

TESCO GATESHEAD PROPERTY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017

Registered Number: 08312532



TESCO GATESHEAD PROPERTY LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017

The Directors present their Report and the audited financial statements of Tesco Gateshead Property Limited (the "Company") for the 52 weeks ended 25 February 2017 (prior period: 52 weeks ended 27 February 2016).

Business review and principal activities

The principal activity of the Company is the letting and operating of leased real estate. 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 loss before taxation of £25,099 (2016: loss of £3,270). Net liabilities as at 25 February 2017 were £503,378 (2016: £479,070).

The Directors do not recommend a payment of a dividend for the 52 weeks ended 25 February 2017 (2016: £nil).

Financial risk management

The principal risk relates to the recovery of rental income and vacant property risk with regards to its commercial units. The risks are actively managed by property asset managers to ensure that the vacancy rates of retail units are minimised.

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 pages 26 to 30 of the Tesco PLC Annual Report and Financial Statements 2017 which does not form part of this Report.

Business risk

On 29 March 2017, the United Kingdom government invoked Article 50 to initiate the process of the United Kingdom leaving the European Union within two years. This could cause disruptions and uncertainties which could have an adverse effect on our property business, financial results and operations.

Political donations

There were no political donations for the period (2016: nil).

Future developments

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 were discussed on pages 6 to 10 of the Tesco PLC Annual Report and Financial Statements 2017, which does not form part of this Report.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. A letter of comfort for a period of 12 months has been received from Tesco Stores Limited regarding the £0.6 million intercompany payable. The letter confirms that it is currently the intention of Tesco Stores Limited not to seek repayment of £0.6 million for at least 12 months from the date of signing the financial statements of the Company for the 52 weeks ended 25 February 2017 unless replacement funding has been arranged. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

TESCO GATESHEAD PROPERTY LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

Research and development

The Company does not undertake any research and development activities (2016: none).

Employees

The Company had no employees during the period (2016: none).

Strategic Report

The Directors have taken advantage of the exemption provided by section 414B of the Companies Act 2006 as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a Strategic Report.

Directors and their interests

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

J Gibney	
Tesco Services Limited	
R J Welch	(Appointed on 10 August 2016)
P Moore	(Resigned on 30 June 2016)

None of the Directors had any disclosable interests in the Company during this period.

Directors' indemnities

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 listed above (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 and Officers may not be indemnified, Tesco PLC also maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

TESCO GATESHEAD PROPERTY LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

Directors' responsibilities statement

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 period. 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, have been followed, subject to any material departures disclosed and explained in the 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 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.

Disclosure of information to auditor

Each Director who is a Director of the Company at the date of approval of these financial statements confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have been deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the Board 31 October 2017.



R. Welch, Director

Tesco Gateshead Property Limited

Registered Number: 08312532

Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA

INDEPENDENT AUDITOR'S REPORT TO THE MEMEBRS OF TESCO GATESHEAD PROPERTY LIMITED

We have audited the financial statements of Tesco Gateshead Property Limited for the 52 weeks ended 25 February 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 15. 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".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

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 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 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 2017 and of its loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO GATESHEAD PROPERTY LIMITED (continued)

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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Simon Letts FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom

1 November 2017

TESCO GATESHEAD PROPERTY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED
25 FEBRUARY 2017**

	Notes	52 weeks to 25 February 2017	52 weeks to 27 February 2016
		£	£
Rental income	4	7,921,941	7,770,135
Cost of sales		(7,947,040)	(7,773,405)
Operating loss	3	(25,099)	(3,270)
Loss before taxation		(25,099)	(3,270)
Tax on loss	5	791	-
Loss and total comprehensive loss for the financial period		(24,308)	(3,270)

The notes on pages 9 to 15 form part of these financial statements.

TESCO GATESHEAD PROPERTY LIMITED

BALANCE SHEET AS AT 25 FEBRUARY 2017

	Notes	2017 £	2016 £
Current assets			
Cash at bank and in hand		-	1,410,041
Debtors: Amounts falling due within one year	7	2,211,050	2,765,461
Debtors: Amounts falling due after more than one year	8	4,171,986	4,079,328
		6,383,036	8,254,830
Creditors: Amounts falling due within one year	9	(1,775,477)	(4,011,433)
Net current assets and total assets less current liabilities		4,607,559	4,243,397
Creditors : Amounts falling due after one year	10	(5,110,937)	(4,722,467)
Net liabilities		(503,378)	(479,070)
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account		(503,379)	(479,071)
Total shareholders' funds		(503,378)	(479,070)

The notes on pages 9 to 15 form part of these financial statements.

These financial statements on pages 6 to 15 were approved by the Board of Directors and authorised for issue on 31 October 2017 and were signed on its behalf by:



R. Welch, Director.

Tesco Gateshead Property Limited

Registered Number: 08312532

Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA

TESCO GATESHEAD PROPERTY LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017**

	Called up share capital £	Profit and loss account £	Total Shareholders' funds £
At 28 February 2015	1	(475,801)	(475,800)
Total comprehensive loss for the period	-	(3,270)	(3,270)
At 27 February 2016	1	(479,071)	(479,070)
Total comprehensive loss for the period	-	(24,308)	(24,308)
At 25 February 2017	1	(503,379)	(503,378)

The notes on pages 9 to 15 form part of these financial statements.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of Tesco Gateshead Property Limited (the "Company") for the 52 weeks ended 25 February 2017 were approved by the Board of Directors on 31 October 2017 and the Balance Sheet was signed on the Board's behalf by R Welch. Tesco Gateshead Property Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) issued by the Financial Reporting Council.

The results of Tesco Gateshead Property Limited are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The principal accounting policies adopted by the Company are set out in Note 2.

2. ACCOUNTING POLICIES

General information and basis of accounting

Tesco Gateshead Property Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

The Company is a qualifying entity for the purposes of FRS 101. Note 14 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

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

- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) and 40(a) of IAS 1;
- The requirements of paragraphs 10(d) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; 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.

Changes in accounting policy and disclosures

There are no IFRSs or IFRIC interpretations adopted for the first time in the current period which had a material impact on the Company.

Going concern

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements. Refer to the Directors' Report on page 1 for further information.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

2. ACCOUNTING POLICIES (continued)

Rental income and rental payable

Rental income is recognised in the Statement of Comprehensive Income when earned, with rent received in advance being deferred on the Balance Sheet.

Rent payable is recognised in the Statement of Comprehensive Income when payable, with rent paid in advance being prepaid on the Balance Sheet.

Rental income and expenses under operating leases are recognised on a straight-line basis over the term of the lease with straight-lined income and expense being shown as an IAS 17 debtor or creditor as appropriate.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instruments.

a) Debtors

Debtors including intercompany balances are non-interest-bearing and recognised initially at fair value, and subsequently at amortised cost, less provision for impairment.

b) Creditors

Creditors (including intercompany balances) are both interest and non-interest bearing are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Interest payable on loans is recognised through the Statement of Total Comprehensive Income.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that that the Company will be required to settle that tax. Measurement is dependent on subjective judgements as to the outcome of decisions by tax authorities in the various tax jurisdictions in which the Company operates. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

2. ACCOUNTING POLICIES (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax asset arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. There were no significant judgements, estimates or assumptions which were made in preparing these financial statements.

3. OPERATING LOSS

The Directors received no emoluments for their services to the Company (2016: £nil).

The Company had no employees during the period (2016: none).

The auditor's remuneration of £3,758 (2016: £3,758) was borne by Tesco Stores Limited.

4. REVENUE

Included within revenue is £34,470 (2016: £95,601) non-tenant rental income received.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

5. TAXATION

Factors that have affected the tax charge

The Finance Act 2015 included legislation to reduce the main rate of UK corporation tax to 20% from 1 April 2015 to 31 March 2017, and to 19% from 1 April 2017 to 31 March 2020. The blended tax rate for the period is therefore 20%. From 1 April 2020, the rate will be reduced to 17%, in accordance with Finance Act 2016.

(a) Tax charged in the Statement of Comprehensive Income

	52 weeks to 25 February 2017 £	52 weeks to 27 February 2016 £
Current tax:		
UK Corporation tax on loss for the financial period	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary differences	(791)	
Total income tax credit	(791)	-

(b) Reconciliation of the effective tax charge

	52 weeks to 25 February 2017 £	52 weeks to 27 February 2016 £
Loss before tax	(25,099)	(3,270)
Loss multiplied by blended rate in the UK 20% (2016: 20.1%)	(5,020)	(657)
Effects of:		
Expenses not deductible for tax purposes	23,805	4,928
Group relief (claimed)/surrendered without payment	(19,716)	437,458
Prior year restatement	-	(441,729)
Rate change adjustment	140	-
Total income tax credit for the period	(791)	-

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. These rate reductions were substantively enacted by the balance sheet date and therefore included in these consolidated financial statements. Temporary differences have been remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

6. DEFERRED TAX ASSET

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior financial periods measured using the tax rates that are expected to apply when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date:

	Short-term timing differences £	Total £
At 27 February 2016	-	-
Origination and reversal of temporary differences		
- In respect of the current period	931	931
- Impact of rate change	(140)	(140)
At 25 February 2017	791	791

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Rental debtors	56,383	151,677
Prepayments and accrued income	1,625,196	2,297,314
VAT	528,679	316,469
Deferred tax asset (see note 6)	791	-
Amounts owed by group undertakings	1	1
	2,211,050	2,765,461

Included within prepayments and accrued income are amounts owed by associated undertakings totalling £556,032. The amounts owed by associated undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

8. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
IAS17 Debtor	4,171,986	4,079,328
	4,171,986	4,079,328

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Deferred income	505,374	270,858
Accruals	97,833	13,181
Rates payable	-	1,282
IAS17 creditor	530,089	199,224
Bank overdraft	2,400	-
Amounts owed to group undertakings	639,781	3,526,888
	1,775,477	4,011,433

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

10. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	£	£
IAS17 creditor	5,110,937	4,722,467
	5,110,937	4,722,467

11. CALLED UP SHARE CAPITAL

	2017	2016
	£	£
Allotted, called up and unpaid:		
1 Ordinary share of £1 (2016: 1 Ordinary share of £1)	1	1

TESCO GATESHEAD PROPERTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2017 (continued)

12. RECEIVABLES UNDER OPERATING LEASES

Total future minimum lease receivables under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within 1 year	8,062,714	7,745,875
2 to 5 years	31,508,490	30,624,657
After 5 years	33,881,243	42,203,136
	73,452,447	80,573,668

The operating lease amounts shown above relate to rents receivable from Tesco Stores Limited, the University of Northumbria and 30 other commercial units.

13. PAYABLES UNDER OPERATING LEASES

Total future minimum lease payables under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within 1 year	7,477,942	7,477,942
2 to 5 years	30,055,574	30,055,574
After 5 years	162,219,543	169,697,485
	199,753,059	207,231,001

The operating lease amounts shown above relate to rents payable to Tesco Dorney Limited Partnership.

14. 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.

Within the period, the Company incurred rental expenses of £7,477,942 (2016: £7,477,942) with the Tesco Dorney Limited Partnership, an entity which is a joint venture investment of the Company's ultimate parent undertaking, Tesco PLC. At the period end, the amount paid in advance was £512,401 (2016: £317,556). As at the period end amounts owed by Tesco Dorney Limited Partnership was £556,032 (2016: £Nil).

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tesco Property Holdings (No. 2) Limited.

The Company's ultimate parent undertaking is Tesco PLC which is registered in England and Wales. The results of the Company are included in the consolidated financial statements of Tesco PLC, which is the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC financial statements are available from the Company Secretary at its registered address: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA.