

BLT BARNSTAPLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

Registered number: 04967623



BLT BARNSTAPLE LIMITED

DIRECTORS' REPORT

Directors' Report for the year ended 31 December 2008

The directors present their report and audited financial statements of BLT Barnstaple Limited ("the company") for the year ended 31 December 2008.

Business review and principal activities

The principal activity of the company is that of property investment.

The results for the year show a pre-tax profit of £247,000 (2007: £273,000). The directors do not recommend the payment of a dividend (2007: £nil). The company has net assets at the year end of £2,889,000 (2007: £6,731,000).

The investment property portfolio of the company was valued at £23,900,000 (2007: £25,650,000) on an open market basis by Knight Frank, Chartered Surveyors as at 31 December 2008.

The company is expected to continue trading at a similar level for the foreseeable future.

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 year (2007: none).

Directors and their interests

The following directors served during the year:

S Barzycki	(alternate to M Stirling)
A Clark	(alternate to N Maurant)
N Earp	(resigned 22/02/2008)
A Jones	(alternate to T Roberts)
N Maurant	
M Stirling	
T Roberts	
M Witham	(alternate to S Rigby)
S Rigby	(appointed 12/03/2008)

None of the directors had any interest in the share capital of the company during the year.

BLT BARNSTAPLE LIMITED

DIRECTORS' REPORT (continued)

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

The directors are responsible for preparing the Directors' 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 year.

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 Act 1985. 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.

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 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.

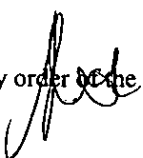
Auditors

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

16th June

2009


Alistair Clark
Director
BLT Barnstaple Limited
Registered Number 04967623

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLT BARNSTAPLE 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 BLT Barnstaple Limited for the year ended 31 December 2008 which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders' Funds, 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 31 December 2008 and of its profit for the year 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

16th June 2009

BLT BARNSTAPLE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

Continuing Operations	Notes	2008 £'000	2007 £'000
Rental income		1,388	1,368
Operating profit	2	1,388	1,368
Interest payable and similar charges	3	(1,141)	(1,095)
Profit on ordinary activities before taxation		247	273
Tax on profit on ordinary activities	4	(17)	(314)
Profit/(loss) for the financial year		230	(41)
Retained profit/(loss) for the financial year		230	(41)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £'000	2007 £'000
Profit/(loss) for the financial year	230	(41)
Unrealised loss on revaluation of properties	(4,072)	(1,650)
Total recognised losses since the last Annual Report	(3,842)	(1,691)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2008

	2008 £'000	2007 £'000
Opening shareholders' funds	6,731	8,422
Profit/(loss) for the financial year	230	(41)
Revaluation of properties	(4,072)	(1,650)
Net (reduction)/addition to shareholders' funds	(3,842)	(1,691)
Closing shareholders' funds	2,889	6,731

The notes on pages 7 to 10 form part of these financial statements.

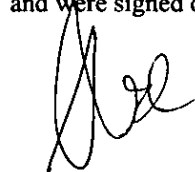
BLT BARNSTAPLE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Tangible fixed assets	5	23,900	25,650
Current assets			
Debtors	6	6,510	5,096
Creditors - amounts falling due within one year	7	(27,521)	(24,015)
Net current liabilities		(21,011)	(18,919)
Total assets less current liabilities		2,889	6,731
Net assets		2,889	6,731
Capital and reserves			
Called up share capital	8	-	-
Profit and loss reserve	9	171	(59)
Revaluation reserve	9	2,718	6,790
Total Equity shareholders' funds		2,889	6,731

The notes on pages 7 to 10 form part of these financial statements.

The financial statements on pages 5 to 10 were approved by the board of directors on 15th June 2009 and were signed on 16th June 2009 on its behalf by:



Alistair Clark
Director
BLT Barnstaple Limited
Registered Number 04967623

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the going concern basis in accordance with applicable accounting standards and the Companies Act 1985, under the historical cost convention, with the exception of investment properties, which are stated at open market valuation, in accordance with the Statement of Standard Accounting Practice 19. The principal accounting policies are set out below.

Going Concern

Having regard to its net current liabilities of £21,011,000 as at 31 December 2008, Tesco PLC has confirmed that it will provide such finance as the company may require to enable it to meet its liabilities as they fall due, and to carry on its business without any significant curtailment of operations during the forthcoming year. Accordingly the accounts have been prepared on a going concern basis.

Cash flow statement

In accordance with FRS1 (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.

Investment properties

Investment properties are independently valued each year on an open market basis. Any surplus or deficit arising is taken to the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account.

In accordance with SSAP 19, no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary to show a true and fair view. The financial effect of this departure cannot be reasonably quantified, as amortisation or depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Leases

Rental income is credited to the profit and loss account on a straight line basis over the lease terms on ongoing leases. Rental reviews are carried out every three years on an open market review.

Interest payable and receivable

Interest payable and receivable is calculated on an accruals basis.

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.

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

2. OPERATING PROFIT

The directors received no emoluments for their services to the company (2007: £nil).

The company had no employees during the year (2007: none).

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

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £'000	2007 £'000
Interest payable on:		
Intra group loan	1,141	1,095
Total Interest Payable	1,141	1,095

4. TAXATION

	2008 £'000	2007 £'000
Current Tax		
Corporation tax	17	314
Taxation on profit on ordinary activities	17	314

The tax assessed for the period is lower (2007: higher) than the blended rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	247	273
Profit on ordinary activities multiplied by standard rate in the UK 28.5% (2007: 30%)	70	82
Group relief claimed without payment	(18)	-
REIT conversion charge	-	273
REIT exempt income and gains	(35)	(41)
Taxation on profit on ordinary activities	17	314

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount not provided for is £1.9m. At present, it is not envisaged that any tax will become payable in the foreseeable future.

Factors that may affect future tax charges:

The standard rate of Corporation Tax in the UK was changed from 30% to 28% with effect from the 1 April 2008. This gives an overall blended Corporation Tax rate for the company for the full year of 28.5%.

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

5. TANGIBLE FIXED ASSETS

	2008 £'000	2007 £'000
As at 1 January	25,650	27,300
Additions	2,322	-
Revaluation during the year	(4,072)	(1,650)
Valuation:		
As at 31 December	23,900	25,650

The investment properties were valued on the basis of open market value, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, at 31 December 2008 by Knight Frank.

6. DEBTORS

	2008 £'000	2007 £'000
Amounts owed by group undertakings	6,510	5,096
Total Debtors	6,510	5,096

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Amounts owed to group undertakings	27,178	23,401
Accruals and deferred income	326	300
Corporation tax	17	314
Total Creditors	27,521	24,015

Amounts owed to group undertakings relates to a loan from BLT Finance Limited which is an interest bearing loan at LIBOR plus a margin of 0.65 per cent per annum, repayable on demand and secured over the fixed assets.

8. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (continued)

9. RESERVES

	Revaluation Reserve £'000	Profit & Loss Reserve £'000
As at 1 January 2008	6,790	(59)
Property revaluation	(4,072)	-
Profit for the financial year	-	230
As at 31 December 2008	2,718	171

10. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The immediate parent company is BLT Properties Limited, which is the parent company of the largest and smallest group within which the results of the company are included by full consolidation. The share capital of BLT Properties Limited is held equally by Tesco PLC and British Land (Joint Ventures) Limited, which is a wholly owned subsidiary of the British Land Company PLC. Tesco PLC and The British Land Company PLC are both companies incorporated in Great Britain and registered in England and Wales.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in FRS8 – Related Party Transactions not to disclose transactions within the BLT Properties Limited Group.

During the year the company received rental income from Tesco Stores Limited of £1,388,000 (2007: £1,368,000).