

TESCO PASSAIC (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011

Registered Number: 07121667

TUESDAY



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TESCO PASSAIC (1LP) LIMITED

DIRECTORS' REPORT FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011

The Directors present their report and the audited financial statements of Tesco Passaic (1LP) Limited (the "Company") for the 59 week period from the date of incorporation, 11 January 2010 to 26 February 2011

As this is the first period for which financial statements have been prepared, there are no comparative figures

Business review and principal activities

The principal activity of the Company is to act as the holding company for Tesco PLC's investment in the Tesco Passaic Limited Partnership and to carry out property investment in 41 retail stores 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 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 and sales of £nil.

The Directors do not recommend payment of a dividend for the period ended 26 February 2011.

The retained profit for the period ended 26 February 2011 amounted to £nil.

Principal risks and uncertainties

The principal risks of the Company relate to the carrying value of the investment that this company holds.

To manage this risk the Company periodically reviews the financial statements of the entity the Company has investments in.

Charitable and political contributions

There were no charitable or political donations for the period.

Future outlook

The Company'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 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.

TESCO PASSAIC (1LP) LIMITED

DIRECTORS' REPORT FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011 (continued)

Research and development

The Company does not undertake any research and development activities

Supplier payment policy

The Company does not have any direct supplier relationships

Employees

The Company had no employees during the period

Directors and their interests

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

R Brasher	(Appointed 11 January 2010)
A Clark	(Appointed 11 January 2010)
M Iddon	(Appointed 11 January 2010)
D Potts	(Appointed 11 January 2010, resigned 2 March 2011)

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

R Brasher and D Potts are also directors of Tesco PLC, the Company's ultimate parent company, and as such their disclosable interests in Tesco PLC are all declared in the financial statements of that company

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Tesco PLC directors listed above 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 PASSAIC (1LP) LIMITED

DIRECTORS' REPORT FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011 (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/she 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

12 September 2011

A Clark
Director

Tesco Passaic (1LP) Limited
Registered Number 07121667

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO PASSAIC (1LP) LIMITED

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 892333

We have audited the financial statements of Tesco Passaic (1LP) Limited for the 59 weeks ended 26 February 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 26 February 2011 and of its result for the 59 weeks 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.

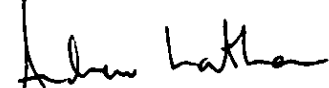
Opinion on other matters prescribed by the Companies Act 2006

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.



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

12 September 2011

TESCO PASSAIC (1LP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011

	Notes	59 weeks to 26 February 2011 £
Interest receivable and similar income		-
Interest payable and similar charges		-
Profit on ordinary activities before taxation	2	-
Tax on profit on ordinary activities	3	-
Profit for the financial period	6/7	-

There are no recognised gains or losses other than those shown in the Profit and Loss Account above, therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities 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 6 to 11 form part of these financial statements

TESCO PASSAIC (1LP) LIMITED**BALANCE SHEET AS AT 26 FEBRUARY 2011**

	Notes	26 February 2011 £
Fixed assets		
Investments	4	10,000
Current assets		
Cash at bank and in hand		-
Net current assets		-
Net assets		10,000
Capital and reserves		
Called up share capital	5	10,000
Profit and loss reserve	6	-
Total equity shareholder's funds	7	10,000

The financial statements on pages 6 to 11 were approved by the board of Directors on 14 September 2011 and were signed on its behalf by



A Clark
Director
Tesco Passaic (1LP) Limited
Registered Number 07121667

TESCO PASSAIC (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR 59 WEEKS ENDED 26 FEBRUARY 2011

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.

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

Cash flow statement

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

Fixed asset investments

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

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.

Group relief on taxation

The Company will receive or surrender group relief from group companies without payment and consequently there may be no tax charge in the Profit and Loss Account.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Directors received no emoluments for their services to the Company.

The Company had no employees during the period.

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

TESCO PASSAIC (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011 (continued)

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of corporation tax in the UK is 28%

	59 weeks to 26 February 2011 £
Current tax:	
UK Corporation tax on result for the financial period	-
Total current tax	-
Deferred tax:	
Current period tax	-
Total deferred tax	-
Tax on result on ordinary activities	-

The tax assessed for the period is equal to the standard rate of corporation tax in the UK of 28%

	59 weeks to 26 February 2011 £
Result on ordinary activities before tax	-
Result on ordinary activities multiplied by standard rate in the UK 28%	-
Effects of	
Taxable share of Partnership income	92,445
Group relief claimed without payment	(92,445)
Current tax charge for the financial period	-

TESCO PASSAIC (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011 (continued)

4. INVESTMENTS

	Company £
Cost	
At 11 January 2010	-
Additions	10,000
At 26 February 2011	10,000
Provision for impairment	
At 11 January 2010	-
Provision for impairment	-
At 26 February 2011	-
Net book value	
At 26 February 2011	10,000

The Directors believe that the carrying value of the investment is supported by its underlying net assets

Details of the principal associate undertaking at the period end are as follows

Associate undertakings	Country of incorporation	% Shares held	Nature of business
The Tesco Passaic Limited Partnership	England and Wales	49.975%	Property investment

5. CALLED UP SHARE CAPITAL

	26 February 2011 £
Allotted, called up and fully paid 10,000 Ordinary shares of £1 each	10,000

6. RESERVES

	Profit and loss reserve £
As at 11 January 2010	-
Result for the period	-
As at 26 February 2011	-

TESCO PASSAIC (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 59 WEEKS ENDED 26 FEBRUARY 2011 (continued)

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 26 FEBRUARY 2011

	2010 £
Profit for the financial period	-
Retained profit for the financial period	-
Net proceeds of issue of ordinary share capital	10,000
Net additions to shareholders' funds	10,000
Opening shareholders' funds	-
Closing shareholders' funds	10,000

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The Company's ultimate parent undertaking and controlling party is Tesco PLC, which is registered in England and Wales, and which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

9. RELATED PARTY TRANSACTIONS

Transactions with other subsidiary companies within the group are not disclosed as the Company has taken advantage of the exemption under paragraph 3(c) of FRS 8 "Related Party Disclosures", as the consolidated financial statements of Tesco PLC, in which the Company is included, are available at the address noted in the note above.