

TESCO SARUM (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

Registered Number: 7849948

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TESCO SARUM (1LP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

The Directors present their report and the financial statements of Tesco Sarum (1LP) Limited (the "Company") for the 52 weeks ended 22 February 2014. (Prior period: 66 weeks ended 23 February 2013).

Business review and principal activities

The principal activity of the Company is to act as an investment company for Tesco PLC into The Tesco Sarum Limited Partnership and related entities. 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 (2013: loss of £488,313).

The Directors do not recommend payment of a dividend for the period (2013: £nil).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are related to the value of the investments that this Company holds.

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

Political donations

There were no political donations for the period (2013: £nil).

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

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

Research and development

The Company does not undertake any research and development activities (2013: none).

Employees

The Company had no employees during the period (2013: none).

TESCO SARUM (1LP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (Continued)

Directors and their interests

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

A Clark
M Iddon
S Grimble

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

Strategic Report

The Directors have taken advantage of the exemption provided by section 414B(b) of the Companies Act 2006 from preparing a Strategic Report.

TESCO SARUM (1LP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (Continued)

Statement of Directors' responsibilities

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 prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and the company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

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/she has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

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

On behalf of the Board



21 July

2014.

A Clark
Director

Tesco Sarum (1LP) Limited
Registered Number: 7849948

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

TESCO SARUM (1LP) LIMITED

Independent auditors' report to the members of Tesco Sarum (1LP) Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 22 February 2014 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Tesco Sarum (1LP) Limited, comprise:

- Balance sheet as at 22 February 2014;
- Profit and loss for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 ISAs (UK & 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.



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

22 July 2014

TESCO SARUM (1LP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

	Notes	52 weeks to 22 February 2014 £	66 weeks to 23 February 2013 £
Administrative expenses		-	(9)
Operating profit/(loss)	3	-	(9)
Loss on sale of investment		-	(488,304)
Profit/(loss) on ordinary activities before taxation		-	(488,313)
Tax on loss on ordinary activities	4	(272,713)	(71,914)
Loss for the financial period		(272,713)	(560,227)

There are no recognised gains or losses other than those shown in the Profit and Loss Account above, and therefore 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 loss for the period stated above and their historical cost equivalents.

All operations are continuing for the financial period.

The notes on pages 8 to 12 form part of these financial statements.

TESCO SARUM (1LP) LIMITED

BALANCE SHEET AS AT 22 FEBRUARY 2014

	Notes	22 February 2014 £	23 February 2013 £
Fixed assets			
Investments	5	10,000	10,000
Current assets			
Cash at bank and in hand		21,687	21,687
		21,687	21,687
Net current assets		21,687	21,687
Provision for liabilities	6	(344,627)	(71,914)
Net liabilities		(312,940)	(40,227)
Capital and reserves			
Called up share capital	7	20,000	20,000
Share Premium	8	500,000	500,000
Profit and loss account	8	(832,940)	(560,227)
Total shareholder's deficit	9	(312,940)	(40,227)

The financial statements on pages 6 to 12 were approved by the board of Directors on 21/7 2014 and were signed on its behalf by:



A Clark
Director
Tesco Sarum(1LP) Limited
Registered Number: 7849948

The notes on page 7 to 11 form part of these financial statements.

TESCO SARUM (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of Tesco Sarum (1LP) Limited (the "Company") for the period ended 22 February 2014 were authorised for issue by the board of directors on 2014 and the balance sheet was signed on the board's behalf by A.Clark.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Tesco Property Holding Limited

The results of Parent Company Limited are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

The principal accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the company prepared in accordance with FRS 101. The company's date of transition to FRS 101 is 22 February 2014. The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

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".

TESCO SARUM (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

Dividends Received

Dividends are recognised when a legal entitlement to payment arises.

Current taxation

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

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date and which could give rise to an obligation to pay more or less taxation in the future. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the Balance Sheet date.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Directors received no emoluments for their services to the Company (2013: £nil).

The Company had no employees during the period (2013: none).

TESCO SARUM (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

4. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of Corporation Tax in the UK was changed from 24% to 23% with effect from 1 April 2013. This gives an overall blended Corporation Tax rate for the company for the full year of 23.1 %.

	52 weeks to 22 February 2014 £	66 weeks to 23 February 2013 £
Current tax:		
UK Corporation tax on result for the financial period	-	-
Total current tax	-	-
Deferred tax:		
Current period tax	272,713	71,914
Total deferred tax	272,713	71,914
Tax on result on ordinary activities	272,713	71,914

The tax assessed for the period is the same as (2013: higher than) the blended rate of corporation tax in the UK of 23.1% (2013: 24.2%). The differences are explained below:

	52 weeks to 22 February 2014 £	66 weeks to 23 February 2013 £
Profit/(loss) on ordinary activities before tax	-	(488,313)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK 24.2%	-	(118,172)
Effects of:		
Expenses not deductible for tax purposes	-	118,170
Share of taxable Partnership loss	(103,148)	(62,670)
Group relief (claimed)/surrendered without payment	103,148	67,672
Current tax charge for the financial period	-	-

The Finance Act 2012 included legislation to reduce the main rate of UK corporation tax from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. In the December 2012 Budget Statement it was announced that the UK rate would be reduced from 23% to 21% from 1 April 2014 and in the March 2013 Budget Statement it was announced that the rate would be further reduced to 20% by 1 April 2015. These further rate reductions were substantively enacted by the balance sheet date and are therefore included in these consolidated financial statements

TESCO SARUM (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

5. FIXED ASSET INVESTMENTS

	Investments £
Cost	
At 24 February 2013	10,000
At 22 February 2014	10,000
Net book value	
At 22 February 2014	10,000
At 23 February 2013	10,000

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	% Interest held	Nature of business
The Tesco Sarum Limited Partnership	England and Wales	49.95%	Property Investments

6. PROVISIONS FOR LIABILITIES

	22 February 2014 £
Deferred tax:	
At 24 February 2013	71,914
Origination and reversal of timing differences	
- In respect of the current period	151,760
- In respect of prior periods	149,884
- In respect of the change in rate	(28,931)
At 22 February 2014	344,627

Provision for deferred tax comprises:

	22 February 2014 £	23 February 2013 £
Excess of capital allowances over depreciation	344,627	71,914
Deferred tax provision	344,627	71,914

TESCO SARUM (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 22 FEBRUARY 2014 (continued)

7. CALLED UP SHARE CAPITAL

	22 February 2014 £	23 February 2013 £
Allotted, called up and fully paid:		
20,000 (2013: 20,000) Ordinary shares of £1 each	20,000	20,000

8. RESERVES

	Share Premium £	Profit and loss reserve £
As at 24 February 2013	500,000	(560,227)
Loss for the financial period	-	(272,713)
As at 22 February 2014	500,000	(832,940)

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 22 FEBRUARY 2014

	2014 £	2013 £
Loss for the financial period	(272,713)	(560,227)
Retained loss for the financial period	(272,713)	(560,227)
Net proceeds of issue of ordinary share capital	-	520,000
Net reduction in shareholder's funds	(272,713)	(40,227)
Opening shareholder's (deficit)/funds	(40,227)	-
Closing shareholder's deficit	(312,940)	(40,227)

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, 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, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

11. RELATED PARTY TRANSACTIONS

Transactions with other subsidiary companies within the group are not disclosed as the Company has taken advantage of the exemption under IAS 24 "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.