

TESCO ATRATO (GP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 31 DECEMBER 2012
Registered Number: 06969536

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TESCO ATRATO (GP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

The Directors present their report and the audited financial statements of Tesco Atrato (GP) Limited (the "Company") and its subsidiaries (together the "Group") for the 52 weeks ended 31 December 2012 (prior period 52 weeks ended 31 December 2011)

Business review and principal activities

The principal activity of the Company is to act as a holding company for the other entities in the Tesco Atrato Limited Partnership Group. 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.

Results and dividends

The results for the period show a pre-tax result of £nil (2011 £nil) and sales of £nil (2011 £nil).

The Directors do not recommend a payment of a dividend for the 52 weeks ended 31 December 2012 (2011 £nil).

The Group had net assets of £250,009 (2011 £251,144).

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.

Charitable and political contributions

There were no charitable or political donations for the period (2011 £nil).

Future outlook

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

Key performance indicators (KPI's)

Given the straight forward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Research and development

The Company does not undertake any research and development activities (2011 none).

Supplier payment policy

The Company does not have any direct supplier relationships.

TESCO ATRATO (GP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

Employees

The Company had no employees during the period (2011 none)

Directors and their interests

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

G Burnett

F Egan

J Lloyd

A Marsh

L Neville-Rolfe

(Resigned 2 January 2013)

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

L Neville-Rolfe is a former director of Tesco PLC, one of the Company's ultimate parent companies, and as such her disclosable interests in Tesco PLC are all declared in the financial statements of that company

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Tesco PLC directors listed above and the Tesco PLC company secretary (who is also a Director of 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 may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial period.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

TESCO ATRATO (GP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

Statement of Directors' responsibilities

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

The Companies Act 2006 requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Companies Act 2006, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that period.

In preparing those 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, 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 confirm that they have complied with the above requirements in preparing the financial statements.

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The independent auditors of the Company, PricewaterhouseCoopers LLP, are proposed for reappointment.

On behalf of the Board

17 June

2013

J Lloyd
Director

Tesco Atrato (GP) Limited

Registered Number 06969536

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO ATRATO (GP) LIMITED

We have audited the Group and Company financial statements of Tesco Atrato (GP) Limited for the 52 weeks ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2012 and of the Group's loss and cash flows for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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

17 June 2013

TESCO ATRATO (GP) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Operating result	2	-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	3	(1,135)	(728)
Loss for the financial period	9,10	(1,135)	(728)

There are no recognised gains or losses other than those shown in the Profit and Loss Account above, and accordingly no separate Statement of Total Recognised Gains and Losses has been presented

There are no material differences between the result on ordinary activities before taxation and the result 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

TESCO ATRATO (GP) LIMITED

BALANCE SHEETS AS AT 31 DECEMBER 2012

		Group		Company	
		31 December 2012 £	31 December 2011 £	31 December 2012 £	31 December 2011 £
	Notes				
Fixed assets					
Investments	4	200	200	203	203
Current assets					
Debtors amounts falling due within one year	5	5,000	5,000	1,000	1,000
Cash at bank and in hand		250,402	251,878	250,399	251,875
		255,402	256,878	251,000,	252,875
Creditors amounts falling due within one year	6	(593)	(934)	(593)	(934)
Net current assets		254,809	255,944	250,806	251,941
Total assets less current liabilities		255,009	256,144	251,009	252,144
Creditors amounts falling due after more than one year	7	(5,000)	(5,000)	(1,000)	(1,000)
Net assets		250,009	251,144	250,009	251,144
Capital and reserves					
Called up share capital	8	10,000	10,000	10,000	10,000
Share premium	9	244,116	244,116	244,116	244,116
Profit and loss account	9	(4,107)	(2,972)	(4,107)	(2,972)
Total shareholders' funds	10	250,009	251,144	250,009	251,144

The financial statements on pages 6 to 15 were approved by the board of Directors on and were signed on its behalf by

17 June

2013



J Lloyd
Director
Tesco Atrato (GP) Limited
Registered Number 06969536

TESCO ATRATO (GP) LIMITED

GROUP CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Cash used in from operations	11	(180)	(25,302)
Tax paid		(1,296)	(2,244)
Net cash outflow from operating activities		(1,476)	(27,546)
Returns on investments and servicing of finance			
Shares issued		-	-
Investment in partnership		-	-
(Decrease)/increase in cash	12/13	(1,476)	(27,546)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2012 £	2011 £
Decrease in cash	(1,476)	(27,546)
Decrease in net funds	(1,476)	(27,546)
Opening net funds	251,878	279,424
Closing net funds	250,402	251,878

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, in accordance with applicable United Kingdom accounting standards, under the historical cost convention and in accordance with the Companies Act 2006. The Company's principal accounting policies have been applied consistently during the period and are set out below.

Basis of consolidation

The group financial statements consolidate the financial statements of the Company and of its subsidiary undertakings drawn up to 31 December 2012. The results of subsidiary undertakings acquired are included from the date of acquisition. Profits or loss on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 2006.

Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less where appropriate provisions for impairment.

Impairment of fixed assets

At each Balance Sheet date the Company reviews the carrying amounts of the fixed assets to determine whether there is any need for impairment in accordance with FRS 11 "Impairment of Fixed Assets and Goodwill". 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

The amount included in the Profit and Loss Account is based on the profit on ordinary activities before taxation and is calculated at current local tax rates, taking into account timing differences and the likelihood of realisation of deferred tax assets and liabilities.

2. OPERATING RESULT

The Directors received no emoluments for their services to the Company (2011: £nil).

The Company had no employees during the period (2011: none).

The auditors' remuneration for the period of £7,000 (2011: £5,000) was borne by The Tesco Atrato Limited Partnership.

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

3. TAX ON RESULT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of Corporation Tax for small companies is 20% (2011 20%)

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Current tax:		
UK Corporation tax on profit for the period	1,135	1,296
Adjustments in respect of previous period	-	(568)
Total current tax	1,135	728
Tax on profit on ordinary activities	1,135	728

The tax assessed for the period is higher (2011 higher) than the standard rate of corporation tax for small companies in the UK of 20% (2011 20%) The differences are explained below

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Result on ordinary activities before tax	-	-
Result on ordinary activities multiplied by tax rate in the UK 20% (2011 20%)	-	-
Effects of		
Prior period items	-	(568)
Taxable share of partnership income	1,135	1,296
Current tax charge for the financial period	1,135	728

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

4. INVESTMENTS

	Group £	Company £
Cost		
At 1 January 2012	200	203
At 31 December 2012	200	203
Net book value		
At 31 December 2012	200	203
At 31 December 2011	200	203

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

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

Subsidiary undertakings	Country of incorporation	% Shares held	Nature of business
Tesco Atrato (Nominee Holdco) Limited	England and Wales	100%	Holding company
Tesco Atrato (Nominee 1) Limited	England and Wales	100%	Nominee company
Tesco Atrato (Nominee 2) Limited	England and Wales	100%	Nominee company
Tesco Atrato Depot Propco Limited	England and Wales	100%	Nominee company

Details of the principal associates at the period end are as follows

Investments in associated companies	Country of incorporation	% Interest held	Nature of business
The Tesco Atrato Limited Partnership	England	0.1%	Property investment

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

5. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
The Tesco Atrato Limited Partnership	5,000	5,000	1,000	1,000
	5,000	5,000	1,000	1,000

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
The Tesco Atrato Limited Partnership	-	180	-	180
Tesco Property Holdings (No 2) Limited	26	26	26	26
Corporation tax	567	728	567	728
	593	934	593	934

The amount owed to Tesco Property Holdings (No 2) Limited is unsecured, interest free, has no fixed date of repayment and is repayable on demand

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Tesco Property Finance 2 PLC	5,000	5,000	1,000	1,000
	5,000	5,000	1,000	1,000

The Tesco Property Finance 2 PLC loan is interest free, and is repayable within one month of 13th October 2039 No early repayment is permitted

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

8. CALLED UP SHARE CAPITAL

	Group	Company
	2012	2012
	£	£
Allotted, called up and fully paid		
5,000 Ordinary 'A' shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
5,000 Ordinary 'B' shares of £1 each	5,000	5,000
	10,000	10,000

9. RESERVES

	Group		Company	
	Share Premium	Profit and loss reserve	Share Premium	Profit and loss reserve
	£	£	£	£
As at 1 January 2012	244,116	(2,972)	244,116	(2,972)
Loss for the financial period	-	(1,135)	-	(1,135)
As at 31 December 2012	244,116	(4,107)	244,116	(4,107)

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Loss for the financial period	(1,135)	(728)	(1,135)	(728)
Net deduction from shareholders' funds	(1,135)	(728)	(1,135)	(728)
Opening shareholders' funds	251,144	251,872	251,144	251,872
Closing shareholders' funds	250,009	251,144	250,009	251,144

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

11. NET CASHFLOWS FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating result	-	-
Change in debtors	-	-
Change in creditors	(180)	(25,302)
Net cash outflow from operating activities	(180)	(25,302)

12. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2012 £	Cash flow	31 December 2012 £
Cash at bank and in hand	251,878	(1,476)	250,402
	251,878	(1,476)	250,402

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertakings are Tesco Property Holdings (No 2) Limited and Atrato Keystone Estates Limited

The Company's ultimate parent undertakings are Tesco PLC and Universities Superannuation Scheme Limited. Tesco PLC is registered in England and Wales and copies of the Tesco PLC financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL. The Universities Superannuation Scheme Limited is registered in England and Wales and copies of the Universities Superannuation Scheme Limited financial statements can be obtained from 2nd Floor, Royal Liver Building, Liverpool, L3 1PY.

TESCO ATRATO (GP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

14. RELATED PARTY TRANSACTIONS

During the period, the Company received VAT repayments from HMRC totalling £nil (2011 £48,981) on behalf of the Tesco Atrato Limited Partnership. During the current period £nil (2011 £74,283) was paid over to The Tesco Atrato Limited Partnership in settlement of the VAT reclaimed.

The Tesco Atrato Limited Partnership paid expenses on behalf of the Group totalling £nil (2011 £36,000).

Each of V M Rapley and S A Scally, who are directors of the Company's subsidiary entities, was an employee of State Street Corporation ("SSC"). Affiliates of SSC provided company secretarial, administrative and legal services to the Company and its subsidiaries during the period at commercial rates.

There were no further related party transactions during the period.

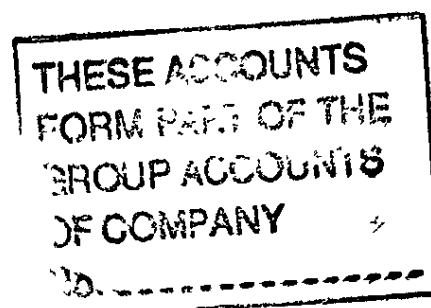
TESCO ATRATO (GP) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012**

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities		(1,135)	(728)
Loss for the financial period		(1,135)	(728)

This page does not form part of the audited financial statements

THE TESCO ATRATO LIMITED PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

Registered Number: LP013577



THE TESCO ATRATO LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

Tesco Atrato (GP) Limited (the "General Partner") presents its report and the audited financial statements of The Tesco Atrato Limited Partnership (the "Partnership") for the 52 weeks ended 31 December 2012 (prior period 52 weeks ended 31 December 2011). During the period, Tesco Atrato (GP) Limited acted as the General Partner and Tesco Atrato Unit Trust and Tesco Atrato (ILP) Limited acted as limited partners of the Partnership.

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 26 February 2010.

Business review and principal activities

The principal activity of the Partnership is to carry out property investment in 15 retail stores and 2 distribution centres for which a 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 results for the period show a pre-tax profit of £7,468,958 (2011: £8,195,058) and rental income of £33,177,936 (2011: £32,910,469). The Partnership has net assets at the period end of £104,742,939 (2011: £83,935,690).

Principal risks and uncertainties

The principal risks and uncertainties are related to property investment into the retail stores and distribution centres and the obligation to make repayments against the loan. These risks include the exposure to fluctuations in the open market value of the investment properties.

The Partnership manages these risks by entering into a RPI linked swap agreement to ensure that current and future cash flows are sufficient to meet the obligations to make repayments against the loan.

Charitable and political donations

There were no charitable or political donations for the period (2011: £nil).

Future outlook

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

Key performance indicators (KPI's)

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.

Research and development

The Partnership does not undertake any research and development activities (2011: none).

THE TESCO ATRATO LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

Supplier payment policy

The Partnership pays its suppliers directly

One of the Partnership's ultimate parent companies, Tesco PLC is a signatory to the Prompt Payment Code in the UK. More information about the Code can be found at www.promptpaymentcode.org.uk. Payment terms and conditions are agreed with suppliers in advance and the Group pays its creditors in accordance with those terms. Payment terms vary according to the type of product and territory in which the suppliers operate. Tesco PLC is a holding company and therefore has no trade creditors on its Balance Sheet.

Employees

The Partnership had no employees during the period (2011: none)

Partners

The partners, including the General Partner, Tesco Atrato (GP) Limited, are set out in note 13 of the financial statements.

Interest in land

As shown within the accounting policies, the Partnership's land and buildings are revalued periodically at open market value and are disclosed as such within the financial statements.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the General Partner in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

THE TESCO ATRATO LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

Statement of General Partner's responsibilities in respect of the financial statements

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 partners to prepare financial statements for each financial year. Under that law the General Partner has prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 and 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 applied to qualifying partnerships by the Regulations. 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 auditors

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 information of which the Partnership's auditors are 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 auditors are aware of that information.

The financial statements have been prepared in accordance with part 12 of the amended and restated Limited Partnership Deed and part 15 of the Companies Act 2006 as required under statutory instrument 2008/569.

On behalf of Tesco Atrato (GP) Limited

17 June

2013



J Lloyd

For and on behalf of
General Partner

Tesco Atrato (GP) Limited

Registered Number 6969536

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

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE TESCO ATRATO LIMITED PARTNERSHIP

We have audited the financial statements of The Tesco Atrato Limited Partnership for the 52 weeks ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of members and auditors

As explained more fully in the Statement of General Partner's Responsibilities set out on page 4, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Partners of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the partners, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

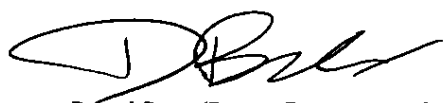
In our opinion the financial statements

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Partners' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



*David Beer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors*

17 June 2013

THE TESCO ATRATO LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Rental income		33,177,936	32,910,469
Administrative expenses		(531,970)	(531,741)
Operating profit	4	32,645,966	32,378,728
Interest receivable and similar income	5	8,567,294	9,775,736
Interest payable and similar charges	6	(33,744,302)	(33,959,406)
Profit on ordinary activities before taxation		7,468,958	8,195,058
Tax on profit on ordinary activities	7	-	-
Profit for the financial period	14	7,468,958	8,195,058

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents

All operations are continuing for the financial period

The notes on pages 9 to 14 form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Profit for the financial period		7,468,958	8,195,058
Surplus on revaluation of properties	8	13,338,291	51,951,860
Total recognised gains for the period		20,807,249	60,146,918

THE TESCO ATRATO LIMITED PARTNERSHIP

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	31 December 2012 £	31 December 2011 £
Fixed assets			
Investment properties	8	640,050,151	626,711,860
Current assets			
Debtors amounts falling due within one year	9	1,866,479	1,987,465
Debtors amounts falling due after one year	10	4,289,849	4,048,140
Cash at bank and in hand		10,367,447	10,006,451
		16,523,775	16,042,056
Creditors: amounts falling due within one year	11	(25,432,559)	(24,479,470)
Net current liabilities		(8,908,784)	(8,437,414)
Total assets less current liabilities		631,141,367	618,274,446
Creditors: amounts falling due after more than one year	12	(526,398,428)	(534,338,756)
Net assets		104,742,939	83,935,690
Partners' interests			
Partners' capital accounts	13	20,200	20,200
Revaluation reserve	14	78,791,654	65,453,363
Profit and loss reserve	14	25,931,085	18,462,127
Partners' interests	13	104,742,939	83,935,690

The financial statements on pages 6 to 14 were approved by the General Partner on 17 June 2013 and were signed on its behalf by



J. Lloyd
For and on behalf of
General Partner
Tesco Atrato (GP) Limited
Registered Number 6969536
Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

THE TESCO ATRATO LIMITED PARTNERSHIP

CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

	Note	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Net cash inflow from operating activities	15	32,682,121	31,440,041
Returns on investments and servicing of finance			
Interest received		8,713,109	10,103,669
Interest paid		(33,225,147)	(33,680,382)
Financing			
Loan repayments		(7,809,087)	(7,353,852)
Increase in cash and cash equivalents	16	360,996	509,476

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Increase in cash and cash equivalents		360,996	509,476
Loans repaid		7,809,087	7,353,852
Decrease in net debt		8,170,083	7,863,328
Opening net debt		(541,907,032)	(549,770,360)
Closing net debt	16	(533,736,949)	(541,907,032)

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012

1. ORGANISATION AND CONTROL

The Partnership was established on 5 August 2009 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 26 February 2010.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the going concern basis in accordance with applicable United Kingdom accounting standards, under the historical cost convention, as modified by the revaluation of investment properties and in accordance with the Companies Act 2006, as required by the amended and restated Limited Partnership Deed. The principal accounting policies are set out below.

Investment properties

Investment properties are independently valued each period on an open market basis. This valuation, less the quantum of the SSAP 21 debtor, is included as the investment property balance. Any surplus or deficit arising is taken to the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the Profit and Loss Account.

In accordance with SSAP 19, no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated, is, in the opinion of the General Partner, necessary to show a true and fair view. The financial effect of this departure cannot be reasonably quantified, as amortisation or depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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 Retail Price Index (RPI), subject to a minimum annual increase of 2.5% and a maximum annual increase of 5% for the first three years and to a minimum annual increase of nil and a maximum annual increase of 5% thereafter.

In accordance with SSAP 21 'Accounting for Leases and Hire Purchase Contracts', the impact of guaranteed rental uplifts are taken to the Profit and Loss Account on a straight-line basis over the life of the lease.

Impairment of fixed assets

At each Balance Sheet date, the Partnership reviews the carrying amounts of the fixed assets to determine whether there is any need for impairment in accordance with FRS 11, "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the Profit and Loss Account in the period in which it occurs.

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

2. ACCOUNTING POLICIES (continued)

Allocation of profits and drawings

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

Tesco Atrato (1LP) Limited	49.95%
Tesco Atrato Unit Trust	49.95%
Tesco Atrato (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 accruals basis

Amortisation of loan arrangement fee

The costs associated with the raising of long term finance for the Partnership are netted off against the loan to which they relate. The costs are being amortised on a straight-line basis, in line with the period over which the loan will be repaid.

3. PRINCIPAL ACTIVITY

The purpose of the Partnership is to carry out property investment

4. OPERATING PROFIT

The General Partner received no emoluments in respect of its services to the Partnership (2011: £nil)

There were no employees of the Partnership during the period (2011: none)

The auditor's remuneration in respect of audit services in the period amounted to £10,000 (2011: £14,000)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Interest receivable on other loans	8,563,787	9,772,861
Interest received on bank deposits	3,507	2,875
	8,567,294	9,775,736

The interest on other loans is related to the interest rate swap based on the loan from Tesco Property Finance PLC

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Interest payable on other loans	33,392,127	33,608,194
Amortisation of loan issue costs	352,175	351,212
	33,744,302	33,959,406

The interest payable on other loans is related to the loan provided by Tesco Property Finance 2 PLC

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	Investment Properties £
Valuation	
As at 1 January 2012	626,711,860
Revaluation	13,338,291
As at 31 December 2012	640,050,151

The investment properties have been valued by Cushman & Wakefield LLP who is deemed to be a suitably qualified valuer of the General Partner on the basis of open market value at 29 September 2012. The valuation was carried out in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors (RICS)

The General Partner is of the opinion that there are no factors indicating the open market value of the investment properties has changed significantly up until 31 December 2012

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2012 £	31 December 2011 £
Accrued interest receivable	1,776,612	1,922,428
Tesco Atrato (GP) Limited	-	180
Tesco Atrato Unit Trust	89,867	64,857
	1,866,479	1,987,465

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

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

10. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	31 December 2012 £	31 December 2011 £
SSAP 21 debtor	4,289,849	4,048,140
	4,289,849	4,048,140

The SSAP 21 debtor relates to the rental income which is accounted for on a straight-line basis over the life of the lease

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2012 £	31 December 2011 £
VAT	1,679,382	1,604,430
Accrued interest payable	7,337,121	7,170,141
Accruals and deferred income	8,118,553	7,890,812
Tesco Atrato (Nominee Holdco) Limited	1,000	1,000
Tesco Atrato (Nominee 1) Limited	1,000	1,000
Tesco Atrato (Nominee 2) Limited	1,000	1,000
Tesco Atrato Depot Propco Limited	1,000	1,000
Tesco Atrato (GP) Limited	1,000	1,000
Tesco Property Finance 2 PLC	8,292,503	7,809,087
	25,432,559	24,479,470

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

The loan from Tesco Property Finance 2 PLC incurs interest at a fixed rate of 6.0517% and is repayable in instalments. The loan is secured on the Partnership's investment properties

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Tesco Property Finance 2 PLC	526,398,428	534,338,756
	526,398,428	534,338,756

The total value of the loan is £535,811,893 and unamortised issue costs of £9,413,465 have been netted off the total value of the loan

The loan from Tesco Property Finance 2 PLC incurs interest at a fixed rate of 6.0517% and is to be repaid by October 2039. The loan is secured on the Partnership's investment properties

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

13 CUMULATIVE PARTNERS' ACCOUNTS

Partners' Accounts as at 31 December 2012	Capital Contributions	Revaluation Reserve	Profit and loss reserve	Total
	£	£	£	£
Tesco Atrato (ILP) Limited	10,000	39,356,431	12,952,577	52,319,008
Tesco Atrato Unit Trust	10,000	39,356,431	12,952,577	52,319,008
Tesco Atrato (GP) Limited	200	78,792	25,931	104,923
Total	20,200	78,791,654	25,931,085	104,742,939

The Partnership was formed on 5 August 2009. The Partnership was originally constituted under the Initial Partnership Agreement, which was then superseded by the Limited Partnership Deed on 26 February 2010, with capital injections totalling £20,200.

Tesco Atrato (ILP) Limited owns 49.95%, Tesco Atrato Unit Trust owns 49.95%, and Tesco Atrato (GP) Limited owns 0.10% of the Partnership.

14. RESERVES

	Revaluation reserve £	Profit and loss reserve £
As at 1 January 2012	65,453,363	18,462,127
Property revaluation	13,338,291	-
Profit for the financial period	-	7,468,958
As at 31 December 2012	78,791,654	25,931,085

15. NET CASHFLOWS FROM OPERATING ACTIVITIES

Reconciliation of operating profit to net cash inflow from operating activities

	52 weeks to 31 December 2012 £	52 weeks to 31 December 2011 £
Operating profit	32,645,966	32,378,728
Change in Debtors	(266,539)	(1,433,325)
Change in Creditors	302,694	494,638
Net cash inflow from operating activities	32,682,121	31,440,041

THE TESCO ATRATO LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 31 DECEMBER 2012 (continued)

16. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cashflow £	31 December 2012 £
Cash at bank and in hand	10,006,451	360,996	10,367,447
Debt due within one year	(7,809,087)	(483,416)	(8,292,503)
Debt due after one year	(544,104,396)	8,292,503	(535,811,893)
	(541,907,032)	8,170,083	(533,736,949)

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertakings of the Partnership are Tesco Atrato (ILP) Limited, Tesco Atrato Unit Trust and Tesco Atrato (GP) Limited

The ultimate parent undertakings are Tesco PLC and Universities Superannuation Scheme Limited. Tesco PLC is registered in England and Wales and copies of the Tesco PLC financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL. Universities Superannuation Scheme Limited is registered in England and Wales and copies of the Universities Superannuation Scheme Limited financial statements can be obtained from the Company Secretary, Universities Superannuation Scheme Limited, 2nd Floor, Royal Liver Building, Liverpool, L3 1PY.

18. RELATED PARTY TRANSACTIONS

Entity	Relationship	Transaction
Tesco Stores Limited	Subsidiary of parent undertaking	The Partnership recognised rental income of £32,936,227 (2011 £31,516,699)
Spen Hill Management Limited	Subsidiary of parent undertaking	Paid expenses of £133,875 (2011 £386,456) in the period for property management services
Tesco Atrato Unit Trust	Subsidiary of parent undertaking	Paid expenses on behalf of the company of £89,867 (2011 £42,391)