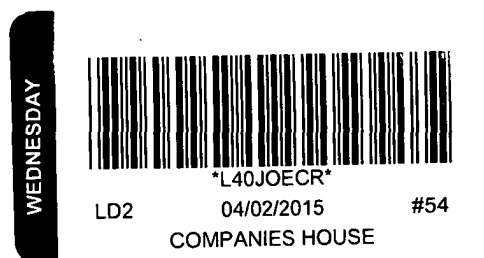


BLINKBOX MUSIC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2014

Registered Number: 05717612



BLINKBOX MUSIC LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

The Directors present their Strategic Report of Blinkbox Music Limited ("the Company") for the year ended 28 February 2014.

Review of the business

The principal activity of the Company is to maintain a model for the distribution of digital recorded music, providing a cloud based music platform which lets music lovers listen to music which is personalised for them and giving them the ability to select specific requests as and when they wish. There has been no significant change in the nature or level of this activity during the year and the Directors do not expect this to change significantly throughout the next financial period.

Results and dividends

The results for the year show a pre-tax loss of £12.5m (2013: loss £4.6m) and sales of £0.2m (2013:£0.3m). The net liabilities of the company as at 28 February 2014 were £15.6m (2013: £3.1m). Results have significantly decreased year on year due to launch of and investment in Blinkbox Music service.

The Directors do not recommend payment of a dividend for the year ended 28 February 2014 (2013: £nil).

Principal risks and uncertainties

The Company may face challenges in attracting and retaining the best people with the right capabilities, and challenges associated with changing customer habits in a developing market especially as Blinkbox is a new brand.

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 principal risks and uncertainties of the Group, which include the Company, are discussed on page 33 of the Tesco PLC Group Annual Report for the year ending 28 February 2014 which does not form part of this Report.

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 69 to 121 of the Group's Annual Report which does not form part of this Report.

On behalf of the Board



Date: 19. Jan. 2015

M Comish
Director
Blinkbox Music Limited
Registered Number: 05717612
Registered Office: Tesco PLC, Tesco House, Cheshunt, Hertfordshire, EN8 9SL

BLINKBOX MUSIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014

The Directors present their report and the audited financial statements of Blinkbox Music Limited (the "Company") for the year ended 28 February 2014. The company changed its name on 28 May 2013 from We7 limited to Blinkbox Music Limited.

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.

The Company's future developments form a part of the Group's long-term strategy, which is discussed on page 1 of the Group's Annual Report for the year ended 28 February 2014, which does not form part of this Report.

Going concern

The company is dependent on financial support from its ultimate parent company, Tesco PLC. Tesco PLC is considering a number of strategic options with regard to the future of the company as outlined in Note 1 on page 9 of the financial statements. The directors believe that these strategic options present a realistic probability for the company to continue as a going concern and have accordingly prepared the financial statements on this basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Research and development

The Company undertakes the development of software. The development spend for the year ended 28 February 2014 amounted to £4.9m (2013: £1.2m).

Employees

The Company depends on the skills and commitment of its employees in order to achieve its objectives.

Ongoing training programmes seek to ensure that employees understand the Company's customer service objectives and strive to achieve them.

The Company's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation, colour, creed, ethnic origin, religion or belief, or disability. All decisions are based on merit.

Internal communications are designed to ensure that employees are well informed about the business.

The company had 86 employees on average during the year ended 28 February 2014 (2013: 39).

Directors and their interests

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

J Lloyd
M Comish
J Easterbrook

As set out below, none of the Directors had any disclosable interests in the Company during the year.

J Lloyd is also the Company Secretary of Tesco PLC, the Company's ultimate parent company, and as such his disclosable interest in Tesco PLC is all declared in the financial statements of that company.

BLINKBOX MUSIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

A qualifying third-party indemnity provision as defined in Section 284 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Company Secretary (who is also a Director of this 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 year.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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 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 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.

The directors are responsible for the maintenance and integrity of the company's website. 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 auditor 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 is aware of that information.

Independent auditors

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

On behalf of the Board



Date: 19 Jan. 2015

M Comish

Director

Blinkbox Music Limited

Registered Number: 05717612

Registered Office: Tesco PLC, Tesco House, Cheshunt, Hertfordshire, EN8 9SL

BLINKBOX MUSIC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLINKBOX MUSIC 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 28 February 2014 and of its loss for the year 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on financial support from its ultimate parent. Note 1 to the financial statements explains the strategic options being considered by the ultimate parent which indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited

The financial statements for the year ended 28 February 2014, which are prepared by Blinkbox Music Limited, comprise:

- the Balance Sheet as at 28 February 2014;
- the Profit and Loss Account for the year 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 comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

BLINKBOX MUSIC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLINKBOX BOOKS LIMITED (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year 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; 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.

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.



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

Date: 19 January 2015

BLINKBOX MUSIC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2014

	Notes	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Turnover		150	292
Cost of sales		(1,819)	(312)
Gross loss		(1,669)	(20)
Administrative expenses		(10,792)	(4,558)
Operating loss	2	(12,461)	(4,578)
Interest receivable	4	2	11
Loss on ordinary activities before taxation		(12,459)	(4,567)
Tax on loss on ordinary activities	5	(99)	1
Loss for the financial year/period		(12,558)	(4,566)

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 loss on ordinary activities before taxation and the loss for the financial year/period stated above and their historical cost equivalents.

All operations are continuing for the financial year/period.

The notes on pages 9 to 17 form part of these financial statements.

BLINKBOX MUSIC LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2014

		28 February 2014	28 February 2013
	Notes	£000's	£000's
Non-Current Assets			
Tangible assets	6	1,710	96
Intangible assets	7	5,551	1,184
Total fixed assets		7,261	1,280
Current assets			
Debtors	9	1,831	492
Cash at bank and in hand		2,288	2,694
Total current assets		4,119	3,186
Creditors: amounts falling due within one year	10	(26,705)	(7,540)
Net current (liabilities)/assets		(22,586)	(4,354)
Total assets less current liabilities		(15,325)	(3,074)
Creditors: amounts falling due after more than one year	11	(307)	-
Net Liabilities		(15,632)	(3,074)
Capital and reserves			
Called up share capital	12	12	12
Share premium account	13	16,017	16,017
Profit and loss account	13	(31,661)	(19,103)
Total shareholders' deficit		(15,632)	(3,074)

The financial statements on pages 7 to 17 were approved by the Board of Directors on 19 Jan. 2015 and were signed on its behalf by:

M Comish
 Director
 Blinkbox Music Limited
 Registered Number: 05717612
 Registered Office: Tesco PLC, Tesco House, Cheshunt, Hertfordshire, EN8 9SL



BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014

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 year.

Going concern

The company is dependent on financial support from its ultimate parent company, Tesco PLC. Tesco PLC is considering a number of strategic options with regard to the future of the company, including:

1. the continued significant investment into the business to enable it to generate sustainable profits;
2. the disposal of the business to a third party; or
3. the closure of the business.

The directors believe that options 1 and 2 above have a realistic probability of being achieved and accordingly, have adopted the going concern basis of preparation in the drawing up these financial statements. However, these strategic options are not within the company's control and therefore, it is possible that the closure of the business becomes inevitable. This indicates the existence of a material uncertainty which casts significant doubt about the company's ability to continue as a going concern.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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".

Tangible fixed assets

Tangible fixed assets are carried at historic purchase cost less accumulated depreciation. They include amounts in respect of costs incurred in bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is provided to write off costs or valuation of tangible fixed assets less their residuals on a straight-line basis over the anticipated useful economic lives of the assets.

- Freehold and leasehold buildings with greater than 40 years unexpired – at 2.5% of cost.
- Computer and office equipment are depreciated on a straight-line basis at rates varying from 10% to 33%.

Foreign currencies

Transactions in foreign currencies are translated into pounds sterling at the exchange rate on the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated into pounds sterling at the exchange rates prevailing at the Balance Sheet date. All foreign exchange differences are taken to the Profit and Loss Account for the period.

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Leases

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight-line basis over the term of the relevant lease.

Intangible assets

Intangible assets relate to costs incurred for IT development staff and includes both full time employees and contracting staff. Intangible assets are stated at cost less accumulated amortisation, and are amortised over their useful economic life of 7 years.

Impairment of fixed assets and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of the tangible fixed assets and intangible 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 may receive or surrender group relief from group companies without payment and consequently there may be no tax charge in the Profit and Loss account.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date and which could give rise to an obligation to pay more or less taxation in the future. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the Balance Sheet date.

Revenue recognition policy

Sales revenue consists of two revenue streams and excludes Value Added Tax:

- 1) Sales of advertising services to third parties. Revenue is recognised when advertising is displayed on the online advertising platform. Amounts received in advance from customers is recorded as deferred revenue on the balance sheet.
- 2) Sales from a subscription service for music which is recognised on an accrual basis over the time of the service.

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

2. OPERATING LOSS

Operating loss is stated after charging:

	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Depreciation of tangible fixed assets	108	61
Amortisation of capitalised IT development costs	524	52
Government grants received	-	366
Operating lease charges - other	498	176
Auditors' remuneration	23	17

3. DIRECTORS' EMOLUMENTS

	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Aggregate emoluments	-	646

Services provided to the company by the directors during the year were valued at £372k and were borne in total by another group company.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Interest receivable on bank deposits	2	11

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

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 year of 23.1%.

	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Current tax:		
UK Corporation tax on profit for the financial period	99	-
Adjustments in respect of previous financial periods	-	(1)
Total current tax	99	(1)
Deferred tax:		
Current period tax	-	-
Prior period items	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	99	(1)

The tax assessed for the year / period is higher (2013: higher) than the blended rate of corporation tax in the UK of 23.1% (2013: 24.4%). The differences are explained below:

	Year ended 28 February 2014 £000's	61 weeks to 28 February 2013 £000's
Loss on ordinary activities before tax	(12,459)	(4,567)
Loss on ordinary activities multiplied by blended rate in the UK 23.1% (2013: 24.4%)	(2,878)	(1,114)
Effects of:		
Expenses not deductible for tax purposes	(27)	-
(Accelerated)/Decelerated capital allowances and other timing differences	(8)	77
Other short term timing differences	(1,074)	-
Group relief surrendered without payment	4,001	728
Current period trade losses not utilised	-	309
R&D expenditure credit adjustment	85	-
Adjustment in respect of previous financial periods	-	(1)
Current tax charge/(credit) for the financial year / period	99	(1)

The Finance Act 2012 included legislation to reduce the main rate of UK Corporation Tax from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. In the December 2012 Budget Statement it was announced that the UK rate would be reduced from 23% to 21% from 1 April 2014 and in the March 2013 Budget Statement it was announced that the rate would be further reduced to 20% by 1 April 2015. These further rate reductions were substantively enacted by the balance sheet date and are therefore included in these financial statements.

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

Deferred tax asset – Unrecognised

	Amount Unrecognised 2014 £'000	Amount Unrecognised 2013 £'000
Excess of depreciation over capital allowances / (capital allowances over depreciation)	43	49
Trade losses carried forward	3,009	3,032
Other short term timing differences	(910)	-
Tax withheld on Research and Development Above the Line Credit	74	-
Total	2,216	3,081

A net deferred tax asset of £2.2m (2013: £3.1m) has not been recognised in the financial statements due to the lack of certainty concerning the quantum and timing of future gross taxable profits of the company.

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

6. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £'000	Computer and Office equipment £'000	Total £'000
Cost			
At 28 February 2013	-	337	337
Additions	1,470	252	1,722
At 28 February 2014	1,470	589	2,059
Accumulated depreciation			
At 28 February 2013	-	(241)	(241)
Charge for the year	(14)	(94)	(108)
At 28 February 2014	(14)	(335)	(349)
Net book value			
At 28 February 2014	1,456	254	1,710
At 28 February 2013	-	96	96

7. INTANGIBLE ASSETS

	Capitalised IT development costs £'000
Cost	
At 28 February 2013	1,236
Additions	4,891
At 28 February 2014	6,127
Accumulated amortisation	
At 28 February 2013	(52)
Charge for the year	(524)
At 28 February 2014	(576)
Net book value	
At 28 February 2014	5,551
At 28 February 2013	1,184

Intangible assets relate to costs incurred for IT development staff and includes both full time employees and contracting staff. Intangible assets are stated at cost less accumulated amortisation, and are amortised over their useful economic life of 7 years. See Note 1 which describes future strategic options being considered by the company's ultimate parent company, which in turn could impact the carrying value of the above intangible assets.

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

8. EMPLOYMENT COSTS

	Year ended 28 February	61 weeks to 28 February
	2014	2013
	£'000	£'000
Wages and Salaries	8,006	3,564
Social Security costs	543	273
Other Pension costs	36	222
Staff Costs	8,585	4,059

The monthly average number of UK employees (excluding directors) during the year ended 28 February 2014 was 86 (2013: 39) and the average number of full-time equivalents was 86 (2013: 39)

Of the above amount £4,890,998 has been capitalised in respect of IT / product development.

Director's remuneration for the year is nil (2013: nil). The company's director's remuneration was borne by another group company during the year.

9. DEBTORS

	Year ended 28 February	61 weeks to 28 February
	2014	2013
	£'000	£'000
Trade debtors	91	89
Amounts owed by group undertakings	126	21
Other debtors	35	35
Taxation and social security	1,028	123
Corporation tax receivable	331	-
Prepayments and accrued income	220	224
	1,831	492

All amounts due from group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand.

BLINKBOX MUSIC LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)****10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 28 February	61 weeks to 28 February
	2014	2013
	£'000	£'000
Trade creditors	571	267
Amounts owed to group undertakings	20,833	5,607
Taxation and social security	181	93
Accruals and deferred income	5,120	1,573
	26,705	7,540

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £'000	2013 £'000
Deferred income	307	-

12. CALLED UP SHARE CAPITAL

	Year ended 28 February	61 weeks to 28 February
	2014	2013
	£'000	£'000
Allotted, called up and fully paid:		
11,953,513,046 Ordinary shares of 0.000001p each (2013: 11,953,513,046)	12	12
	12	12

BLINKBOX MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2014 (continued)

13. RESERVES

	Share Premium account £'000	Profit and Loss account £'000
As at 28 February 2013	16,017	(19,103)
Loss for the financial year	-	(12,558)
As at 28 February 2014	16,017	(31,661)

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	28 February 2014 £'000	28 February 2013 £'000
Loss for the financial year/period	(12,558)	(4,566)
Net proceeds of issue of Ordinary share capital	-	2,232
Net additions to shareholders' deficit	(12,558)	(2,334)
Opening shareholders' deficit	(3,074)	(740)
Closing shareholders' deficit	(15,632)	(3,074)

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tesco Holdings Limited.

The Company's 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, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

16. RELATED PARTY TRANSACTIONS

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, are available at the address noted above.