b>6,043,230</b>	<b>49,230</b>

The financial statements on pages 6 to 11 were approved by the board of Directors on and were signed on its behalf by:

7 AUGUST 2015



J Moore  
Director

Tesco Property Partner (No.1) Limited

Registered Number: 04945945

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

# **TESCO PROPERTY PARTNER (NO.1) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015**

### **1. 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 10 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 1 January 2013. The company has notified its shareholders in writing about, and they do not object to it, the use of 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 28 February 2015 and on the profit or loss for the year ended 28 February 2015.

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

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

#### **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.

#### **Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. 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.



# TESCO PROPERTY PARTNER (NO.1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

### 2. OPERATING RESULT

The Directors received no emoluments for their services to the Company (2014: £nil).

The Company had no employees during the period (2014: none).

The auditors' remuneration of £3,575 (2014: £3,000) was borne by the Tesco Property Limited Partnership.

### 3. TAX ON PROFIT/RESULT ON ORDINARY ACTIVITIES

#### Factors that have affected the tax charge

The standard rate of Corporation Tax in the UK was changed from 23% to 21% with effect from 1 April 2014.

This gives an overall blended Corporation Tax rate for the company for the full year of 21.2%.

	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
<b>Current tax:</b>		
UK Corporation tax on profit/result for the financial period	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Current period tax	-	-
Prior period items	-	-
<b>Total deferred tax</b>	-	-
<b>Total Income Tax Expense</b>	-	-

The tax assessed for the period is lower than (2014: the same as) the blended rate of corporation tax in the UK of 21.2% (2014: 23.1%).

	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Profit/result on ordinary activities before tax	5,994,000	-
Profit on ordinary activities multiplied by blended rate in the UK 21.2% (2014: 23.1%)	1,270,728	-
Effects of:		
Non-taxable dividends	(1,270,728)	-
Taxable share of partnership income	1,446,623	1,559,494
Group relief (claimed)/surrendered without payment	(1,446,623)	(1,559,494)
<b>Total tax charge for the financial period</b>	-	-

# TESCO PROPERTY PARTNER (NO.1) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

### 4. INVESTMENTS

	Investments £
<b>Cost</b>	
At 23 February 2014	1,000
Additions	-
<b>At 28 February 2015</b>	<b>1,000</b>
<b>Net book value</b>	
At 28 February 2015	1,000
At 22 February 2014	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

	28 February 2015 £	22 February 2014 £
Amounts owed by Tesco PLC	12,798,871	6,804,871
	<b>12,798,871</b>	<b>6,804,871</b>

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

### 6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	28 February 2015 £	22 February 2014 £
Amounts owed to Tesco Stores Limited	6,800,000	6,800,000
	<b>6,800,000</b>	<b>6,800,000</b>

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

### 7. CALLED UP SHARE CAPITAL

	28 February 2015 £	22 February 2014 £
Allotted, called up and fully paid:		
2,000 (2014: 2,000) Ordinary shares of £1 each	2,000	2,000

## TESCO PROPERTY PARTNER (NO.1) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

#### 8. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
As at 23 February 2014	47,230
Profit for the financial period	5,994,000
<b>As at 28 February 2015</b>	<b>6,041,230</b>

#### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 28 FEBRUARY 2015

	28 February 2015 £	22 February 2014 £
Profit/result for the financial period	5,994,000	-
<b>Net additions to shareholder's funds</b>	<b>5,994,000</b>	<b>-</b>
Opening shareholder's funds	49,230	49,230
<b>Closing shareholder's funds</b>	<b>6,043,230</b>	<b>49,230</b>

#### 10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate and ultimate parent undertaking and controlling party is Tesco PLC which is 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, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

#### 11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.