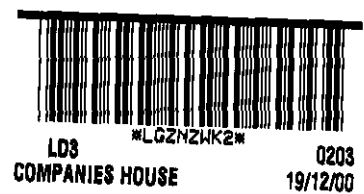


TESCO DISPENSING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

FOR THE 52 WEEKS ENDED 26 FEBRUARY 2000



## TESCO DISPENSING LIMITED

### DIRECTORS' REPORT

The directors present their annual report and financial statement for the 52 weeks ended 26 February 2000.

### RESULTS AND DIVIDENDS

The company did not trade during the year and consequently has made neither a profit nor a loss after tax for the year. The directors do not recommend the payment of a dividend.

### DIRECTORS AND THEIR INTERESTS

The following directors served during the year:-

D E Reid  
R S Ager  
J A Bailey

None of the directors had any disclosable interests in the company. Mr D E Reid and Mr R S Ager are also Directors of Tesco PLC, the Company's ultimate holding Company and as such their disclosable interests in Tesco PLC are declared in the accounts of that Company.

For the director at 26 February 2000 who was not also a director of the ultimate holding company, his interests in the shares of Tesco PLC at this date are given below:-

	Ordinary Shares			Share Options*		
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>Granted</u>	<u>Exercised</u>	<u>1999</u>
J A Bailey	37,111	36,386	118,336	1,283	65,592	182,645

\* Executive share option scheme (1984, 1994 & 1996) and Savings related share option scheme (1981). Details of those schemes are set out in the annual report and accounts of Tesco PLC.

By Order of the Board on 18.12.00

Tesco Dispensing Limited  
Registered Number 1070877

Nadine Sankin  
Secretary

# TESCO DISPENSING LIMITED

## BALANCE SHEET AS AT 26 FEBRUARY 2000

	<u>NOTE</u>	<u>2000</u> £'000	<u>1999</u> £'000
<b>CURRENT ASSETS</b>			
<b>DEBTORS</b>			
Amounts due from group undertakings		3,534	3,534
<b>CREDITORS: amounts falling due within one year</b>			
Amounts due to group undertakings		(40)	(40)
		<hr/>	<hr/>
		3,494	3,494
		<hr/>	<hr/>
<b><u>CAPITAL &amp; RESERVES</u></b>			
Called up Share Capital	3	-	-
Profit & Loss Account		3,494	3,494
		<hr/>	<hr/>
		3,494	3,494
		<hr/>	<hr/>

The company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the 52 weeks ended 26 February 2000.

Approved by the Board on 18.12.00



DIRECTOR

The notes on page 3 form part of these accounts.

## TESCO DISPENSING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 26 FEBRUARY 2000

#### 1. ACCOUNTING POLICY

These financial statements are prepared under the Historical Cost Convention and in accordance with applicable accounting standards.

In accordance with the Financial Reporting Standard 1 "Cash flow statements " (revised), the company being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flow of this company, has not prepared such a statement itself.

#### 2. ACTIVITY AND DIRECTORS

The company has not traded during the 52 weeks ended 26 February 2000, has not incurred any liabilities and consequently made neither profit nor loss. None of the Directors received any emoluments in respect of their services to the Company.

#### 3. CALLED UP SHARE CAPITAL

	<u>2000</u> £	<u>1999</u> £
Authorised ordinary shares of £1	<u>100</u>	<u>100</u>
Issued and fully paid shares of £1 each	<u>4</u>	<u>4</u>

#### 4. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Tesco Stores Limited.

The ultimate parent company 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 group financial statements can be obtained from The Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

## TESCO DISPENSING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (continued)

#### 5. RELATED PARTY DISCLOSURES

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under Financial Reporting Standard No. 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.

#### 6. FINANCIAL SUPPORT

The parent company has indicated that it will provide financial support to the company for the foreseeable future.