

STATUSFLOAT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 FEBRUARY 2007

Registered number: 04661717

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STATUSFLOAT LIMITED

DIRECTOR'S REPORT

Director's Report for the period ended 24 February 2007

The director presents the report and audited financial statements of Statusfloat Limited ("the company") for the period ended 24 February 2007

Business review and principal activities

The principal activity of the company is to act as an investment holding company

The results for the period show a pre-tax loss of £2,859,000 (2006 a pre-tax loss of £620,000) The directors do not recommend the payment of a dividend (2006 £nil)

The company has net liabilities of £467m (2006 £464m)

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC group and are not managed separately These risks are discussed on page 16 of the Tesco PLC group annual report which does not form part of this report

Key performance indicators

Given the straightforward nature of the business, the director is 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 (2006 none)

Director and his interests

The following director served during the period

J Lloyd

The director did not have any disclosable interests in the company during the period

STATUSFLOAT LIMITED

DIRECTOR'S REPORT (continued)

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

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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,
- 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 director confirms that they have complied with the above requirements in preparing the financial statements.

The director is 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 Act 1985. He is 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.

Disclosure of information to auditors

Each director who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant information of which the company's auditors are unaware, and
- each director 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 auditors are aware of that information.

Auditors

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

By order of the Board 18th December 2007



J 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 period ended 24 February 2007 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 director 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 Director's 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 Director's 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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 director's 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 24 February 2007 and of its results for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

18th December 2007

STATUSFLOAT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 24 FEBRUARY 2007

	Notes	2007 £'000	2006 £'000
Provision against cost of investment		(2,909)	(724)
Interest receivable		50	104
Loss on ordinary activities before taxation	2	(2,859)	(620)
Tax on loss on ordinary activities	3		-
Loss for the financial period	8,9	(2,859)	(620)

There are no recognised gains or losses other than those shown in the Profit and Loss account above

There are no differences between the profit on ordinary activities before taxation for the financial period stated above and their historical cost equivalents

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

STATUSFLOAT LIMITED**BALANCE SHEET AS AT 24 FEBRUARY 2007**

	Note	2007 £'000	2006 £'000
Fixed assets			
Investments	4	48,174	51,083
Current assets			
Debtors – due within one year	5	21,225	15,103
Cash at bank		24	6,096
Creditors – amounts falling due within one year	6	(536,343)	(536,343)
Net current liabilities		(515,094)	(515,144)
Net liabilities		(466,920)	(464,061)
Capital and reserves			
Called up share capital	7	20,000	20,000
Profit and loss reserve	8	(486,920)	(484,061)
Total shareholders' deficit	9	(466,920)	(464,061)

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

The financial statements on pages 4 to 9 were approved by the board of directors on 18th December 2007 and were signed on its behalf by



J Lloyd
Director

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007

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

In accordance with FRS 2 "Accounting for Subsidiary Undertakings" and Section 228 of the Companies Act 1985, group financial statements have not been prepared because the company is a wholly owned subsidiary of a body corporate, incorporated in England and Wales

Cash flow statement

In accordance with paragraph 5 of FRS 1 "Cash Flow Statements (Revised)", the company, being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flows of this company, has not prepared such a statement itself

Changes in accounting policies

During the period, the company adopted FRS20 "Share-based Payment" in the preparation of the financial statements. The adoption of this standard did not have any impact on the shareholder's funds of the company

Impairment of fixed assets

Fixed assets are subject to review for impairment in accordance with FRS 11, "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the Profit and Loss account in the period in which it occurs

Taxation

The amount included in the Profit and Loss account is based on profit / (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

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors received no emoluments for their services to the company (2006 £nil)

The company had no employees during the period (2006 none)

The auditor's remuneration for the current and prior period was borne by another group company

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007 (continued)

3 TAXATION

	2007 £'000	2006 £'000
Current tax:		
UK Corporation tax on loss for the financial period	-	-
Adjustments in respect of previous financial periods	-	-
Total current tax	-	-
Deferred tax:		
Total deferred tax	-	-
Tax on profit / (loss) on ordinary activities	-	-

The tax assessed for the period is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(2,859)	(620)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2006 30%)	(858)	(186)
Effects of		
Expenses not deductible for tax purposes	873	217
Tax deductible expenditure on group transactions	-	(8,936)
Group relief surrendered without payment	9,050	8,905
UK – UK transfer pricing adjustment	(9,065)	-
Current tax charge for the financial period	-	-

4 INVESTMENTS

	Group companies £'000
Cost	
As at 25 February 2006	536,343
As at 24 February 2007	536,343
Impairment	
As at 25 February 2006	485,260
Provision for impairment	2,909
As at 24 February 2007	488,169
Net book value	
At 24 February 2007	51,083
At 25 February 2006	48,174

Subsidiary undertaking	Country of incorporation	Proportion of voting rights and shares held (%)	Nature of business
Dillons Newsagents Limited	UK	100%	Investment company

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007 (continued)

5 DEBTORS – DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts owed by group undertakings	21,225	15,085
Other debtors	-	18
	21,225	15,103

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

6 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Amounts due to group undertakings	(536,343)	(536,343)

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

7 CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
20,000,000 (2006 20,000,000) ordinary shares at £1 each	20,000	20,000
Allotted, called up and fully paid		
20,000,000 (2006 20,000,000) ordinary shares at £1 each	20,000	20,000

8 RESERVES

	Profit and loss reserve £'000
As at 25 February 2006	(484,061)
Loss for the financial period	(2,859)
As at 24 February 2007	(486,920)

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £'000	2006 £'000
Retained loss for the financial period	(2,859)	(620)
Opening shareholders' deficit	(464,061)	(463,441)
Closing shareholders' deficit	(466,920)	(464,061)

STATUSFLOAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007 (continued)

10 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Spen Hill Properties (Holdings) PLC

The company's ultimate parent undertaking and controlling party is Tesco PLC, 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

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

12 POST BALANCE SHEET EVENT

A number of changes to the United Kingdom Corporation tax system were announced in the March 2007 Budget Statement and are expected to be enacted in the 2007 and 2008 Finance Acts. The changes had not been substantively enacted at the Balance Sheet date and, therefore, are not included in these financial statements. This non-adjusting post balance sheet event has no material impact on the financial statements