

BUGDEN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

Registered Number: 00978329



BUGDEN LIMITED

DIRECTORS' REPORT

Directors' Report for the 53 weeks ended 28 February 2009

The directors present their report and audited financial statements of Bugden Limited (the "company") for the 53 weeks ended 28 February 2009.

Business review and principal activities

The principal activity of the company is to act as an intermediary company which both leases and sub-leases property.

The results for the 53 weeks show a pre-tax profit of £480k (2008: £505k). The directors do not recommend the payment of a dividend (2008: £nil).

The company has net assets £1,965k (2008: £1,485k).

Future outlook

The company's level of trade is expected to decrease during 2009 due to the surrender of its head leases to Tesco Property Holdings Limited.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Tesco PLC and are not managed separately. These risks are discussed on page 38 & 39 of the Tesco PLC group annual report for the 53 weeks ended 28 February 2009 which does not form part of this report.

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 (2008: none).

Directors and their interests

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

A.Higginson
L Neville-Rolfe
J Lloyd
G Fryett

None of the directors had any disclosable interests in the company during the period.

L Neville-Rolfe and A Higginson are also directors of Tesco PLC, the company's ultimate parent company, and as such their disclosable interests in Tesco PLC are all declared in the financial statements of that company.

BUGDEN LIMITED

DIRECTORS' REPORT

Directors' Report for the period ended 28 February 2009 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there will be supporting assumptions or qualifications as necessary.

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

The directors are responsible for keeping proper accounting records that 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 Acts 1985 and 2006 where applicable. 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.

Statement on disclosure of information to auditors

Each director who is a director 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
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The independent auditors of Bugden Limited are Pricewaterhouse LLP are proposed for re-appointment.

On behalf of the Board 5th August 2009


J Lloyd
Director

Bugden Limited
Registered Number 00978329

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUGDEN LIMITED

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 845039

We have audited the financial statements of Bugden Limited for the 53 weeks ended 28 February 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

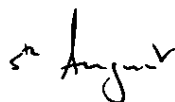
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its profit for the 53 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

 2009

BUGDEN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

	Notes	2009 £'000	2008 £'000
Operating lease income from group companies		35,003	43,751
Leasing costs to group companies		(34,523)	(43,246)
Profit on ordinary activities before taxation	2	480	505
Tax on profit on ordinary activities	3	-	-
Profit for the financial period	8,9	480	505

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

All operations are continuing for the financial period.

BUGDEN LIMITED**BALANCE SHEET AS AT 28 FEBRUARY 2009**

	Notes	2009 £'000	2008 £'000
Non current assets			
Debtors - due after more than one year	4	13,527	14,748
Current assets			
Debtors - due within one year	5	6,172	7,543
Cash at bank and in hand		3,278	1,558
		9,450	9,101
Creditors – amounts falling due within one year	6	(21,012)	(22,364)
Net current liabilities		(11,562)	(13,263)
Net assets		1,965	1,485
Capital and reserves			
Called up share capital	7	1	1
Profit and loss reserve	8	1,964	1,484
Total equity shareholder's funds	9	1,965	1,485

The financial statements on pages 5 to 10 were approved by the board of directors on 5th August 2009 and were signed on its behalf by:


J Lloyd
Director
Bugden Limited
Registered Number 978329

BUGDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

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 1985. The company's principal accounting policies have been applied consistently during the period and are set out below.

It is the current intention of the parent undertakings to continue to finance the company so to enable it to meet its liabilities as they fall due, and to carry on its business without significant curtailment of operations during the forthcoming year. Accordingly the accounts have been prepared on a going concern basis.

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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised in the Profit and Loss Account on a straight-line basis over the term of the lease.

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.

Taxation

The amount included in the Profit and Loss account is based on the profit or loss 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 group relief from group companies without payment and consequently there is no tax charge in the Profit and Loss account.

BUGDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors received no emoluments for their services to the company (2008: £nil).

The company had no employees during the period (2008: none).

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

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of Corporation Tax in the UK was changed from 30% to 28% with effect from 1 April 2008. This gives an overall blended Corporation Tax rate for the company for the full year of 28.2%.

	2009 £'000	2008 £'000
Current tax:		
UK Corporation tax on profit for the financial period	-	-
Adjustments in respect of previous financial periods	-	-
Total current tax	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the period is higher (2008: higher) than the standard rate of corporation tax in the UK (28% for the financial year commencing on 1 April 2008). The differences are explained below:

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	480	505
Profit on ordinary activities multiplied by blended rate in the UK 28.2% (2008: 30%)	136	152
Effects of:		
Expenses not deductible for tax purposes	5	-
Tax deductible expenditure on group transactions	-	(342)
Group relief (received)/surrendered without payment	(141)	190
Current tax charge for the financial period	-	-

4. DEBTORS – DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Prepayments after more than one year	13,527	14,748

BUGDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

5. DEBTORS – DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Amounts owed by group undertakings	4,951	6,316
Other debtors	-	6
Prepayments due in less than one year	1,221	1,221
	6,172	7,543

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

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Other creditors	12	-
Amounts due to group undertakings	21,000	22,364
	21,012	22,364

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

7. CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
3,800 (2008: 3,800) ordinary shares of £1 each	4	4
96,200 (2008: 96,200) deferred shares of £1 each	96	96
	100	100
Allotted, called up and fully paid:		
1000 (2008: 1,000) ordinary shares of £1 each	1	1

8. RESERVES

	Profit and loss reserve £'000
As at 23 February 2008	1,484
Profit for the financial period	480
As at 28 February 2009	1,964

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009 £'000	2008 £'000
Profit for the financial period	480	505
Opening shareholder's funds	1,485	980
Closing shareholder's funds	1,965	1,485

BUGDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

10. FINANCIAL COMMITMENTS

At 28 February 2009, the company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	2009	2008
	£'000	£'000
After five years	31,189	40,620

On 16 March 2009, it was resolved that the company would surrender its head leases to Tesco Property Holdings Limited (TPHL) and release its obligations and the payment by TPHL of £56,820.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate parent company, and controlling party, is Tesco PLC, which is incorporated in Great Britain and 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.

12. RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 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.


**TESCO PLC SUBSIDIARY COMPANY
STATUTORY ACCOUNTS FINANCE DIRECTOR SIGN-OFF**

(To be completed and sent to Cosec with the accounts prior to the Director signing the statutory accounts)

Company name	Company number	Balance sheet date
Dillons Newsagents Limited	140624	28 February 2009

The financial statements provide a true and fair view of the activities of the company, its financial performance for the period and its financial position at the Balance Sheet date. Audit Clearance has been provided and these financial statements are now ready for signature by the Company's Statutory Directors

Preparers name	Signature	Date
Rhonda Kirkbride		4-8-09

Directors name	Signature	Date
Steve Butler		4 August 2009

Reviewed by James Tittley, Finance Manager-group reporting in absence of Steve Butler. Retrospective signature will be obtained.