TEESPORT (GP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018
Registered Number: 06636155

TEESPORT (GP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

The Directors present their Annual Report and the audited financial statements of Teesport (GP) Limited (the "Company") for the 52 weeks ended 24 February 2018 (prior period: 52 weeks ended 25 February 2017 ("2017")).

Business review and principal activity

The principal activity of the Company is to invest into The Teesport Limited Partnership (the "Partnership"). There has been no significant change in the nature or level of this activity during the period and the Directors do not expect this to change significantly throughout the next financial period.

The financial statements of the company have been prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland)

Results and dividends

The results for the 52 weeks ended 24 February 2018 show a loss before tax of £30 (2017: nil) and a loss after tax of £33 (2017: £26)

The Directors do not recommend payment of a dividend for the 52 weeks ended 24 February 2018 (2017: £nil).

The Company had net assets at the period end of £39,574 (2017: £39,607) and net current assets at the period end of £40,573 (2017: £40,606).

Principal risks and uncertainties

From the perspective of the Company, the principal risks relate to the carrying value of investments that this Company holds. To manage this risk the Company periodically reviews the financial statements of the entities the Company has investments in.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of 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 Annual Report and Financial Statements 2018, which do not form part of this report.

Business Risk

On 29 March 2017, the government invoked Article 50, initiating the process of leaving the European Union within two years. This could cause disruptions and uncertainties which could have an adverse effect on our property business, financial results and operations.

Political donations

There were no political donations for the period (2017: £nil) and the Company did not incur any political expenditure (2017: £nil).

Future developments

The Company and Group's performance is expected to continue throughout the next financial period and it is anticipated that the current performance levels will be maintained.

The Partnership's future developments form a part of the Tesco PLC Group's (the "Group") long term strategy, which is discussed on pages 8 and 9 of the Tesco PLC Annual Report and Financial Statements 2018, which does not form part of this Report.

Key performance indicators (KPI's)

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, is discussed on page 10 to 11 of the Tesco PLC Annual Report and Financial Statements 2018 which does not form part of this Report.

Research and development

The Company does not undertake any research and development activities (2017: none).

Employees

The Company had no employees during the period (2017: none).

Strategic report

The Directors have taken advantage of the exemption under section 414 (B) of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a Strategic Report.

Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least 12 months from the date of signing and have therefore continued to adopt the going concern basis in preparing the financial statements.

Directors

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

A Smith
J Gibney
Tesco Services Limited
R Ager (Resigned on 22 March 2017)

None of the Directors had any disclosable interests in the Company during the period.

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 Tesco Services Limited which is appointed to the Board of the 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 and Officers may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the Company and Group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under the Company law the Directors must not approve the Group and company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Company and Group 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 UK Accounting Standards have been followed, comprising FRS 102, 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.

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 the Group, 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each Director who is a Director of the Company at the date of approval of these financial statements confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as a Director to be aware of any relevant audit information and to establish that the Company's auditor is 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.

Independent auditor

Deloitte LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by 13 August 2018

Robert Welch

Robert Welch for and on behalf of Tesco Service Limited
Director
Teesport (GP) Limited
Registered Number: 06636155
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEESPORT (GP) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 24 February 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Teesport (GP) Limited (the 'Company') which comprise:

- the Profit and Loss Account;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 12

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements
Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

We have nothing to report in respect of these matters.

Simon Letts FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
13 August 2018

TEESPORT (GP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	Notes	52 weeks to 24 February 2018 £	52 weeks to 25 February 2017 £
Operating result		-	-
Interest payable and similar expenses		(30)	-
(Loss)/result before taxation		(30)	-
Tax charge on (loss)/result	5	(3)	(26)
Loss for the financial period		(33)	(26)

There is no other comprehensive income/loss in the periods presented; therefore no statement of comprehensive income has been prepared. Total comprehensive income is equal to profit for the periods presented.

There are no material differences between the profit before taxation and the profit for the period stated above and their historical cost equivalents.

All operations are continuing for the financial period.

The notes on pages 9 to 15 form part of these financial statements.

BALANCE SHEET AS AT 24 FEBRUARY 2018

	Notes	**24 February 2018 £**	25 February 2017 £
Fixed assets			
Investments	6	**1**	1
		1	1
Current assets			
Deferred tax asset	7	**346**	349
Cash at bank and in hand		**40,229**	40,259
		40,575	40,608
Current liabilities			
Creditors: Amounts falling due within one year	8	**(2)**	(2)
Net current assets		**40,573**	40,606
Creditors: Amounts falling due after more than one year	9	**(1,000)**	(1,000)
Net assets/ Total assets less current liabilities		**39,574**	39,607
Capital and reserves			
Called up share capital	10	**3,000**	3,000
Share premium account		**29,360**	29,360
Profit and loss account		**7,214**	7,247
Total shareholders' funds		**39,574**	39,607

The financial statements on pages 6 to 15 were approved by the Board of Directors and authorised for issue on 13 August 2018. They were signed on its behalf by:

Robert Welch

Robert Welch for and on behalf of Tesco Service Limited
Director
Teesport (GP) Limited
Registered Number: 06636155
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7, 1GA, United Kingdom

STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	Called up share capital*	Share Premium £	Profit and loss account £	Total £
Balance as at 27 February 2016	3,000	29,360	7,273	39,633
Loss for the financial period	-	-	(26)	(26)
Balance as at 25 February 2017	**3,000**	**29,360**	**7,247**	**39,607**
Loss for the financial period	-	-	(33)	(33)
Balance as at 24 February 2018	**3,000**	**29,360**	**7,214**	**39,574**

The notes on pages 9 to 15 form part of these financial statements.

*See Note 10 for a breakdown of the called up share capital.

1. Statement of Compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

2. General Information

Teesport (GP) Limited (the "Company") is a private company incorporated in England and Wales under the Companies Act 2006 and limited by shares.

The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

The Company is exempt from the preparation of consolidated financial statements, as the Company's accounting records are consolidated within the financial statements of its immediate parent undertaking, Tesco Blue (GP) Limited, and also the Group financial statements. As such, these financial statements have been prepared on a standalone basis. The financial statements of the Group are publically available and can be obtained from the Company Secretary, as outlined in Note 11.

The functional currency of the Teesport (GP) Limited is considered to be Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pound Sterling.

There are no new and mandatorily effective standards in the year that would have a material impact on the financial statements.

3. Accounting policies

a) Cash flow statement and related parties disclosures

The Company is a wholly owned subsidiary of Tesco Blue (GP) Limited and is included in the consolidated financial statements of Tesco Blue (GP) Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 Section 7 "Statement of cash flows" and disclosing details of transactions with fellow subsidiary entities.

b) Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least 12 months from the date of signing and have therefore continued to adopt the going concern basis in preparing the financial statements.

c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

There are no judgements and estimates that have a significant effect on amounts recognised in the financial statements.

3. Accounting policies (continued)

d) Significant accounting policies

Fixed asset investments
Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less where appropriate provisions for impairment. Impairment is reviewed annually with movements taken to the Profit and Loss account. The Company elected to adopt the cost model for holding its fixed assets as permitted under Section 16 of FRS 102.

Impairment of fixed assets
At each Balance sheet date, the Company reviews the carrying amounts of the fixed asset investments to determine whether there is any need for impairment in accordance with Section 27 of FRS 102, "Impairment of Assets". Any impairment is recognised in the profit and loss Account in the period in which it occurs.

Investment income
Income received from investments is the cash distribution of the Company's share of the profits in its fixed asset investments. Investment income is recognised on cash receipts basis as there is no right to income other than as it is received.

Current taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and Loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible.

Group tax relief
The company may receive or surrender group relief from group companies without payment and consequently there may be no tax charge in the Profit and Loss account.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is charged or credited to the Profit and Loss account, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income.

3. Accounting policies (continued)

Deferred tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. The expected maturity of the financial assets and liabilities is not considered to be materially different to their current and non-current classification.

Financial assets

Initial recognition and measurement

Financial assets within the scope of Section 11 of FRS 102 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at transaction price directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, trade and other receivables, loans, and investments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and borrowings

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement.

Financial liabilities

Initial recognition and measurement.

Financial liabilities within the scope of section 11 of FRS 102 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at transaction price and in the case of loans and borrowings, plus directly attributable transaction costs.

3. Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

De-recognition of financial instruments

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled: (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset: or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

4. Operating result

The Directors received no emoluments for their services to the Company (2017: £nil).

The Company had no employees during the period (2017: none).

The auditor's remuneration of £3,000 (2017: £3,000) for the current period and prior period was borne by the Teesport Limited Partnership.

5. Tax on loss

(a) Factors that have affected the tax charge

The standard rate of corporation tax in the UK was 20% from 1 April 2016, and was changed from 20% to 19% from 1 April 2017. This gives an overall blended corporation tax rate for the Company for the full period of 19.09%.

(b) Tax charge in the profit and loss account

	52 weeks to 24 February 2018 £	52 weeks to 25 February 2017 £
Current income tax:		
UK Corporation tax on (loss)/result for the period	-	-
UK Corporation tax adjustment in respect of previous periods	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary differences	3	6
Effect of decrease in tax rate on opening liability	-	20
Total deferred tax	3	26
Tax charge on (loss)/result	3	26

5. Tax on loss (continued)

(c) Reconciliation of the effective tax charge

The differences between the total charge shown above and the amount calculated by applying the blended rate of UK corporation tax to profit is as follows:

	52 weeks to 24 February 2018 £	52 weeks to 25 February 2017 £
(Loss)/result before tax	**(30)**	-
Tax on (loss)/result on at blended corporation tax rate of 19.09% (2017: 20%)	(6)	-
Effects of:		
Expenses not deductible for tax purposes	9	6
Adjustments in respect of previous periods	-	-
Impact of rate change	-	20
Total tax charge for the financial period	**3**	26

(d) Tax rate changes

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. These rate reductions were enacted by the Balance Sheet date and therefore included in these financial statements. Temporary differences have been re measured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

6. Fixed asset investments

	£
Cost	
As at 25 February 2017	1
As at 24 February 2018	**1**

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

In accordance with the Companies Act 2006 information on the Company's other undertakings is set out below:

Other undertakings	Registered Office Address	% Interest held	Direct/Indirect holding	Nature of business
The Teesport Limited Partnership	Tesco House Shire park, Kestrel Way, Welwyn Garden City, United Kingdom, AL7 1GA	0.10%	Direct	Property investment

7. Deferred tax asset

The following are the major deferred tax (liabilities)/assets recognised by the Company and movements thereon during the current and prior financial periods measured using the tax rates that are expected to apply when the liability is settled or the asset realised based on the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

	Short term timing difference £	Property related items £	Total £
As at 27 February 2016	1,964	(1,589)	375
Original and reversal of timing differences :			
- In respect of current period	(54)	28	(26)
- Impact of rate change	-	-	-
As at 25 February 2017	**1,910**	**(1,561)**	**349**
Original and reversal of timing differences :			
- In respect of current period	**54**	**(57)**	**(3)**
- Impact of rate change	**(6)**	**6**	**-**
At 24 February 2018	**1,958**	**(1,612)**	**346**

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority.

8. Creditors: amounts falling due within one year

	24 February 2018 £	25 February 2017 £
Amount due to The Teesport Limited Partnership	**2**	2
	2	2

Amounts due to the Partnership are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Creditors: amounts falling due after more than one year

	24 February 2018 £	25 February 2017 £
Amount due to Tesco Property Finance 1 PLC	**1,000**	1,000
	1,000	1,000

Amounts due to the Tesco Property Finance 1 PLC are unsecured, interest free, and are repayable on 13 July 2039.

10. Called up share capital

	24 February 2018 £	25 February 2017 £
Allotted, called up and fully paid:		
3,000 Ordinary shares of £1 each		
(2017: 3,000 Ordinary shares of £1 each)	**3,000**	3,000
	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)

11. Ultimate parent undertaking

The Company's immediate parent undertaking is Tesco Blue (GP) Limited. Tesco Blue (GP) Limited is jointly owned by Tesco Property Holdings (No. 2) Limited and Tesco Pension Trustees Limited. Tesco Pension Trustees Limited holds the shares in Tesco Blue (GP) Limited on behalf of the Tesco PLC Pension Scheme (the "Scheme") and is required to act in the best interests of the Scheme.
The ultimate parent company of Tesco Pension Trustees Limited and Tesco Property Holdings (No.2) Limited is Tesco PLC, which is incorporated in the United Kingdom and registered in England and Wales. Tesco PLC is the smallest and largest group to consolidate the Company's financial statements. Copies of the Tesco PLC Annual Report and financial statements can be obtained from the Company Secretary at the registered office: Tesco PLC, Tesco House. Shire Park. Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

12. Related party transactions

During the 52 week's period ended 24 February 2018 the Partnership entered into transactions with related parties, in the ordinary course of business. Transactions entered into, and balances outstanding at 24 February 2018, are as follows:

Entity	Relationship	Transaction
The Teesport Limited Partnership	Investment in Partnership firm	The loan amount due to The Teesport Limited Partnership is of £2 (2017: £2)
Tesco Property Finance 1 PLC	Subsidiary of ultimate parent undertaking	The loan amount due to Tesco Property Finance 1 PLC is of £1,000 (2017: £1,000)

THE TEESPORT LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

Registered Number: LP013061

THE TEESPORT LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

Teesport (GP) Limited (the "General Partner") present its Strategic Report of The Teesport Limited Partnership ("the Partnership") for the 52 weeks ended 24 February 2018 (prior period: 52 weeks ended 25 February 2017 ("2017")).

Business review and principal activity

The principal activity of the Partnership is to carry out property investment in one distribution centre for which rental income is received. There has been no significant change in the nature or level of this activity during the period and the General Partner does not expect this to change significantly throughout the next financial period.

The financial statements of the Partnership have been prepared in accordance with FRS 102.

Results and distributions

The results for the 52 weeks ended 24 February 2018 show a total comprehensive income of £3,434,278 (2017: comprehensive loss of £18,971,459) and rental income of £6,327,641 (2017: £6,149,523). During the period the Partnership distributed £ nil (2017: £ nil).

The Partnership has net liabilities of £338,276 at the period end (2017: net liabilities of £3,772,554), with net current assets of £4,094,076 (2017: net current assets of £3,519,367).

Future developments

The Partnership's performance is expected to continue throughout the next financial period and it is anticipated that current performance levels will be maintained.

The Partnership's future developments form a part of the Tesco PLC Group's (the "Group") long term strategy, which is discussed on pages 8 and 9 of the Tesco PLC Annual Report and Financial Statements 2018, which does not form part of this Report.

Principal risks and uncertainties

The Partnership's activities expose it to risks and uncertainties as summarised below. The Partnership's financial instruments comprise solely the Partnership Loan and a Retail Price Index (RPI)-linked swap arrangements.

The principal risks and uncertainties are related to property investment into the distribution centre. These risks include the exposure to fluctuations in the open market value of the investment properties.

The property portfolio is managed to ensure its value is maximised.

Business risk

On 29 March 2017, the United Kingdom government invoked Article 50 on and initiated the process of the United Kingdom leaving the European Union within two years. This could cause disruptions and uncertainties which could have an adverse effect on our property business, financial results and operations.

Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk posed by the Partnership's sole customer, Tesco Stores Limited, is determined to be low, yet the property manager monitors the credit risk of Tesco PLC (ultimate parent of Tesco Stores Limited) to ensure their ability to discharge their obligations as lessee.

The Partnership's credit risk is managed through the use of RPI-rate swap contracts to fix its cash inflows so that it is able to meet its fixed rate interest and capital repayments along with its administrative costs.

Liquidity risk

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting its obligations associated with its financial liabilities. The principal risk and uncertainties are related to property investments in a distribution centre and the obligation to make repayments against loans when due. These risks include the exposure to fluctuations in the fair market value and the occupancy of the investment properties. The Partnership manages this through using a managing agent, who manages its occupational lease and actively manages the receipt of arrears for the Partnership.

Cash flow risk

The Partnership's activities expose it primarily to the financial risks of changes in RPI rates which could cause the Partnership difficulty in meeting its obligations if the level of RPI uplifts does not rise enough to enable the Partnership to meet its obligations under the loan agreement. See Note 13 for further information with regards to the risks identified. The Partnership uses RPI rate swap contracts to hedge these exposures. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the General Partner is of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Approved and signed on behalf of the General Partner 13 August 2018

Robert Welch

R Welch
Tesco Services Limited, Director
Teesport (GP) Limited
Registered Number: 06636155
Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

GENERAL PARTNER'S REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

Teesport (GP) Limited (the "General Partner") presents its Annual Report and the audited financial statements of The Teesport Limited Partnership (the "Partnership") for the 52 Weeks ended 24 February 2018 (prior period: 52 weeks ended 25 February 2017 ("2017")). During the period, Teesport (GP) Limited acted as the General Partner and The Teesport Unit Trust acted as limited partner.

Teesport (GP) Limited is wholly owned by Tesco Blue (GP) Limited. The Teesport Unit Trust is owned by the Tesco Blue Limited Partnership, the Tesco Blue Unit Trust and Tesco Blue (3LP) Limited.

The Partnership was originally constituted under an Initial Partnership Agreement, which was then superseded by the amended and restated Limited Partnership Deed (the "Limited Partnership Deed") on 25 June 2009.

Future developments and financial risk management disclosures are strategic in nature and have been presented in Strategic Report on page 1.

Results and distributions

Information regarding the Partnership's results and dividends are included in Strategic Report on page 1.

Political donations

There were no political donations for the period (2017: £nil) and the Partnership did not incur any political expenditure (2017: £nil).

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the General Partner has assessed the likelihood of whether the Partnership will be able to continue trading over the period of at least 12 months from the date of signing versus the likelihood of either intending to or being forced to either cease trading or putting the Partnership into liquidation.

The ability of the Partnership to meet its obligations on the loans and to meet its operating and administrative expenses is dependent on the extent that it receives the amounts due from its sole customer, Tesco Stores Limited and its ability to discharge its obligations under the occupational leases.

While the securitisation structure is credit-linked to Tesco PLC (ultimate parent of Tesco Stores Limited) and relies on rental receipts under the occupational lease, any changes in Tesco PLC's (ultimate parent of Tesco Stores Limited) credit rating is not expected to directly impact the Partnership's ability to repay the Partnership Loan and consequently the Partnership's ability to repay the loans and its administrative costs. The Partnership has also entered into a derivative financial instrument to fix its cash inflows, thereby allowing the Partnership to meet its obligation whilst annual RPI increases to rental income are lower than expected.

The General Partner has noted that, at the reporting period end date the Partnership is in a net liability position and a net current asset position. The General Partner does not consider this a going concern risk with liabilities being offset by committed future rental income streams that are also RPI linked.

With the swap arrangement deemed to be commercially viable, the General Partner believes that the Partnership will continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Research and development

The Partnership does not undertake any research and development activities (2017: none).

Employees

The Partnership had no employees during the period (2017: none).

GENERAL PARTNER'S REPORT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)

Partners

The partners, including the General Partner are set out in note 14 of the financial statements.

General Partner's Responsibilities Statement

The General Partner is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Companies Act 2006 as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the Partnership to prepare financial statements for each financial period. Under that law the General Partner have elected to prepare the FRS 102 (the financial reporting standards applicable in United Kingdom and The Republic of Ireland).

Under the Companies Act 2006, as applied to qualifying Partnerships, the General Partner 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the General Partner is 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 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 Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applicable to Limited Partnership. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Partner is required to act in the best interests of the Partnership and to perform its obligations under the Limited Partnership Agreement.

Disclosure of information to auditor

At the date of approval of this report, the General Partner confirms that:

- so far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the General Partner has taken all the steps that ought to have been taken as a General Partner to be aware of any relevant audit information and to establish that the Partnership's auditor is 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. The financial statements have been prepared in accordance with part 13 of the Limited Partnership Deed 2009 and part 15 of the Companies Act 2006 as required under the Regulations.

Independent auditor

Deloitte LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Approved and signed on behalf of the General Partner 13 August 2018.

Robert Welch
R Welch
Tesco Services Limited, Director
Teesport (GP) Limited
Registered Number: 06636155
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE TEESPORT LIMITED PARTNERSHIP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 24 February 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements of The Teesport Limited Partnership (the 'qualifying partnership') which comprise:

- the Profit and Loss account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Partner's Interest;
- the Cash Flow Statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the general partners use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the general partners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The general partners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF THE TEESPORT LIMITED PARTNERSHIP

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 24 February 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

We have audited the financial statements of The Teesport Limited Partnership (the 'qualifying partnership') which comprise:

- the Profit and Loss account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Partner's Interest;
- the Cash Flow Statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the general partners use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the general partners have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The general partners are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of General Partners

As explained more fully in the General Partner's Responsibilities Statement, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the General Partner determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner is responsible for assessing the Partnership qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the General Partners report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the General Partners report has been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Companies Act 2006 (continued)

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the General Partners' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report in respect of the following matters 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Simon Letts FCA (senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St. Albans, United Kingdom
13 August 2018

THE TEESPORT LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	Notes	**52 weeks to 24 February 2018**	52 weeks to 25 February 2017
		£	£
Rental income		**6,327,641**	6,149,523
Administrative expenses		**(116,721)**	(81,366)
Gain on revaluation of investment properties	8	**1,882,485**	452,397
Operating profit	4	**8,093,405**	6,520,554
Interest receivable and similar income	5	**725,798**	908,323
Interest payable and similar charges	6	**(5,660,549)**	(5,665,077)
Profit before taxation		**3,158,654**	1,763,800
Tax on profit/(loss)	7	**-**	-
Profit for the financial period		**3,158,654**	1,763,800

There are no material differences between the profit 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 13 to 24 are an integral part of these financial statements.

THE TEESPORT LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	52 Weeks to 24 February 2018	52 Weeks to 25 February 2017
	£	£
Profit for the period	**3,158,654**	1,763,800
Other comprehensive income:	-	-
Cash flow hedges		
Gains/(losses) arising during the period	**275,624**	(20,735,259)
Total comprehensive income/(loss) for the period	**3,434,278**	(18,971,459)

There are no material differences between the profit 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 13 to 24 are an integral part of these financial statements.

THE TEESPORT LIMITED PARTNERSHIP

BALANCE SHEET AS ON 24 FEBRUARY 2018

	Notes	24 February2018 £	25 February2017 £
Fixed asset			
Investment properties	8	**96,163,962**	94,281,477
		96,163,962	94,281,477
Current assets			
Debtors: amounts falling due within one year	9	**32,398**	147,758
Debtors: amounts falling due after more than one year	10	**4,963,437**	3,528,701
Cash at bank and in hand		**359,660**	359,387
		5,355,495	4,035,846
Current liabilities			
Creditors: amounts falling due within one year	11	**(1,261,419)**	(516,479)
Net current assets		**4,094,076**	3,519,367
Total assets less current liabilities		**100,258,038**	97,800,844
Creditors amounts falling due after more than one year	12	**(100,596,314)**	(101,573,398)
Net liabilities		**(338,276)**	(3,772,554)
Partners' interest			
Partners' capital accounts	14	**2**	2
Cash flow hedge reserve	14	**(30,912,280)**	(31,187,904)
Profit and loss account	14	**30,574,002**	27,415,348
Partners' interest		**(338,276)**	(3,772,554)

The notes on pages 13 to 24 are an integral part of these financial statements.

The financial statements on pages 8 to 24 were approved by the General Partners and authorised for issue on 13 August 2018. They were signed on its behalf by:

Robert Welch

R Welch
Tesco Services Limited, Director
Teesport (GP) Limited
Registered Number: 066366155
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

THE TEESPORT LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERS' INTERESTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	Partners' capital accounts	Cash flow hedge reserve	Profit and loss account	Total
	£	£	£	£
Balance as at 27 February 2016	2	(10,452,645)	25,651,548	15,198,905
Total comprehensive loss for the period	-	(20,735,259)	1,763,800	(18,971,459)
Distributions	-	-	-	-
Balance as at 25 February 2017	2	(31,187,904)	27,415,348	(3,772,554)
Total comprehensive income for the period	-	275,624	3,158,654	3,434,278
Distributions	-	-	-	-
Balance as at 24 February 2018	**2**	**(30,912,280)**	**30,574,002**	**(338,276)**

The notes on pages 13 to 24 are an integral part of these financial statements.

THE TEESPORT LIMITED PARTNERSHIP

STATEMENT OF CASH FLOWS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

	Notes	**52 weeks ended 24 February 2018**	52 weeks ended 25 February 2017
		£	£
Net cash inflow from operating activities	15	**6,299,030**	6,148,978
Cash Flows from investing activities			
Interest received		**753,168**	922,317
Interest paid		**(5,660,549)**	(5,665,077)
Net cash flows from investing activities		**(4,907,381)**	(4,742,760)
Cash flow from financing activities			
Loan provided		**(1,467,132)**	(1,467,132)
Loan repayments		**75,756**	80,285
Net cash flows from financing activities		**(1,391,376)**	(1,386,847)
Net increase in cash		**273**	19,371
Cash and cash equivalents at the start of the year		**359,387**	340,016
Cash and cash equivalents at the end of the year		**359,660**	359,387

The notes on pages 13 to 24 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018

1. Statement of compliance

The financial statements of the Partnership have been prepared in accordance with FRS 102 (the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland) and in accordance with the Companies Act 2006 as applied to qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 (and as required by the amended and restated Limited Partnership Agreement).

2. General information

The Partnership was established on 3 July 2008 and is registered as a Limited Partnership in England and Wales under the Limited Partnership Act 1907. The Partnership was originally constituted under the Initial Partnership Agreement, which was then superseded by the Limited Partnership Deed on 25 June 2009.

The Partnership is limited by Partners' capital.

The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA United Kingdom. The nature of the partnership's operations and its principal activities are set out in the Strategic Report on page 1.

The functional and presentation currency of The Teesport Limited Partnership is considered to be Pound Sterling because that is the currency of the primary economic environment in which the Partnership operates.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period, unless otherwise stated.

3. Accounting policies

a. Basis of preparation

The financial statements of the Partnership are prepared on the going concern basis under the historical cost convention, as modified by revaluation of certain investment properties and recognition of financial derivative instruments measured at fair value.

The Partnership also elected to adopt the fair value model for holding its investment property, as permitted under section 16 of FRS 102. The Partnership has included the fair value of its hedging instruments within the statement of financial position and hedging reserve, per section 12 of FRS 102.

b. Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the General Partner has assessed the likelihood of whether the Partnership will be able to continue trading over the period of at least 12 months from the date of signing versus the likelihood of either intending to or being forced to either cease trading or putting the Partnership into liquidation.

The ability of the Partnership to meet its obligations on the loans and to meet its operating and administrative expenses is dependent on the extent that it receives the amounts due from its sole customer, Tesco Stores Limited and its ability to discharge its obligations under the occupational leases.

While the securitisation structure is credit-linked to Tesco PLC (ultimate parent of Tesco Stores Limited) and relies on rental receipts under the occupational lease, any changes in Tesco PLC's (ultimate parent of Tesco Stores Limited) credit rating is not expected to directly impact the Partnership's ability to repay the Partnership Loan and consequently the Partnership's ability to repay the loans and its administrative costs. The Partnership has also entered into a derivative financial instrument to fix its cash inflows, thereby allowing the Partnership to meet its obligation whilst annual RPI increases to rental income are lower than expected.

The General Partner has noted that, at the reporting period end date the Partnership is in a net liability position and a net current liability position. The General Partner does not consider this a going concern risk with liabilities being offset by committed future rental income streams that are also RPI linked.

With the swap arrangement deemed to be commercially viable, the General Partner believes that the Partnership will continue as a going concern. Accordingly, the financial statements have been prepared on a going concern.

3. Accounting policies (continued)

c. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Partnership's accounting policies, which are described in Note 3(d), the General Partner is required to make judgements, estimates and assumptions that have significant impact on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimation of future RPI rates impact upon the valuation of the derivative instrument. Management has applied their own internal estimations of future RPI movements. This has been benchmarked against market-data for accuracy and is in line with the methodologies used by Tesco PLC in valuing their derivative instruments.

For investment properties, determining the value requires an estimation of expected open market rental income as well as an expected yield to calculate its fair value.

There are no judgement that have a significant effect on amounts recognised in the financial statements.

d. Significant accounting policies

Investment properties

The Partnership carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Partnership engaged independent valuation specialists to determine fair value at 24 February 2018.

The valuation is undertaken on an open market basis, deemed to be representative of fair value. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in Note 8.

Leases and rental income

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The properties owned by the Partnership are being leased out under operating leases. Rental income is recognised in the Profit and Loss Account when earned, with rent received in advance being deferred on the Balance Sheet.

The leases are subject to annual uplifts which are linked to the RPI, subject to a minimum annual increase of nil and a maximum annual increase of 5%.

100% of the rental income generated during the period was generated in the United Kingdom by letting out properties which are all located in the United Kingdom.

The Partnership has not accounted for rental income on a straight-line basis as required by Section 20.25 of FRS 102 as the rental income has been structured to increase in line with the expected general inflation to compensate for the Partnership's expected inflationary cost increases.

3. Accounting policies (continued)

d. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. The expected maturity of the financial assets and liabilities is not considered to be materially different to their current and non-current classification.

Financial assets

Initial recognition and measurement

Financial assets within the scope of section 11 of FRS 102 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Partnership determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at transaction price including directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Partnership commits to purchase or sell the asset. The Partnership's financial assets include cash, other receivables and investments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of section 11 of FRS 102 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Partnership determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at transaction price and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

Loans and borrowings are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the income statement. Loans are carried as loans and borrowings.

3. Accounting policies (continued)

d. Significant accounting policies (continued)

Financial instruments (continued)

De-recognition of financial instruments

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled: (b) the Partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset: or (c) the Partnership, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Partnership uses derivative financial instruments to reduce exposure to RPI rate movements. The Partnership does not hold or issue derivative financial instruments for speculative purposes.

Derivative financial instruments are recognised and stated at fair value. Where derivatives do not qualify for hedge accounting, any gains or losses on re-measurement are immediately recognised in Profit and Loss account. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged. In order to qualify for hedge accounting, the Partnership is required to document from inception the relationship between the item being hedged and the hedging instrument.

The Partnership is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is performed at each financial reporting date to ensure that the hedge remains highly effective. Furthermore, at the inception of the hedge the Partnership determines and documents causes for hedge ineffectiveness.

Derivative financial instruments with maturity dates of more than one year from the Balance Sheet date are disclosed as non-current.

Note 13 sets out details of the fair value of the derivative instruments used for hedging purposes.

Cash flow hedging

Derivative financial instruments are classified as cash flow hedges when they hedge the Partnership's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from re-measuring the derivative instrument is recognised directly in other comprehensive income.

The associated cumulative gain or loss is reclassified from other comprehensive income and recognised in the Profit and Loss Account in the same period or periods during which the hedged transaction affects the Profit and Loss Account. The classification of the effective portion when recognised in the Profit and Loss account is the same as the classification of the hedged transaction. Any element of the re-measurement of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the Profit and Loss account within finance income or costs.

3. Accounting policies (continued)

d. Significant accounting policies (continued)

Cash flow hedging (continued)

Hedge accounting is discontinued when the Partnership revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or if a voluntary de-designation takes place or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in the Statement of Changes in Equity until the forecast transaction occurs or the original hedged item affects the Profit and Loss account.

If a forecast hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in the Statement of Changes in Equity is reclassified immediately to the Profit and Loss account.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identified assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Cash and net debt

Cash is represented by balance with banks. Net debt is comprised of loans advanced to the Partnership and cash.

Allocation of profits and drawings

The net profits of the Partnership incurred in each period are divided between the partners in the following proportions:

Teesport Unit Trust	99.90%
Teesport (GP) Limited	0.10%

Any net losses of the Partnership in each period are borne by the partners in the same proportion that they share the balance of the net profits of the Partnership.

Interest payable and receivable

Interest payable and receivable is calculated on an accrual basis.

4. Operating profit

The Auditor's remuneration in respect of audit services in the period amounted to £9,150 (2017: £9,150). The non-audit fees for the period is £nil (2017: £nil).

The General Partner received no emoluments for its services to the Partnership (2017: £nil).

There were no employees during the year ended 24 February 2018 (2017: none).

5. Interest receivable and similar income

	52 weeks ended 24 February 2018	52 weeks ended 25 February 2017
	£	£
Interest receivable on other loans	**725,565**	907,659
Interest received on bank deposits	**233**	664
Total	**725,798**	908,323

6. Interest payable and similar income

	52 weeks ended 24 February 2018	52 weeks ended 25 February 2017
	£	£
Interest payable on other loans	**5,660,549**	5,665,077
Total	**5,660,549**	5,665,077

The interest payable on other loans is related to the loan provided by Tesco Property Finance 1 PLC, which in turn holds a back to back arrangement with Tesco PLC. Tesco PLC holds a cash flow hedge arrangement externally. All arrangements have been set up to manage the cash flow fluctuation generated from the cash inflows of the Partnership.

Both the RPI swap and the loan are considered to be Level 2 financial liabilities under the fair value hierarchy, being that they are based on inputs other than quoted prices that are observable either directly or indirectly. This has been discussed further in Note 13.

7. Tax on profit

The financial information does not incorporate any charge or liability for taxation on the results of the Partnership, as the relevant income tax or tax on capital gains is the responsibility of the individual members.

8. Investment properties

	£	£
	24 February 2018	25 February 2017
Valuation:		
Opening balance	**94,281,477**	93,829,080
Revaluation	**1,882,485**	452,397
Closing balance	**96,163,962**	94,281,477

The investment properties have been valued by Cushman and Wakefield LLP (The "Valuer") who is deemed to be a suitably qualified valuer of the General Partner. The valuation was carried out in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors (RICS).

This fair value has been determined by an independent valuer, by applying an appropriate rental yield to the rentals earned by the investment properties. There are no lease incentives.

The property has been valued on the basis of market value which the valuer confirms to be fair value, as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer

8. Investment properties (continued)

and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This has been subject to any existing leases of guarantees; otherwise assuming vacant possession.

The average net yield is 6.23% (2017: 6.15%) with an average rental income of £72.42 (2017: £70.16) per square metre of gross internal floor area.

There were no restrictions on the realisibility of investment property or the remittance of income and proceeds of disposal, nor were there any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

9. Debtors: amounts falling due within one year

	24 February 2018	25 February 2017
	£	£
Amounts owed by Teesport (GP) Limited	**2**	2
Accrued interest receivable	**-**	115,271
Lease incentive debtor	**32,396**	32,485
	32,398	147,758

Amounts owed by Teesport (GP) Limited are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

In the prior financial year, accrued interest receivable of £115,271 (shown above) was also included in the value of the back-to-back swap arrangement shown in note 12. This has been corrected in the current year, where the accrued interest receivable has only been included in the value of the back-to-back swap arrangement shown in note 12.

10. Debtors: amounts falling due after more than one year

	24 February 2018	25 February 2017
	£	£
Amounts owed by The Tesco Blue Limited Partnership	**4,309,795**	2,842,663
Lease incentive debtor	**653,642**	686,038
	4,963,437	3,528,701

The loan to The Tesco Blue Limited Partnership is interest free and is repayable in 2039.

11. Creditors: amounts falling due within one year

	24 February 2018	25 February 2017
	£	£
Accruals	**70,938**	48,336
Deferred Income	**501,167**	468,143
Loan from Tesco Property Finance 1 PLC	**689,314**	-
	1,261,419	516,479

12. Creditors: amounts falling due after more than one year

	24 February 2018	25 February 2017
	£	£
RPI linked derivative instrument	**30,824,378**	31,187,904
Tesco Property Finance 1 PLC	**69,771,936**	70,385,494
	100,596,314	101,573,398

The loan from Tesco Property Finance 1 PLC incurs interest at a fixed rate of 7.6227% and has a maturity period to 2039. The loan principal at the date of issue was £85,021,944 and loan issue costs were £3,005,976. The total value of the loan, net of loan issue costs as at 24 February 2018 is £70,461,250 (2017:£70,385,494)

13. Financial Instruments

The Partnership holds a back-to-back arrangement with Tesco PLC. Both the swap and the loan are considered to be Level 2 financial liabilities under the fair value hierarchy, being that they are based on inputs other than quoted prices that are observable either directly or indirectly.

The main financial risk faced by the Partnership relates to fluctuations in RPI rates, the risk of default by counter parties to financial transactions, and the availability of funds to meet business needs. The management of these risks is outsourced as approved in the Limited Partnership Deed. The outsourcing arrangements are monitored by the General Partners. The swap valuations above, based on the discounted expected future cash flows associated with the swaps, are linked to future inflation levels as referenced by the RPI and this gives rise to inherent uncertainty as to their fair value.

RPI rate risk

RPI rate risk arises from long-term borrowings. Debt was issued at fixed rates, yet cash inflows are subject to annual uplifts in RPI that may not cover the Partnership's cash outflows. This exposes the Partnership to fair value risk. The management of these risks is outsourced as approved in the Partnership agreement.

THE TEESPORT LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)

13. Financial Instruments (continued)

RPI rate risk (continued)

	52 weeks ending 24 February 2018			52 weeks ending 25 February 2017		
	Fixed	**Floating**	**Total**	Fixed	Floating	Total
	£	**£**	**£**	£	£	£
Cash and cash equivalents	-	**359,660**	**359,660**	-	359,387	359,387
Other receivables	**4,995,835**	-	**4,995,835**	3,676,459	-	3,676,459
Bank and other borrowings	**(70,461,250)**	-	**(70,461,250)**	(70,385,494)	-	(70,385,494)
Back to back Swap Arrangements	-	**(30,824,378)**	**(30,824,378)**	-	(31,187,904)	(31,187,904)
Other payable	**(572,105)**	-	**(572,105)**	(516,479)	-	(516,479)
	(66,037,520)	**(30,464,718)**	**(96,502,238)**	**(67,225,514)**	**(30,828,517)**	**(98,054,031)**

Capital Risk

The Partnership objectives when managing capital (defined as net debt plus equity) are to safeguard the Partnership ability to continue as a going concern in order to provide returns to shareholders and benefits or other stakeholders, while maintaining a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Partnership manages its capital structure and makes adjustments to it in light of changes to economic conditions and the strategic objectives of the Partnership.

Financial assets and liabilities by category

The accounting classifications of each class of financial asset and liability as at 24 February 2018 and 25 February 2017 are as follows:

	Loans and receivables/ other financial liabilities	**Fair value through other comprehensive income**	**Total**
	£	**£**	**£**
At 24 February 2018			
Cash and cash equivalents	**359,660**	-	**359,660**
Other receivables	**4,995,835**	-	**4,995,835**
Long-term borrowings	**(69,771,936)**	-	**(69,771,936)**
Short -term borrowings	**(689,314)**	-	**(689,314)**
Derivatives – Back to Back arrangements	-	**(30,824,378)**	**(30,824,378)**
Other payables	**(572,105)**	-	**(572,105)**
	(65,677,860)	**(30,824,378)**	**(96,502,238)**

13. Financial Instruments (continued)

Financial assets and liabilities by category (continued)

	Loans and receivables/ other financial liabilities	**Fair value through other comprehensive income**	**Total**
At 25 February 2017	**£**	**£**	**£**
Cash and cash equivalents	359,387	-	359,387
Other receivables	3,676,459	-	3,676,459
Long-term borrowings	(70,385,494)	-	(70,385,494)
Derivatives – Back to Back arrangement	-	(31,187,904)	(31,187,904)
Other payables	(516,479)	-	(516,479)
	(66,866,127)	(31,187,904)	(98,054,031)

There is no netting off in relation to any of the above financial assets and liabilities.

Credit risk

Credit risk arises from the total liabilities and financial instruments. The management of these risks is outsourced as approved in the Limited Partnership Deed.

The counterparty exposure under derivative contracts is £30,824,378 (2017: £31,187,904) with the derivative being an asset to the Partnership.

The Partnership considers its maximum credit risk to be £101,857,733 (2017: £102,089,876), being the Partnership's total financial liabilities.

Liquidity risk

Liquidity risk is managed by short-term and long-term cash flow forecasts. The Partnership is not exposed to any foreign currency volatility.

Sensitivity analysis

The swap valuations above, based on the discounted expected future cash flows associated with the swaps are linked to future inflation levels as referenced by the RPI and this gives rise to inherent uncertainty as to their fair value.

As the RPI rates are hedged at a fixed rate any increase or decrease will have nil impact. Sensitivity analysis is not shown as it has a nil impact.

14. Cumulative partners' account

Partners Accounts as at 24 February 2018	Partners' capital accounts £	Cash flow hedge reserve £	Profit and Loss Account £	**Total** £
Teesport Unit Trust	1	**(30,881,367)**	**30,543,428**	**(337,938)**
Teesport (GP) Limited	1	**(30,913)**	**30,574**	**(338)**
Total	2	**(30,912,280)**	**30,574,002**	**(338,276)**

THE TEESPORT LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 24 FEBRUARY 2018 (continued)

14. Cumulative partners' account (continued)

The Partnership was formed on 3 July 2008. The Partnership was originally constituted under the Initial Partnership Agreement, which was then superseded by the Third Amended and Restated Limited Partnership Deed on 25 June 2009, with capital injections totalling £2.

The Teesport unit trust owns 99.90% and Teesport (GP) Limited owns 0.10% of the Partnership.

15. Net Cash flow from operating activities

Reconciliation of operating profit to net cash flow from operating activities is shown below:

	52 weeks ended 24 February 2018	52 weeks ended 25 February 2017
	£	£
Operating profit	**8,093,405**	6,520,554
Adjustment for:		
Gain on revaluation of investment property	**(1,882,485)**	(452,397)
Movements for working capital:		
Decrease in debtors	**32,485**	32,396
Increase in creditors	**55,625**	48,425
Net cash inflow from operating activities	**6,299,030**	6,148,978

16. Analysis of changes in net debt

Movements for working capital:	27 February 2016	Net cash flow	25 February 2017
Cash at bank and in hand	340,016	19,371	359,387
Debt due after more than one year	(70,305,210)	(80,284)	(70,385,494)
Net cash inflow from operating activities	*(69,965,194)*	*(60,913)*	*(70,026,107)*

Movements for working capital:	25 February 2017	Net cash flow	Non cash movement	24 February 2018
Cash at bank and in hand	359,387	**273**	**-**	**359,660**
Debt due within one year	-	**-**	**(689,314)**	**(689,314)**
Debt due after more than one year	(70,385,494)	**(75,756)**	**689,314**	**(69,771,936)**
Net cash inflow from operating activities	**(70,026,107)**	**(75,483)**	**-**	**(70,101,590)**

17. Receivables under operating lease

Total future minimum lease receivables under non-cancellable operating leases are as follows:

	24 February 2018	25 February 2017
	£	£
Within 1 year	**6,443,565**	6,241,904
2 to 5 years	**25,774,261**	24,967,615
After 5 years	**106,829,383**	109,727,893
	139,047,209	140,937,412

17. Receivables under operating lease (continued)

The operating lease amounts shown above relate to rents receivable from Tesco Stores Limited.

18. Ultimate parent undertaking and controlling party

The partners of the Partnership are Teesport (GP) Limited and The Teesport Unit Trust. Teesport (GP) Limited is wholly owned by Tesco Blue (GP) Limited. Tesco Pension Trustees Limited is a joint shareholder of Tesco Blue (GP) Limited. Tesco Pension Trustees Limited purchased the shares in Tesco Blue (GP) limited on behalf of Tesco PLC Pension Scheme (the "Scheme") and is required to act in the best interest of the Scheme.

The ultimate parent undertaking is Tesco PLC which is registered in England and Wales and copies of the Tesco PLC Annual report and financial statements can be obtained from the Company Secretary at its registered office: Tesco PLC, Tesco House. Shire Park. Kestrel Way. Welwyn Garden City, AL7 16A, United Kingdom.

19. Related party transactions and balances

During the 52 week period ended 24 February 2018 the Partnership entered into transactions with related parties, in the ordinary course of business. Transactions entered into, and balances outstanding at 24 February 2018, are as follows:

Entity	Relationship	Transaction
Tesco Stores Limited	Subsidiary of parent undertaking	The Partnership recognized rental income of £6,327,641 (2017: £6,149,523)
Spen Hill Management Limited	Subsidiary of parent undertaking	Paid expenses of £18,723 (£9,265) in the period for property management services
Tesco Property Finance 1 PLC	Subsidiary of parent undertaking	The Partnership received swap income of £725,565 (2017: £907,659) and paid interest of £5,660,549 (2017: £5,665,077) The loan amounts due at period end from the Partnership amounted to £70,461,250 (2017: £70,385,494). The Partnership paid £76,000 (2017: £76,000) to Tesco Property Finance 1 PLC for ongoing fees for the period.
The Tesco Blue Limited Partnership	Subsidiary of parent undertaking	The loan amounts due from The Tesco Blue Limited Partnership at the period end amounted to £4,309,795 (2017: £2,842,663 was due to The Tesco Blue Limited Partnership).