

TESCO TECH SUPPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

Registered Number: 5769298



TESCO TECH SUPPORT LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010

The directors present their report and audited financial statements of Tesco Tech Support Limited (the "company"), for the financial period ended 27 February 2010. The financial period represents 52 weeks ended 27 February 2010 (Prior year 53 weeks ended 28 February 2009)

Business review and principal activities

The principal activity of the company is that of computer maintenance. The company's level of trade is expected to diminish throughout 2010 and 2011 and activities transferred out of the company, therefore accounts have been prepared on the break up basis.

The results for the period show a pre-tax profit of £82,368 (2009 (loss) £1,003,553) and sales of £2,368,717 (2009 £817,040). The directors do not recommend the payment of a dividend (2009 £nil).

Events since the period end

The activities of the company have been transferred to Tesco Stores Limited in September 2010. Consequently the directors of the company have no longer applied the going concern basis of accounting in preparing the company's financial statements. Accordingly the directors of this company have impaired the tangible assets of the company by £59,615. The directors have reviewed the adjustments to the financial statements and they are satisfied that no additional adjustments are required.

Charitable and political donations

There were no charitable and political donations for the period (2009 £nil).

Future outlook

The company's trade has been transferred to Tesco Stores Limited in September 2010.

Principal risks and uncertainties

The business is dependent on efficient information technology (IT) systems. Any significant failure in the IT process of our retail operations would impact ability to trade. We recognise the essential role that IT plays across our operation in allowing us to trade efficiently and achieve commercial advantage through implementing IT innovations that improve the shopping trip for customers and make life easier for employees. We have extensive controls in place to maintain the integrity and efficiency of our IT infrastructure and we share systems from across our international operations to ensure consistency of delivery.

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.

Supplier payment policy

Tesco PLC is a signatory to the Prompt Payment Code. More information about the Code can be found at www.promptpaymentcode.org.uk. Payment terms and conditions are agreed with suppliers in advance. Tesco PLC has no trade creditors on its Balance Sheet. The Group pays its creditors on a pay on time basis which varies according to the type of product and territory in which the suppliers operate.

TESCO TECH SUPPORT LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010 (continued)

Employees

The average number of employees for the period was 34 (2009 40)

Directors

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

L Batchelor (resigned 18 May 2010)

E Brown

G Harris

A Higginson

J Lloyd

L Neville-Rolfe

Save as set out below, none of the directors had any disclosable interests in the company during this period

L Neville-Rolfe and A Higginson are also directors of Tesco PLC, the company's ultimate parent company, and as such their disclosable interests in Tesco PLC are all declared in the financial statements of that company

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Tesco PLC directors listed above and the Tesco PLC company secretary (who is also a director of this company) in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year

TESCO TECH SUPPORT LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010 (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 adequate accounting records that are sufficient to show and explain the company's transactions and 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.

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

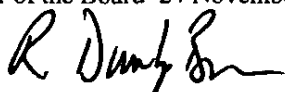
Each director who is a director of the company at the date of approval of this Annual Report confirms that

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

Independent auditors

The independent auditors of Tesco Tech Support Limited, PricewaterhouseCoopers LLP, are proposed for reappointment.

By order of the Board 24 November 2010



Ewan Brown
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 year ended 27 February 2010 which comprise the Profit and Loss Account, the Balance Sheet, Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 27 February 2010 and of its profit for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Emphasis of matter- going concern

We draw your attention to note 1 which explains that following the year end the directors have decided that the company will cease trading. Accordingly the going concern basis of accounting is no longer appropriate. Adjustments have been made in these financial statements to reduce assets to their realisable values and to reclassify fixed assets and long-term liabilities as current assets and liabilities. Our opinion is not qualified in this respect.



David Beer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

24 November 2010

TESCO TECH SUPPORT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

	Notes	52 weeks ended 27 Feb 2010 £	53 weeks ended 28 Feb 2009 £
Turnover		2,368,717	817,040
Cost of sales		(888,119)	(931,461)
Gross profit/(loss)		1,480,598	(114,421)
Distribution costs		(17,241)	(21,834)
Administrative expenses		(1,362,158)	(789,639)
Operating profit/(loss)	2	101,199	(925,894)
Interest payable and similar charges	3	(18,831)	(77,659)
Profit/(loss) on ordinary activities before taxation		82,368	(1,003,553)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial period	10,11	82,368	(1,003,553)

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

There is no material 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 being transferred to another company after the end of the financial period Therefore the accounts have been prepared on a break up basis (see Note 1)

TESCO TECH SUPPORT LIMITED

BALANCE SHEET AS AT 27 FEBRUARY 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible fixed assets	5	-	60,075
Current assets			
Stock		1,785	12,520
Debtors - due within one year	6	52,288	62,115
Cash at bank		179,659	37,902
		233,732	112,537
Creditors – amounts falling due within one year	7	(1,727,250)	(1,748,498)
Net current liabilities		(1,493,518)	(1,635,961)
Net liabilities		(1,493,518)	(1,575,886)
Capital and reserves			
Called up share capital	9	1,957	1,957
Share premium account		153,493	153,493
Profit and loss reserve	10	(1,648,968)	(1,731,336)
Total equity shareholder's funds	11	(1,493,518)	(1,575,886)

The financial statements on pages 6 to 13 were approved by the board of directors on 24 November 2010 and were signed on its behalf by



Ewan Brown
Director
Tesco Tech Support Limited
Registered Number 5769298

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The company has ceased to trade in September 2010. As a consequence the directors have reviewed the financial position of the company and do not consider it appropriate to prepare the financial statements on a going concern basis. Consequently, the directors have prepared the financial statements on a break-up basis and tangible and intangible assets have been impaired by £59,615. The directors have reviewed the adjustments to the financial statements and they are satisfied that no additional adjustments are required.

In accordance with FRS 2 "Accounting for Subsidiary Undertakings" and Section 400 of the Companies Act 2006, group financial statements have not been prepared because the company is a wholly owned subsidiary of Tesco PLC, incorporated in England and Wales.

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 in relation to maintenance services provided and income received from TSL in relation to the services received as part of the agreement between the two parties.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Interest

Interest receivable and payable is 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.

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%

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (continued)

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

2. OPERATING PROFIT/(LOSS)

	52 weeks ended 27 Feb 2010 £	53 weeks ended 28 Feb 2009 £
Operating loss is stated after charging		
Wages and salaries	1,066,465	992,750
Social security costs	97,497	99,937
Staff costs	1,163,962	1,092,687
Depreciation of owned tangible fixed assets	23,732	4,937
Write-off of fixed assets	33,670	-
Operating lease charges on buildings	192,622	112,003
Operating lease charges on vehicles	14,768	42,847

The directors received £146,500 for their services to the company (2009 £nil)

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

The average numbers of employees during the year were 34 (2009 40)

	2010	2009
Full-time	31	37
Part-time	3	3
	34	40

3. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 27 Feb 2010 £	53 weeks ended 28 Feb 2009 £
Interest payable on bank loans and overdrafts	616	954
Interest payable on loans from group undertakings	18,215	76,705
	18,831	77,659

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (continued)

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

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

	52 weeks ended 27 Feb 2010 £	53 weeks ended 28 Feb 2009 £
Current tax:		
UK Corporation tax on profit for the financial period	-	-
Adjustments in respect of previous financial periods	-	-
Total current tax	-	-
Tax on profit/(loss) on ordinary activities	-	-

The tax assessed for the period is higher (2009 higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	52 weeks ended 27 Feb 2010 £	53 weeks ended 28 Feb 2009 £
Profit/(loss) on ordinary activities before tax	82,368	(1,003,553)
Profit/(loss) on ordinary activities multiplied by the blended rate in the UK 28% (2009 28.2%)	23,063	(283,002)
Effects of:		
Expenses not deductible for tax purposes	449	313
Accelerated capital allowances and other timing differences	17,630	(2,519)
Group relief surrendered without payment	(41,227)	33,946
Allowable losses carried forward to set against future profits	-	-
UK to UK transfer pricing adjustment	-	251,262
Current tax charge for the financial period	-	-

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (continued)

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 28 February 2009	11,254	58,759	70,013
Additions at cost	201	23,071	23,272
Write offs	(11,455)	(81,830)	(93,285)
At 27 February 2010	-	-	-
Accumulated depreciation			
At 28 February 2009	2,958	6,980	9,938
Charge for the period	2,092	21,640	23,372
Write offs	(5,050)	(28,620)	(33,670)
At 27 February 2010	-	-	-
Net book value			
At 28 February 2009	8,296	51,779	60,075
At 27 February 2010	-	-	-

6. DEBTORS - DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	897	9,066
Other debtors	30,300	30,300
Prepayments	21,091	22,749
	52,288	62,115

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

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	32,595	101,521
Amounts due to group undertakings	1,595,403	1,580,530
Taxation and social security	22,003	31,590
Other creditors	51,186	6,487
Accruals	26,063	28,370
	1,727,250	1,748,498

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 52 WEEKS ENDED 27 February 2010 (continued)

8. PROVISION FOR LIABILITIES AND CHARGES

	2010 £	2009 £
Deferred tax		
Accelerated capital allowances	-	1,698
Losses available to offset against future profits	-	(1,698)
	-	-

A deferred tax asset of £nil (2009 £132,773) in respect of losses was not recognised due to uncertainty with regards to recoverability

9. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised 2,000 (2009 2,000) ordinary shares of £1 each	2,000	2,000
Allotted, called up and fully paid 1,957 (2009 1,957) ordinary shares of £1 each	1,957	1,957

10. RESERVES

	Share Premium account £	Profit and loss account £
As at 28 February 2009	153,493	(1,731,336)
Profit for the financial period	-	82,368
As at 27 February 2010	153,493	(1,648,968)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
Loss for the financial period	82,368	(1,003,553)
Net increase/(reduction) to shareholders' funds	82,368	(1,003,553)
Opening shareholder's funds	(1,575,886)	(572,333)
Closing shareholder's funds	(1,493,518)	(1,575,886)

12. FINANCIAL COMMITMENTS

At 27 February 2010, the company had annual commitments under non-cancellable operating leases for assets expiring as follows

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Within one year	105,000	-	11,285	25,596
Within two to five years	-	180,000	-	19,346

TESCO TECH SUPPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 February 2010 (continued)

13. 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

14. 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

15. POST BALANCE SHEET EVENTS

The company ceased trading in September 2010. As a consequence the directors have reviewed the financial position of the company and do not consider it appropriate to prepare the financial statements on a going concern basis. Consequently, the directors have prepared the financial statements on a break-up basis and tangible assets have been impaired by £59,615. The directors have reviewed the adjustments to the financial statements and they are satisfied that no additional adjustments are required.