

TESCO TECH SUPPORT LIMITED
(Formerly The PC Guys Limited)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 11 MONTHS TO 29 FEBRUARY 2008
Registered Number: 5769298



TESCO TECH SUPPORT LIMITED

DIRECTORS' REPORT

Directors' Report for the 11 months to 29 February 2008

The directors present their report and audited financial statements of Tesco Tech Support Limited (the "company"), formerly known as The PC Guys Limited for the 11 months to 29 February 2008. On the 31 October 2008, the company changed its name to Tesco Tech Support Limited.

Business review and principal activities

The principal activity of the company is that of computer maintenance.

The results for the 11 months show a pre-tax loss of £401,335 (2007:£326,448) and turnover of £251,622 (2007:£121,073). The directors do not recommend the payment of a dividend (2007: £nil).

The company has net liabilities of £572,333 (2007: £170,998).

Future outlook

The company's level of trade is expected to continue throughout 2008 and the company looks to improve on current performance levels.

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 15 of the Tesco PLC group annual report for the 52 weeks ended 23 February 2008 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 20 employees during the period (2007: 3).

Directors

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

L Batchelor	
W Batchelor	(resigned 8 November 2007)
N R Simpson	(resigned 8 November 2007)
G Hazell	(resigned 8 November 2007)
E R D Brown	(appointed 4 June 2007)
A T Higginson	(appointed 8 November 2007)
L J N Rolfe	(appointed 8 November 2007)
J Lloyd	(appointed 8 November 2007)
G J Harris	(appointed 8 November 2007)
J Vincent	(resigned 8 November 2008)

A T Higginson is also a director of Tesco PLC, the company's ultimate parent company, and as such his disclosable interests in Tesco PLC are all declared in the financial statements of that company.

TESCO TECH SUPPORT LIMITED

DIRECTORS' REPORT

Directors' Report for the 11 months ended 29 February 2008 (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. 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/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.

Independent 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 22 December 2008


J Lloyd
Director
Tesco Tech Support Limited
Registered Number: 5769298

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO TECH SUPPORT 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 Tech Support Limited for the 11 months to 29 February 2008 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 29 February 2008 and of its results for the 11 months 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

22nd December

2008

TESCO TECH SUPPORT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 11 MONTHS TO 29 FEBRUARY 2008

	Notes	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Turnover		251,622	121,073
Cost of sales		(311,678)	(167,517)
Gross loss		(60,056)	(46,444)
Distribution costs		(28,594)	(204,566)
Administrative expenses		(303,209)	(76,145)
Operating loss	2	(391,859)	(327,155)
Interest receivable and similar income	3	229	707
Interest payable and similar charges	4	(9,705)	-
Loss on ordinary activities before taxation		(401,335)	(326,448)
Tax on profit on ordinary activities	5	-	-
Loss for the financial period	12,13	(401,335)	(326,448)

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

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

All operations are continuing for the financial period.

TESCO TECH SUPPORT LIMITED

BALANCE SHEET AS AT 29 FEBRUARY 2008

	Notes	29 Feb 08 £	31 Mar 07 £
Fixed assets			
Tangible fixed assets	6	5,859	7,013
Current assets			
Stock		17,800	10,000
Debtors - due within one year	7	113,350	55,313
Cash at bank		74,660	26,423
		205,810	91,736
Creditors – amounts falling due within one year	8	(784,002)	(74,286)
Net current (liabilities) / assets		(578,192)	17,450
Total assets less current liabilities		(572,333)	24,463
Creditors – amounts due after more than one year	9	-	(195,461)
Net liabilities		(572,333)	(170,998)
Capital and reserves			
Called up share capital	10	1,957	1,957
Share premium account	11	153,493	153,493
Profit and loss reserve	11	(727,783)	(326,448)
Total equity shareholder's funds	12	(572,333)	(170,998)

The financial statements on pages 5 to 12 were approved by the board of directors on 22 December 2008 and were signed on its behalf by:



J Lloyd
Director
Tesco Tech Support Limited
Registered Number: 5769298

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008

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 company's principal accounting policies have been applied consistently during the period and are set out below.

Cash flow statement

The company is a wholly owned subsidiary of Tesco PLC and is included in the consolidated financial statements of Tesco PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Turnover

The turnover in the profit and loss account represents amounts receivable during the period and is exclusive of Value Added Tax.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks in stores are calculated at retail prices and reduced by appropriate margins to take into account factors such as obsolescence and slow moving items.

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date and which could give rise to an obligation to pay more or less taxation in the future. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the Balance Sheet date.

Tangible fixed assets and depreciation

Depreciation is provided on a straight-line basis over the anticipated useful economic lives of the assets.

The following rates were applied for the company and are consistent with the prior period:

Fixtures and fittings	25%
Office equipment	25% / 33%

Leases

Rentals payable under operating leases are charged to the Profit and Loss account on a straight-line basis over the term of the relevant lease.

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008 (continued)

2. OPERATING LOSS

	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Operating profit is stated after charging		
Wages and salaries	266,964	23,465
Social security costs	28,663	6,783
Staff costs	295,627	30,248
Depreciation of owned tangible fixed assets	2,247	2,754
Operating lease charges on vehicles	26,754	4,910

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

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

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Interest receivable on bank deposits	229	707

4. INTEREST PAYABLE AND SIMILAR CHARGES

	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Interest payable on loans from group undertakings	9,705	-

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008 (continued)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Current tax:		
UK Corporation tax on profit for the financial period	-	-
Adjustments in respect of previous financial periods	-	-
Total current tax	-	-
Tax on loss on ordinary activities	-	-

The tax assessed for the period is higher (2007: higher) than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	11 Months to 29 Feb 08 £	12 Months to 31 Mar 07 £
Loss on ordinary activities before tax	(401,335)	(326,448)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2007: 30%)	(120,401)	(97,934)
Effects of:		
Expenses not deductible for tax purposes	603	360
Accelerated capital allowances and other timing differences	(8)	869
Group relief surrendered without payment	40,770	-
Allowable losses carried forward to set against future profits	79,036	96,705
Current tax charge for the financial period	-	-

A deferred tax asset of £175,741 (2007:£96,705) in respect of losses has not been recognised due to uncertainty in regards recoverability.

Factors that may affect future tax charges:

The standard rate of Corporation Tax in the UK changes to 28% with effect from the 1 April 2008.

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008 (continued)

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2007	3,489	6,278	9,767
Additions at cost	-	1,093	1,093
At 29 February 2008	3,489	7,371	10,860
Accumulated depreciation			
At 1 April 2007	872	1,882	2,754
Charge for the period	599	1,648	2,247
At 29 February 2008	1,471	3,530	5,001
Net book value			
At 29 February 2008	2,018	3,841	5,859
At 31 March 2007	2,617	4,396	7,013

7. DEBTORS – DUE WITHIN ONE YEAR

	29 Feb 08 £	31 Mar 07 £
Trade debtors	6,825	-
Amounts owed by group undertakings	71,703	18,856
Other debtors	15,210	8,361
Prepayments	19,612	28,096
	113,350	55,313

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

8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 Feb 08 £	31 Mar 07 £
Trade creditors	64,046	55,360
Amounts due to group undertakings	644,486	-
Taxation and social security	36,666	-
Other creditors	32,404	2,753
Accruals	6,400	16,173
	784,002	74,286

Amounts due to group undertakings are unsecured and repayable on demand. Interest accrues at LIBOR plus 0.15% per annum.

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008 (continued)

9. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	29 Feb 08	31 Mar 07
	£	£
Loans from directors	-	195,461

The loans from directors were unsecured, interest free, had no fixed date of repayment and were repayable on demand.

10. CALLED UP SHARE CAPITAL

	29 Feb 08	31 Mar 07
	£	£
Authorised:		
2,000 (2007: 2,000) ordinary shares of £1 each	2,000	2,000
Allotted, called up and fully paid:		
1,957 (2007: 1,957) ordinary shares of £1 each	1,957	1,957

11. RESERVES

	Share Premium account	Profit and loss account
	£	£
As at 1 April 2007	153,493	(326,448)
Loss for the financial period	-	(401,335)
As at 29 February 2008	153,493	(727,783)

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	29 Feb 08	31 Mar 07
	£	£
Loss for the financial period	(401,335)	(326,448)
Net reduction to shareholders' funds	(401,335)	(326,448)
Opening shareholder's funds	(170,998)	155,450
Closing shareholder's funds	(572,333)	(170,998)

13. FINANCIAL COMMITMENTS

At 29 February 2008, the company had annual commitments under non-cancellable operating leases for assets expiring as follows:

	29 Feb 08	31 Mar 07
	£	£
Within two to five years	39,319	23,145

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 11 MONTHS TO 29 FEBRUARY 2008 (continued)

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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.

15. RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under paragraph 3(c) of 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.

During the 12 months to 31 March 2007 the company received loans from its directors of £195,461 which was unsecured, interest free and had no fixed date of repayment. This was repaid during the 11 months to 28 February 2008.

16. POST BALANCE SHEET EVENT

A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act on 26 June 2007. The impact of these changes has been recognised in these financial statements.

Certain other changes are expected to be enacted in the 2008 Finance Act. The impact of these changes will be recognised in the period in which the 2008 Finance Act becomes substantively enacted, which is expected to be in the next financial year.