

TESCO PROPERTY PARTNER (NO.2) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009  
REGISTERED NUMBER: 5179163



# **TESCO PROPERTY PARTNER (NO.2) LIMITED**

## **DIRECTORS' REPORT**

### **Directors' Report for the 53 weeks ended 28 February 2009**

The directors present their report and audited financial statements of Tesco Property Partner (No.2) Limited ("the company") for the 53 weeks ended 28 February 2009.

#### **Business review and principal activities**

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

The results for the period show a pre-tax profit of £38 (2008:£2,497).

The directors do not recommend the payment of a dividend (2008: nil).

The company has net assets £1,782,251 (2008: £1,782,213).

#### **Future outlook**

The company's level of trade is expected to continue throughout 2009 and it is hoped that the current performance levels will be maintained.

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Tesco PLC and are not managed separately. These risks are discussed on page 38 of the Tesco PLC group annual report for the 53 weeks ending 28 February 2009 which does not form part of this report.

#### **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 period (2008: none).

#### **Directors and their interests**

The following directors served during the period and up to the date of signing the financial statements.

A Clark  
J Lloyd  
N Mourant

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

# **TESCO PROPERTY PARTNER (NO.2) LIMITED**

## **DIRECTORS' REPORT**

### **Directors' Report for the period ended 28 February 2009 (continued)**

#### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Annual 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 period.

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 and 2006 as applicable. 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.

#### **Statement on 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 audit 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.

#### **Independent auditors**

The independent auditors of Tesco Property Partner (No.2) Limited are PricewaterhouseCoopers LLP, are proposed for reappointment.

By order of the Board on 10<sup>th</sup> September 2009



Jonathan Lloyd  
Director

Tesco Property Partner (No.2) Limited  
Registered number 5179163

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO PROPERTY PARTNER (NO.2) 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 Tesco Property Partner (No.2) Limited for the 53 weeks ended 28 February 2009 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 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 28 February 2009 and of its profit for the 53 weeks 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

10<sup>th</sup> September 2009

# **TESCO PROPERTY PARTNER (NO.2) LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 28 FEBRUARY 2009**

	<b>Notes</b>	<b>53 weeks to 28 February 2009 £</b>	<b>52 weeks to 23 February 2008 £</b>
<b>Operating profit</b>		-	-
Interest receivable	3	38	2,497
<b>Profit on ordinary activities before taxation</b>		38	2,497
Tax on profit on ordinary activities	4	-	-
<b>Profit after tax</b>		38	2,497
Dividends paid		-	-
<b>Profit for the financial period</b>	9	38	2,497

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

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

All operations are continuing for the financial period.


The notes on pages 6 to 8 form part of these financial statements.

**TESCO PROPERTY PARTNER (NO.2) LIMITED****BALANCE SHEET AS AT 28 FEBRUARY 2009**

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Investments	5	600	600
<b>Current assets</b>			
Debtors - due within one year	6	1,700,502	1,701,041
Cash at bank and in hand		82,349	81,772
		<b>1,782,851</b>	<b>1,782,813</b>
<b>Creditors - amounts falling due within one year</b>	7	<b>(600)</b>	<b>(600)</b>
<b>Net current assets</b>		<b>1,782,251</b>	<b>1,782,213</b>
<b>Total assets less current liabilities</b>		<b>1,782,851</b>	<b>1,782,813</b>
<b>Net assets</b>		<b>1,782,851</b>	<b>1,782,813</b>
<b>Capital and reserves</b>			
Called up share capital	8	1,515,060	1,515,060
Profit and loss reserve	9	267,791	267,753
<b>Total equity shareholder's funds</b>	10	<b>1,782,851</b>	<b>1,782,813</b>

The notes on pages 6 to 8 form part of these financial statements.

The financial statements on pages 4 to 8 were approved by the board of directors on 10<sup>th</sup> September 2009 and were signed on its behalf by:

  
Jonathan Lloyd  
Director  
Tesco Property Partner (No.2) Limited  
Registered number 5179163

# **TESCO PROPERTY PARTNER (NO.2) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2009**

### **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. The principal accounting policies have been applied consistently during the period.

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.

#### **Income receivable from group undertakings**

Income receivable from group undertakings represents income from investments in group undertakings and is recognised as it falls due.

#### **Taxation**

The amount included in the Profit and Loss account is based on profit 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 OPERATING PROFIT**

The directors received no emoluments for their services to the company (2008: £nil).

The company had no employees during the period (2008: none).

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

### **3 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Interest receivable on bank deposits	<b>38</b>	<b>2,497</b>

# TESCO PROPERTY PARTNER (NO.2) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2009 (continued)

### 4 TAXATION

	2009 £	2008 £
<b>Current tax:</b>		
UK Corporation tax on profit for the financial period	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the period is lower (2008: lower) than the blended rate of corporation tax in the UK (28.2%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	38	2,497
Profit on ordinary activities multiplied by standard rate in the UK 28.2% (2008: 30%)	11	749
Effects of:		
Taxable share of partnership income	967	6,543
Group Relief surrendered without making payment	(978)	(7,292)
Current tax charge for the financial period	-	-

Factors that have affected the tax charge: The standard rate of corporation tax in the UK 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 28.2%.

### 5 FIXED ASSETS INVESTMENTS

	£
As at 23 February 2008	600
Acquisitions at cost	-
Disposals at cost	-
As at 28 February 2009	600

Details of the principal investments at the period end are as follows:

Investment	Country of incorporation	Shares held by	Proportion of voting rights held %	Nature of business
Tesco Property Partner (No.1) Limited	Jersey	Company	100%	Investment company
The Tesco Property (No.2) Limited Partnership	Jersey	Company	50%	Investment partnership

### 6 DEBTORS - DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts due from group undertakings	1,700,502	1,700,502
Bank interest receivable	-	539
	1,700,502	1,701,041



## TESCO PROPERTY PARTNER (NO.2) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2009 (continued)

#### 7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owing to group undertakings	600	600

#### 8 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised:		
1,515,060 ordinary shares of £1 each	1,515,060	1,515,060
Allotted, called up and fully paid:		
1,515,060 ordinary shares of £1 each	1,515,060	1,515,060

#### 9 RESERVES

	Profit and loss reserve £
As at 23 February 2008	267,753
Profit for the financial period	38
As at 28 February 2009	267,791

#### 10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial period	38	2,497
Opening shareholders' funds	1,782,813	1,780,316
Closing shareholders' funds	1,782,851	1,782,813

#### 11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party 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 Tesco PLC financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

#### 12 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.