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TGP (PARTNERSHIP NOMINEE) LIMITED

REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 26 FEBRUARY 1999



TGP (PARTNERSHIP NOMINEE) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial accounts for the 69 weeks ended 26 February 1999.

PRINCIPAL ACTIVITY

The company was incorporated on the 3 November 1997 and did not carry out any activity in the period to 26 February 1999.

DIRECTORS AND THEIR INTERESTS

The following directors served during the period:-

R S Ager
J A Bailey
R Howell
P V Mercer

(Resigned 19/04/1999)

None of the directors had any disclosable interests in the company during the period. R S Ager is also a director of Tesco PLC, the company's ultimate holding company, and as such his disclosable interests in Tesco PLC are all declared in the accounts of that Company.

For the directors as at 26 February 1999 who were not also directors of the ultimate holding company, his interests in the shares of Tesco PLC, at the beginning and end of the period, are given below:-

	<u>Ordinary</u> <u>Shares</u>	<u>Share</u> <u>Options</u> *
	<u>1999</u>	<u>1999</u>
J A Bailey	36,386	182,645
R Howell	94,400	348,760
P V Mercer	244,250	454,915

* 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.

TGP (PARTNERSHIP NOMINEE) LIMITED

DIRECTORS' REPORT/ continued

RESPONSIBILITIES OF DIRECTORS

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 and 5 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

YEAR 2000

The group has been working on the Year 2000 issue for over three years with the specific objective of ensuring business continuity.

It has worked closely with Government and Action 2000 as well as the Retail Industry bodies. The group has made the necessary changes and re-tested all its business critical computer systems.

The cost of the programme is being incurred by the group and more detail can be obtained from the group accounts.

EURO

It is believed that the introduction of the euro will not impact the business now, or in the future.

AUDITORS

The auditors PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board on 02 / 09 / 99



M J Field
Secretary

Tesco (Partnership Nominee) Ltd
Registered Number 3459651

TGP (PARTNERSHIP NOMINEE) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF TESCO (PARTNERSHIP NOMINEE) LTD

We have audited the financial statements on pages 4 to 5 which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of financial statements. Our responsibilities, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we required for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

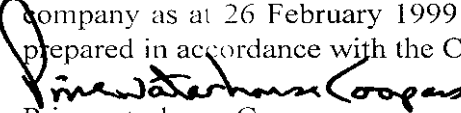
BASIS OF OPINION

We conducted our audit in accordance with the Auditing Standards 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 of the state of affairs of the company as at 26 February 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
10 Bricket Road
St Albans,
Herts, AL1 3JX

2 September 1999

TGP (PARTNERSHIP NOMINEE) LIMITED


BALANCE SHEET AS AT 26 FEBRUARY 1999

	<u>Note</u>	<u>1999</u>
		£
DEBTORS:		
Amounts due from group undertakings		2
NET ASSETS		<u>2</u>
CAPITAL AND RESERVES		
Called up share capital	3	2
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>

Approved by the Board on

02/09/

1999



J A BAILEY

DIRECTOR

The notes on pages 5 form part of these accounts.

TGP (PARTNERSHIP NOMINEE) LIMITED

NOTES TO THE ACCOUNTS - 26 FEBRUARY 1999

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTS

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention.

In accordance with FRS1 (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 a statement itself.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during this period.

Auditors' remuneration is paid by other group companies.

The company had no employees during the period.

The directors did not receive any emoluments for their services to the company.

3. CALLED UP SHARE CAPITAL

	<u>1999</u> £
Authorised 1,000 Ordinary shares of £1.00 each	1,000
Allotted and fully paid 2 Ordinary shares of £1.00 each	<u>2</u>

4. PARENT COMPANY

The company is a wholly owned subsidiary of its parent and ultimate holding company Tesco PLC, which is incorporated in Great Britain and registered in England and Wales, and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group accounts can be obtained from The Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire EN8 9SL.

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 accounts of Tesco PLC in which the company is included are available at the address noted above.