

Registered number: 07121667

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## **TESCO PASSAIC (1LP) LIMITED**

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### **ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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**TESCO PASSAIC (1LP) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A Clark A Henley (appointed 26 May 2023) L Heywood (resigned 26 May 2023) Tesco Services Limited
<b>Company secretary</b>	Tesco Secretaries Limited
<b>Registered number</b>	07121667
<b>Registered office</b>	Tesco House, Shire Park Kestrel Way Welwyn Garden City United Kingdom AL7 1GA

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**TESCO PASSAIC (1LP) LIMITED**

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## **TESCO PASSAIC (1LP) LIMITED**

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### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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The Directors present their Annual Report and the unaudited financial statements for the 52 weeks ended 25 February 2023 (prior period: 52 weeks ended 26 February 2022 ("2022")).

#### **Business review and principal activity**

The principal activity of the Company is to act as the holding company for Tesco PLC Group's (the 'Group') investments in The Tesco Passaic 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 Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

#### **Results and dividends**

The results for the 52 weeks ended 25 February 2023 after taxation amounted to £2,236,370 (2022 - £3,418,274).

The Company has net assets at the period end of £9,624,701 (2022: £7,388,331) and has net current assets at the period end of £9,614,701 (2022: £7,378,331).

The Directors do not recommend the payment of a dividend for the period ended 25 February 2023 (2022: £nil).

#### **Future developments**

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.

The Company's future developments form a part of Tesco PLC Group's (the "Group") long-term strategies, which are discussed on pages 4 to 47 of the Tesco PLC Annual Report and Financial Statements 2023, which do not form a part of this Report.

#### **Principal risks, uncertainties and financial risk management**

The principal activity of the Company is to act as a holding company and therefore its principal risks relate to the carrying value of investments that this Company holds. To manage this risk the Company reviews the performance of those companies in which it holds its investments.

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 38 to 45 of the Tesco PLC Annual Report and Financial Statements 2023, which do not form a part of this Report.

Financial instrument risks are embedded in the Group principal risk – 'Financial Performance', details of which are available in the on pages 43 of the Tesco PLC Annual Report and Financial Statements 2023, which do not form a part of this Report.

No impairment losses were recognised during the period (2022: £nil).

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## **TESCO PASSAIC (1LP) LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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#### **Business risk**

The Company's principal business relationships are with Tesco PLC Group companies and therefore the Company's business risk is closely linked to the Group. At present, there continues to be a heightened level of macroeconomic uncertainty relating to cost and wage inflation, as well as energy supply issues, leading to rising prices which are continuing to impact the Group's customers' disposable income, thereby changing the way they shop. These also result in an increase in operational costs for the Group as well as its suppliers, which is further exacerbated by the war in Ukraine. The inflationary and economic risk factors continue to influence the business and are therefore key components of the customer and financial performance principal risks. The Group understands the short-term risks and impacts, and have the right teams, governance mechanisms, customer offerings and strategies in place. However, the long-term impacts remain uncertain, and the Group will continue to monitor the situation closely and respond accordingly.

#### **Going concern**

In order to form a view as to the most appropriate basis of preparation of these financial statements, 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 the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements. The Directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

#### **Events after the reporting period**

Details of events after the reporting period can be found in Note 12 to the financial statements.

#### **Political donations**

There were no political donations for the period (2022: £nil) and the Company did not incur any political expenditure (2022: £nil).

#### **Research and development**

The Company does not undertake any research and development activities (2022: none).

#### **Strategic Report**

The Directors have taken advantage of the exemption provided by Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a strategic report.

#### **Employees**

The Company had no employees during the period (2022: none).

#### **Directors**

The following Directors served during the period and up to the date of signing these financial statements, unless otherwise stated:

A Clark  
A Henley (appointed 26 May 2023)  
L Heywood (resigned 26 May 2023)  
Tesco Services Limited

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

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**TESCO PASSAIC (1LP) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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**Director Liabilities**

The PLC Group maintains Directors' and officers' liability insurance which gives appropriate cover for any legal action brought against any of the PLC Group's employees acting as statutory Directors to its subsidiary companies. Indemnities have been granted to Tesco PLC Directors, the PLC Group General Counsel and PLC Group Company Secretary, to the extent permitted by law, and a qualifying third-party indemnity provision (as defined in Section 234 of the Companies Act 2006) was in force during the year ended 25 February 2023 and remains in force up to the date of signing the financial statements.

**Cautionary statement regarding forward-looking information**

Where this document 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 factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

**Directors' Responsibilities Statement**

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


Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with FRS 102 "The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" and applicable law. Under company law 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 these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

This report was approved by the board on 31 July 2023 and signed on its behalf.

 31 August 2023

Simon Williams

Director

for and on behalf of Tesco Services Limited

Tesco Passaic (1LP) Limited

Registered number: 07121667

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

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**TESCO PASSAIC (1LP) LIMITED**


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**PROFIT AND LOSS ACCOUNT  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**


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	<b>Note</b>	<b>52 weeks ended 25 February 2023 £</b>	<b>52 weeks ended 26 February 2022 £</b>
Operating Result	4	-	-
<b>Result before taxation</b>		-	-
Tax credit on result	5	<b>2,236,370</b>	<b>3,418,274</b>
<b>Profit for the financial period</b>		<b>2,236,370</b>	<b>3,418,274</b>

The notes on pages 7 to 13 form part of these financial statements.

There is no other comprehensive income/(loss) in the periods presented; therefore no Statement of Comprehensive Income has been prepared.

All operations are continuing for the current and prior financial period.

**TESCO PASSAIC (1LP) LIMITED**  
**REGISTERED NUMBER: 07121667**

**BALANCE SHEET**  
**AS AT 25 FEBRUARY 2023**

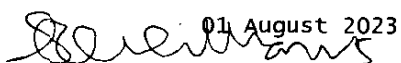
	Note	25 February 2023 £	26 February 2022 £
<b>Fixed assets</b>			
Investments	7	10,000	10,000
		<u>10,000</u>	<u>10,000</u>
<b>Current assets</b>			
Deferred tax assets	6	9,614,701	7,378,331
<b>Net current assets</b>		<u>9,614,701</u>	<u>7,378,331</u>
<b>Net assets</b>		<u><u>9,624,701</u></u>	<u><u>7,388,331</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	10,000	10,000
Profit and loss account	9	9,614,701	7,378,331
<b>Total shareholders' funds</b>		<u><u>9,624,701</u></u>	<u><u>7,388,331</u></u>

The members have not required the Company to obtain an audit for the 52 weeks in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 July 2023.

 01 August 2023

Simon Williams  
 Director

for and on behalf of Tesco Services Limited

Tesco Passaic (1LP) Limited

Registered number: 07121667

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

The notes on pages 7 to 13 form part of these financial statements.



**TESCO PASSAIC (1LP) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

	Called up share capital* £	Profit and loss account £	Total shareholder' s funds £
<b>Balance as at 27 February 2021</b>	10 000	3,960,057	3,970,057
Profit for the financial period	-	3,418,274	3,418,274
<b>Balance as at 26 February 2022</b>	10 000	7,378,331	7,388,331
Profit for the financial period	-	2,236,370	2,236,370
<b>Balance as at 25 February 2023</b>	10 000	9,614,701	9,624,701

The notes on pages 7 to 13 form part of these financial statements.

\*See Note 8 for breakdown of the Called up share capital.

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## **TESCO PASSAIC (1LP) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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#### **1. Authorisation of financial statements and statement of compliance with FRS 102**

The financial statements of Tesco Passaic (1LP) Limited (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.

The financial statements of the Company for the 52 weeks ended 25 February 2023 were approved by the Board of Directors on 31 July 2023 and the Balance Sheet was signed by Simon Williams on behalf of Tesco Services Limited.

The functional and presentational currency of the Company is Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded off to the nearest Pound Sterling (£), except when otherwise stated.

#### **2. General information**

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006.

The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL71GA, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Directors' Report.

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**

##### **3.1 Basis of preparation of financial statements**

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. The Company is a qualifying entity for the purposes of FRS 102. Consequently, as per section 1.12(b), 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".

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Tesco PLC. The results of the Company are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

##### **3.2 Going concern**

In order to form a view as to the most appropriate basis of preparation of these financial statements, 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 the financial statements and have therefore continued to adopt the going concern basis in preparing the financial statements.

The Directors consider that the Company is able to meet its liabilities as they fall due, and accordingly, the financial statements have been prepared on a going concern basis.

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**TESCO PASSAIC (1LP) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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**3. Accounting policies (continued)**

**3.3 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 other judgements and estimates that have a significant effect on amounts recognised in the financial statements.

**3.4 Significant accounting policies**

**Fixed asset investments**

Fixed asset investments in associated undertakings are stated at cost plus incidental expenses, less any applicable 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 9 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 when the company has right to receive the distributions from its fixed assets investments.

**Income taxes**

Current tax, including United Kingdom 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.

*Group relief on taxation*

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.

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**TESCO PASSAIC (1LP) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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**3. Accounting policies (continued)**

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.

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 and Loss Account, 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.

**4. Operating result**

The Directors received no emoluments for their services to the Company (2022: £nil).

The Company had no employees during the period (2022: none).

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**TESCO PASSAIC (1LP) LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**


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**5. Taxation****(a) Factors that have affected the tax credit**

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the Company for the full period of 19% (2022: 19%).

The Finance Act 2021 included legislation to increase the main rate of UK corporation tax from 19% to 25% from 1 April 2023. As the change to the main UK corporation tax rate was substantively enacted by the balance sheet date the impact is included in these financial statements with temporary differences remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

The tax charge relates to the Partner's share of any taxable profit charge incurred within the Limited Partnership. The share is representative of its holding within its investment, as shown in Note 7.

**(b) Tax credit in the Profit and Loss Account**

The analysis of the credit for the period is as follows:

	<b>52 weeks 25 February 2023 £</b>	<b>52 weeks 26 February 2022 £</b>
<b>Current income tax:</b>		
UK corporation tax on profit for financial period	-	-
<b>Total current income tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Current period	<b>(1,699,642)</b>	<b>(1,647,474)</b>
Impact of rate change adjustment	<b>(536,728)</b>	<b>(1,770,800)</b>
<b>Total deferred tax</b>	<u><b>(2,236,370)</b></u>	<u><b>(3,418,274)</b></u>
<b>Total tax credit in the Profit and Loss Account</b>	<u><b>(2,236,370)</b></u>	<u><b>(3,418,274)</b></u>

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**TESCO PASSAIC (1LP) LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**


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**5. Taxation (continued)****(c) Reconciliation of the tax credit**

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

	<b>52 weeks ended 25 February 2023 £</b>	<b>52 weeks ended 26 February 2022 £</b>
Profit on ordinary activities before tax	-	-
Tax (charge)/credit at standard UK corporation tax rate of 19% (2022 - 19 %)	-	-
<b>Effects of:</b>		
Allowable share of commutation payments	<b>(897,358)</b>	<b>(897,357)</b>
Expenses not deductible for tax purposes	<b>5,330</b>	<b>5,333</b>
Group relief surrendered without payment	<b>(807,614)</b>	<b>(755,450)</b>
Impact of rate change adjustment	<b>(536,728)</b>	<b>(1,770,800)</b>
<b>Total tax credit</b>	<b><u>(2,236,370)</u></b>	<b><u>(3,418,274)</u></b>

**6. Deferred tax assets**

The following are the major deferred tax 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 substantively enacted by the balance sheet date.

	<b>Short-term timing differences £</b>	<b>Total £</b>
<b>At 27 February 2021</b>	<b>3,960,057</b>	<b>3,960,057</b>
Origination and reversal of timing difference		
-In respect of the current period	<b>1,647,474</b>	<b>1,647,474</b>
-In respect of rate change	<b><u>1,770,800</u></b>	<b><u>1,770,800</u></b>
<b>At 26 February 2022</b>	<b><u>7,378,331</u></b>	<b><u>7,378,331</u></b>
Origination and reversal of timing difference		
-In respect of the current period	<b>1,699,642</b>	<b>1,699,642</b>
-In respect of rate change	<b><u>536,728</u></b>	<b><u>536,728</u></b>
<b>At 25 February 2023</b>	<b><u>9,614,701</u></b>	<b><u>9,614,701</u></b>

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**TESCO PASSAIC (1LP) LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**


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**6. Deferred tax assets (continued)**

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.

**7. Investments**

	£
<b>Cost and net book value</b>	
At 26 February 2022	10,000
At 25 February 2023	<u>10,000</u>

The Directors believe that the carrying value of the investments is supported by their underlying net assets and their expected future cash flows. Details of the principal investments held directly at the period end are as follows:

Name	Registered office	Class of shares	Holding
The Tesco Passaic Limited Partnership	Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL71GA United Kingdom	Capital contribution - Direct Holding	49.975%

**8. Called up share capital**

	25 February 2023 £	26 February 2022 £
<b>Authorized, allotted, called up and fully paid</b>		
10,000 (2022 - 10,000) Authorized, allotted, called up and fully paid shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

The ordinary shares have full and equal rights to participate in voting in all circumstances.

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**TESCO PASSAIC (1LP) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 25 FEBRUARY 2023**

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**9. Reserves**

Profit and Loss Account comprises of prior and current year's undistributed earnings after tax.

**10. 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. The results of the Company are only included in the consolidated financial statements of Tesco PLC, which is the smallest and largest group to consolidate these financial statements.

Copies of the Tesco PLC Annual Report and Financial Statements 2023 are available from the Company Secretary at the registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom or on the Tesco PLC website [www.tescopl.com](http://www.tescopl.com).

**11. Related party transactions**

The Company has taken advantage of the exemption under Section 33.1A of FRS 102 not to disclose transactions with fellow wholly owned subsidiaries.

**12. Events after the reporting period**

There are no material events since the Balance Sheet date which require disclosure.