

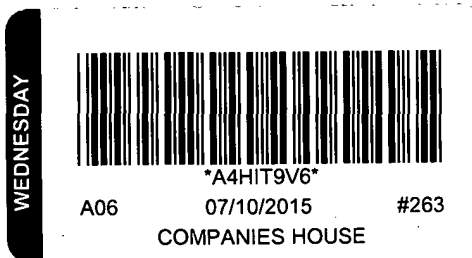
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BUTTONCABLE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Registered Number: 5294246



BUTTONCABLE LIMITED

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

The Directors present their Strategic Report of Buttoncable Limited ("the Company") for the 53 weeks ended 28 February 2015.

Review of the business

The principal activity of the Company is to act as a holding company of overseas operations.

Results and dividends

The results for the period show a pre-tax loss of £32m (2014: pre-tax loss of £60m).

The Directors do not recommend payment of a dividend for the 53 weeks ended 28 February 2015 (2014: £nil).

Principal risks and uncertainties

The main financial risks of the Company are fluctuations in foreign exchange rates.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (the "Group") and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 22 to 25 of the Tesco PLC Group Annual Report for the 53 weeks ending 28 February 2015 which does not form part of this Report.

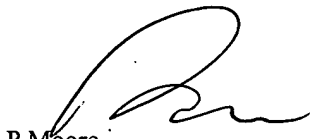
Key performance indicators (KPIs)

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.

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, are discussed on pages 10 to 11 of the Group's Annual Report which does not form part of this Report.

On behalf of the Board

18 August 2015



P Moore
Director

Buttoncable Limited

Registered Number: 5294246

Registered Office: Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

BUTTONCABLE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

The Directors present their Report and the audited financial statements of Buttoncable Limited (the "Company") for the 53 weeks ended 28 February 2015 (prior 52 weeks ended 22 February 2014).

Political donations

There were no political donations for the period (2014: none).

Future outlook

The Company's future developments form a part of the Group's long-term strategy, which is discussed on pages 5 to 9 of the Group's Annual Report for the 53 weeks ended 28 February 2015, which does not form part of this Report.

Going concern

It is the current intention of the Company's ultimate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations for the foreseeable future. Accordingly the accounts have been prepared on a going concern basis.

Research and development

The Company does not undertake any research and development activities (2014: none).

Employees

The Company had no employees during the period (2014: none).

Directors and their interests

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

J Lloyd (resigned – 23 January 2015)

P Moore (appointed – 23 January 2015)

Tesco Services Limited

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Company Secretary (who is also a Director of the Company) in respect of liabilities incurred as a result of his office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period.

BUTTONCABLE LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, 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 2006. 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.

Disclosure of information to auditors

Each Director who is a Director of the Company at the date of approval of this Directors' 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
- he/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board

18 August 2015



P Moore
Director

Buttoncable Limited

Registered Number: 5294246

Registered Office: Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL, United Kingdom.

BUTTONCABLE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTONCABLE LIMITED

Report on the financial statements

Our opinion

In our opinion, Buttoncable Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 28 February 2015 and of its loss for the 53 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the Balance Sheet as at 28 February 2015;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

BUTTONCABLE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTONCABLE LIMITED (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Wendy Russell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
19 August 2015

BUTTONCABLE LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015**

	Notes	53 weeks to 28 February 2015 £'000	52 weeks to 22 February 2014 £'000
Impairment of investments	6	(32,075)	(59,195)
Interest payable and similar costs		(187)	(756)
Loss on ordinary activities before taxation		(32,262)	(59,951)
Tax on loss on ordinary activities	5	-	-
Total comprehensive loss for the financial period		(32,262)	(59,951)

The notes on pages 10 to 13 form part of these financial statements.

BUTTONCABLE LIMITED**BALANCE SHEET AS AT 28 FEBRUARY 2015**

		28 February 2015 £'000	22 February 2014 £'000
	Notes		
Fixed assets			
Investments	6	-	32,075
Current liabilities			
Creditors	7	(36,732)	(36,545)
Net current liabilities		(36,732)	(36,545)
Net liabilities		(36,732)	(4,470)
Capital and reserves			
Called up share capital	8	21	21
Share premium account		1,571,115	1,571,115
Retained earnings		(1,607,868)	(1,575,606)
Total equity		(36,732)	(4,470)

The financial statements on pages 7 to 13 were approved by the Board of Directors on 18 August 2015 and were signed on its behalf by:



P Moore
Director
Buttoncable Limited
18 August 2015

BUTTONCABLE LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015**

	Share capital	Share premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 22 February 2014	21	1,571,115	(1,575,606)	(4,470)
Total comprehensive loss	-	-	(32,262)	(32,262)
At 28 February 2015	21	1,571,115	(1,607,868)	(36,732)
At 23 February 2013	21	1,504,063	(1,515,655)	(11,571)
Total comprehensive loss	-	-	(59,951)	(59,951)
Issue of shares	-	67,052	-	67,052
At 22 February 2014	21	1,571,115	(1,575,606)	(4,470)

BUTTONCABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of Buttoncable Limited (the “Company”) for the 53 weeks ended 28 February 2015 were authorised for issue by the Board of Directors on 14 August 2015 and the balance sheet was signed on the Board’s behalf by P Moore. Buttoncable Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101, “Reduced Disclosure Framework” (FRS 101) and in accordance with applicable accounting standards. The financial statements have been prepared under the historical cost convention and the Companies Act 2006.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary of Tesco PLC. The results of Tesco PLC are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, “Reduced Disclosure Framework” (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a “qualifying entity” as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 1 gives details of the Company’s parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The principle accounting policies adopted by the Company are set out below. These policies have been consistently applied all periods presented unless otherwise stated.

Going concern

It is the current intention of the Company’s ultimate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations for the foreseeable future. Accordingly the accounts have been prepared on a going concern basis.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the entity’s functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

BUTTONCABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

2. ACCOUNTING POLICIES (continued)

Investments

Investments in subsidiaries are held at cost less any applicable provision for impairment.

Current taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The amount included in the Statement of Comprehensive Income is based on the 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 may receive or surrender group relief from Group companies without payment and consequently there may be no tax charge in the Statement of Comprehensive Income.

3. AUDITORS' REMUNERATION

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

4. STAFF COSTS AND DIRECTORS' REMUNERATION

The Directors received no emoluments for their services to the Company (2014: £nil).

The Company had no employees during the period (2014: none).

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.2% (2014: 23.1%).

Tax charged in the income statement

	2015 £'000	2014 £'000
Current income tax:		
UK Corporation tax on loss for the financial period	-	-
Total income tax expense	-	-

Reconciliation of total tax charge

The tax assessed for the period is higher (2014: higher) than the blended rate of corporation tax in the UK of 21.2% (2014: 23.1%). The differences are reconciled below:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(32,262)	(59,951)
Loss on ordinary activities multiplied by blended rate in the UK of 21.2% (2014: 23.1%)	(6,840)	(13,849)
Non-deductible provision for impairment	6,800	13,674
Group relief surrendered without payment	40	175
Total income tax charge for the period	-	-

BUTTONCABLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)****6. INVESTMENTS**

	2015 Shares in Group undertakings £'000	2014 Shares in Group undertakings £'000
Cost		
At beginning of the period	1,661,274	1,592,035
Additions	-	69,239
Disposals	(1,643,216)	-
At end of the period	18,058	1,661,274
Impairment		
At beginning of the period	1,629,199	1,570,004
Impairment	32,075	59,195
Disposals	(1,643,216)	-
At end of period	18,058	1,629,199
Net book value		
At end of the period	-	32,075

Details of the subsidiary undertakings at the period end are as follows:

Subsidiary undertakings	Country of incorporation	% Shares held	Nature of business
Old FEHC Inc.	United States	100%	Holding company

7. CREDITORS

	2015 £'000	2014 £'000
Amounts owed to Group undertakings	(36,732)	(36,545)

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. SHARE CAPITAL

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
20,554 Ordinary shares of £1 each (2014: 20,554)	21	21

BUTTONCABLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tesco Holdings Limited.

The Company's ultimate parent undertaking is Tesco PLC. The Company is included within the Tesco PLC Group financial statements which are publicly available.