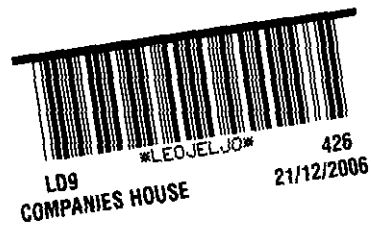


STATUSFLOAT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006
Registered Number: 04661717



STATUSFLOAT LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the 52 weeks ended 25 February 2006.

Principal activity

The company acts as an investment holding company.

Results and dividends

The company made a loss after tax for the year of (£620,000) (2005: (£24,174,000)). An interim dividend of £nil was paid during the period (2005: £nil). The directors do not recommend payment of a final dividend (2005: £nil).

Company Secretary

H O'Keefe

Directors and their interests

The directors who served during the year were:

M J Field	(resigned 3 June 2005)
J M Lloyd	(appointed 3 June 2005)

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

For the directors who were not also directors of the ultimate parent company, their interests in the shares of Tesco PLC at the beginning (or on appointment, if later) and end of the period (or at resignation if earlier) are given below:

	Ordinary shares			Share Options *		2005, or at appointment if later
	2006, or at resignation if earlier	2005, or at appointment if later	2006, or at resignation if earlier	Granted	Exercised	
M J Field	83,750	95,943	138,223	28,300	(13,846)	123,769
J M Lloyd	175	-	30,000	-	-	30,000

* Executive share option scheme (1984, 1994 and 1996) and savings related share option scheme (1981). Details of these schemes are set out in the annual report and financial statements of Tesco PLC.

Directors' responsibilities

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 period.

The directors consider that in preparing the financial statements on pages 4 to 9 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.

STATUSFLOAT LIMITED

DIRECTORS' REPORT *(continued)*

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board on 19th December 2006



J M Lloyd
Director

Statusfloat Limited
Registered Number 04661717

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STATUSFLOAT 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 Statusfloat Limited for the year ended 25 February 2006 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 25 February 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditor
St Albans

21 December 2006

STATUSFLOAT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006

	Note	52 Weeks ended 25 February 2006 £'000	52 Weeks ended 26 February 2005 £'000
Provision against cost of investment		(724)	(25,269)
Profit on disposal of investment		-	1,095
Interest received		104	-
Loss on ordinary activities before taxation	2	(620)	(24,174)
Tax on loss on ordinary activities	3	-	-
Retained loss for the period	9	(620)	(24,174)

The company had no recognised gains or losses other than those reflected in the profit and loss account above.

The notes on pages 6 to 9 form part of these financial statements.

STATUSFLOAT LIMITED

BALANCE SHEET AS AT 25 FEBRUARY 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Investments	4	51,083	51,807
CURRENT ASSETS			
Debtors	5	15,103	21,095
Cash at bank and in hand		6,096	-
		21,199	21,095
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	(536,343)	(536,343)
NET CURRENT LIABILITIES		(515,144)	(515,248)
NET LIABILITIES		(464,061)	(463,441)
SHAREHOLDER'S DEFICIT			
Called up share capital	7	20,000	20,000
Profit and loss account	8	(484,061)	(483,441)
EQUITY SHAREHOLDER'S DEFICIT	9	(464,061)	(463,441)

Approved by the Board on 19th December 2006

J M Lloyd
Director

The notes on pages 6 to 9 form part of these financial statements.

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on a going concern basis in accordance with applicable United Kingdom accounting standards, under the historical cost convention, and in accordance with the Companies Act 1985.

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 such a statement itself.

In accordance with FRS2, group accounts are not prepared because the company is a wholly owned subsidiary of a body corporate incorporated in the UK.

Changes in Accounting Policies

During the year, the company adopted the following new Financial Reporting Standards (FRS) in the preparation of the financial statements:

- FRS 17
- FRS 21
- FRS 25
- FRS 28

The adoption of these standards noted above did not have any impact on the shareholders' deficit of the Company.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAX

The auditors' remuneration was borne by another group company and the company had no employees during the period.

Directors received no emoluments for their services to the company.

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006 (continued)

3 TAXATION

	52 Weeks ended 25 February 2006 £'000	52 Weeks ended 26 February 2005 £'000
(a) Analysis of charge in period		
Current Tax		
UK Corporation tax at 30% (2005: 30%)	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting the tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	52 Weeks ended 25 February 2006 £'000	52 Weeks ended 26 February 2005 £'000
Loss on ordinary activities before tax	(620)	(24,174)
Loss on ordinary activities multiplied by standard rate of corporation tax of 30% (2005: 30%)	(186)	(7,252)
Effects of:		
Expenses not deductible for tax purposes	217	-
Tax deductible expenditure on group transactions	(8,936)	7,580
Group relief surrendered without payment	8,905	(328)
Current tax charge for the period	-	-

4 INVESTMENTS

Shares in group undertakings	2006 £'000	2005 £'000
As at beginning of period	51,807	97,076
Provision against carrying value	(724)	(25,269)
Disposals	-	(20,000)
As at end of period	51,083	51,807

A provision of £724,000 (2005: £25,269,000) against the carrying value of Dillons Newsagents Limited was made during the year which leaves the carrying value of the investment as £51,083,000 (2005: £51,807,000).

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006 (continued)

5 DEBTORS

	2006	2005
	£'000	£'000
Amounts due from group undertakings	15,085	16,701
Other debtors	18	4,394
	15,103	21,095

Amounts due from group undertakings are unsecured, interest free and have no fixed date of repayment.

6 CREDITORS: amounts falling due within one year

	2006	2005
	£'000	£'000
Amounts owed to group undertakings	536,343	536,343

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment. The balance of £536,342,585 is due to T&S Stores Limited.

7 CALLED-UP SHARE CAPITAL

	2006	2005
	£'000	£'000
Authorised:		
20,000,000 ordinary shares of £1.00 each	20,000	20,000
Allotted, called-up and fully paid up:		
20,000,000 ordinary shares of £1.00 each	20,000	20,000

8 RESERVES

	Profit & loss account £'000
As at 26 February 2005	(483,441)
Retained loss for the financial period	(620)
Profit and loss account at 25 February 2006	(484,061)

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2006 (continued)

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2006 £'000	2005 £'000
Opening shareholder's deficit	(463,441)	(439,267)
Retained loss for the financial period	(620)	(24,174)
Closing shareholder's deficit	(464,061)	(463,441)

10 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Spen Hill Properties (Holdings) PLC, its immediate parent.

The company's 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.

11 RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under 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.

12 FINANCIAL SUPPORT

The ultimate parent company has indicated that it will provide such financial support as the company may require to the company for the foreseeable future.