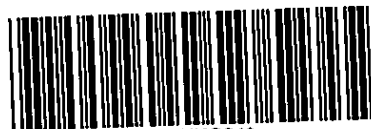


132310/40

TESCO CAPITAL NO. 1 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013

Registered Number: FC015640

FRIDAY



R2LNKC01

RCS 22/11/2013 #33
COMPANIES HOUSE

TU

--- -- *A2LHYX4Q*

A12 19/11/2013 #72
COMPANIES HOUSE

TESCO CAPITAL NO. 1 LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013

The Directors present their Report and the audited financial statements of Tesco Capital No 1 Limited (the "Company") for the 52 weeks ended 23 February 2013 (prior 52 weeks ended 25 February 2012)

Business review and principal activities

The principal activity of the Company is to act as a financial intermediary for Tesco PLC Group 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 profit of £14,815,000 (2012: £14,875,000)

The Directors do not recommend payment of a dividend for the 52 weeks ended 23 February 2013 (2012: £nil)

The Company accrued for preference dividends payable amounting to £14,575,000 (2012: £14,575,000)

The retained profit for the 52 weeks ended 23 February 2013 amounted to £240,000 (2012: £300,000)

Principal risks and uncertainties

The main financial risk of the Company is fluctuations in interest rate.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (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 42 of the Tesco PLC Group Annual Report for the 52 weeks ending 23 February 2013, which does not form part of this Report.

Charitable and political contributions

There were no charitable or political donations for the period (2012: none)

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.

The Company's future developments form a part of the Group's long-term strategy, which is discussed on pages 12 to 13 of the Group's Annual Report for the 52 weeks ended 23 February 2013, which does not form part of this Report.

Key performance indicators (KPI's)

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

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, is discussed on pages 16 to 19 of the Group's Annual Report, which does not form part of this report.

Research and development

The Company does not undertake any research and development activities.

TESCO CAPITAL NO. 1 LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013 (continued)

Supplier payment policy

The Company does not have any direct supplier relationships. Any relationships with suppliers are handled through Tesco Stores Limited. The Group policy and practice in relation to its suppliers is disclosed in Tesco Stores Limited's Annual Report.

The Company's ultimate parent company, 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 Company had no employees during the period (2012: none).

Directors and their interests

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

J Lloyd

T Mason (Resigned – 6 December 2012)

L Neville-Rolfe (Resigned - 2 January 2013)

Tesco Services Limited (Appointed – 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 also a former Director of Tesco PLC, the Company's ultimate parent company, and her disclosable interest in Tesco PLC is declared in the financial statements of that company for the current financial year.

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Directors 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 CAPITAL NO. 1 LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013 (continued)

Statement of Directors' responsibilities

The Directors are required by the Companies (Jersey) Law 1991 to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period

The Directors consider that in preparing the financial statements on pages 5 to 10 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

On behalf of the Board

15 November

2013

Jonathan Lloyd

Director

Tesco Capital No 1 Limited

Registered Number FC015640

Registered Office 22 Grenville Street, St Helier, Jersey, Channel Islands

TESCO CAPITAL NO. 1 LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013

| | Notes | 52 weeks to 23 February 2013 £'000 | 52 weeks to 25 February 2012 £'000 |
|--|-------|--|--|
| Interest receivable and similar income | 3 | 14,815 | 14,875 |
| Profit on ordinary activities before taxation | | 14,815 | 14,875 |
| Tax on profit on ordinary activities | 4 | - | - |
| Profit for the financial period | | 14,815 | 14,875 |

There are no recognised gains or losses other than those shown in the Profit and Loss Account above

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 7 to 10 form part of these financial statements

TESCO CAPITAL NO. 1 LIMITED

BALANCE SHEET AS AT 23 FEBRUARY 2013

| | | 23 February 2013 £'000 | 25 February 2012 £'000 |
|---|-------|------------------------------|------------------------------|
| | Notes | | |
| Current assets | | | |
| Debtors amounts falling due within one year | 5 | 1,149,984 | 1,135,169 |
| Cash at bank and in hand | | 3 | 3 |
| | | 1,149,987 | 1,135,172 |
| Current liabilities | | | |
| Creditors amounts falling due within one year | 6 | (88,122) | (73,547) |
| Net current assets | | 1,061,865 | 1,061,625 |
| Total assets less current liabilities | | 1,061,865 | 1,061,625 |
| Net assets | | 1,061,865 | 1,061,625 |
| Capital and reserves | | | |
| Called up share capital | 7 | 2,536 | 2,536 |
| Share premium account | 8 | 249,750 | 249,750 |
| Other reserves | 8 | 622,843 | 622,843 |
| Profit and Loss account | 8 | 186,736 | 186,496 |
| Total shareholder's funds | 9 | 1,061,865 | 1,061,625 |

The financial statements on pages 5 to 10 were approved by the Board of Directors on 15/4 2013 and were signed on its behalf by

Jonathan Lloyd
Director
Tesco Capital No. 1 Limited
Registered Number FC015640

TESCO CAPITAL NO. 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013

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 except for the amendment 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 Statement".

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 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.

2. OPERATING PROFIT

The Directors received no emoluments for their services to the Company (2012: £nil).

The Company had no employees during the period (2012: none).

The auditors' remuneration for the current and prior period was borne by another Group company.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 52 weeks to 23 Feb 2013 £'000 | 52 weeks to 25 Feb 2012 £'000 |
|--|--|--|
| Interest receivable on loans to Group undertakings | 14,815 | 14,875 |

TESCO CAPITAL NO. 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013 (continued)

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The standard rate of Corporation Tax in the UK was changed from 26% to 24% with effect from 1 April 2012. This gives an overall blended Corporation Tax rate for the Company for the full year of 24.2% (2012: 26.2%).

| | 52 weeks to 23 Feb 2013 £'000 | 52 weeks to 25 Feb 2012 £'000 |
|---|--|--|
| Current tax: | | |
| UK Corporation tax on profit for the financial period | - | - |
| Tax on profit on ordinary activities | - | - |

The tax assessed for the period is lower (2012: lower) than the blended rate of corporation tax in the UK of 24.2% (2012: 26.2%). The differences are explained below:

| | 52 weeks to 23 Feb 2013 £'000 | 52 weeks to 25 Feb 2012 £'000 |
|--|--|--|
| Profit on ordinary activities before tax | 14,815 | 14,875 |
| Profit on ordinary activities multiplied by blended rate in the UK 24.2% (2012: 26.2%) | 3,585 | 3,897 |
| Effects of: | | |
| Group relief received without payment | (3,585) | (3,897) |
| Current tax charge for the financial period | - | - |

5. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2013 £'000 | 2012 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by Group undertakings | 1,149,984 | 1,135,169 |

Included within amounts owed by Group undertakings are:

- i) An amount due of £324m which accrues interest calculated at 12 month GBP LIBOR resetting annually, and
- ii) An amount due of £808m which accrues interest calculated at 3 month GBP LIBOR plus 35 basis points resetting quarterly.

The balance relates to amounts that are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

TESCO CAPITAL NO. 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013 (continued)

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2013 £'000 | 2012 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to Group undertakings | 88,122 | 73,547 |

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

7. CALLED UP SHARE CAPITAL

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 4,593 preferred ordinary shares of £0.01 each (2012 4,593) | - | - |
| 2,285,550 A ordinary shares of £0.50 each (2012 2,285,550) | 1,143 | 1,143 |
| 2,285,550 B ordinary shares of £0.50 each (2012 2,285,550) | 1,143 | 1,143 |
| 25,000,000 guaranteed fixed rate cumulative preference shares of £0.01 each (2012 25,000,000) | 250 | 250 |
| | 2,536 | 2,536 |

The holders of A and B ordinary Shares are entitled to attend and vote at general meetings of the Company

The preferred ordinary shares do not carry any right to receive notice of, nor attend and vote any general meeting of the Company

The holders of preference shares are entitled to receive notice of and attend general meetings. They are only able to do so if preference share dividends have not been paid for two consecutive dividend periods

Holders of all classes of share have the right to attend a meeting, if there is a proposed resolution to abrogate, vary or modify any of the rights or privileges of the holders of that class of share or for winding up the Company, in which case they are entitled to vote on such a resolution

Dividends voted by the Company are used firstly to provide a 5.83% dividend calculated on a daily basis to the preference shares, then the payment of a "special dividend" on the preferred ordinary shares. Any remainder would be paid equally to the A and B ordinary shares

The preferred ordinary shares shall only be entitled to participate pro rata in a dividend (the "special dividend") equal in aggregate to the amount of interest (at LIBOR plus 0.35%), less the effect of tax, on the reserves of the Company, plus the called-up value of the preference shares (less the aggregate of £200,000 and any accrued but not paid preference dividend), at 19 December 2003 (the date of adoption of the revised Articles of Association), reduced by the amount of preference dividend accruing in the period

If the Company is wound up, the preferred ordinary shares shall be paid the "special dividend", then the preference shares will be repaid their called-up amount, with any balance allocated equally between the ordinary shares

The preference shares shall be redeemed at the Company's option, by service of a written notice upon the preference shareholders at any time on or after the tenth anniversary of the subscription date. The associated premium of £9.99 per share is repayable on redemption

TESCO CAPITAL NO. 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013 (continued)

8. RESERVES

| | Share Premium £'000 | Other reserve £'000 | Profit and Loss reserve £'000 |
|---------------------------------|---------------------------|---------------------------|--|
| As at 25 February 2012 | 249,750 | 622,843 | 186,496 |
| Profit for the financial period | - | - | 14,815 |
| Dividends (note 10) | - | - | (14,575) |
| As at 23 February 2013 | 249,750 | 622,843 | 186,736 |

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 23 FEBRUARY 2013

| | 2013 £'000 | 2012 £'000 |
|--|---------------|---------------|
| Profit for the financial period | 14,815 | 14,875 |
| Dividends (note 10) | (14,575) | (14,575) |
| Retained profit for the financial period | 240 | 300 |
| Net additions to shareholder's funds | 240 | 300 |
| Opening shareholder's funds | 1,061,625 | 1,061,325 |
| Closing shareholder's funds | 1,061,865 | 1,061,625 |

10. DIVIDENDS

| | 52 weeks to 23 Feb 2013 £'000 | 52 weeks to 25 Feb 2012 £'000 |
|---------------------|--|--|
| Preference dividend | 14,575 | 14,575 |

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking, 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.

12. 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 above.

**TESCO PLC SUBSIDIARY COMPANY
STATUTORY ACCOUNTS FINANCE DIRECTOR SIGN-OFF**

(To be completed and sent to Cosec with the accounts prior to the Director signing the statutory accounts)

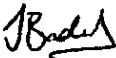
| Company name | Company number | Balance sheet date |
|------------------------|----------------|--------------------|
| Tesco Holdings Limited | 243011 | 23 February 2013 |

The undersigned hereby confirm that.

- 1 The financial statements provide a true and fair view of the activities of the company, its financial performance for the period and its financial position at the Balance Sheet date. Audit Clearance has been provided and these financial statements are now ready for signature by the Company's Statutory Directors
- 2 The financial statements have been prepared on the templates provided by Corporate Operations and that any modifications are in accordance with the editing guidance provided.
- 3 All intercompany balances have been agreed to the intercompany matrix (held on sharepoint) with any adjustments being communicated to the corresponding party in writing
- 4 The supplementary information spreadsheet has been fully completed and uploaded to Sharepoint. Accounting reviewer sign-off should not be given until this has been confirmed.
- 5 The accounts have been reviewed by the tax department and the tax disclosures have obtained WL3 approval
- 6 The Directors' report and post balance sheet events note have been reviewed and approved by the corporate secretariat department

| Preparers name | Signature | Date |
|----------------|---|---------|
| Alex Lord |  | 7/11/13 |

| Accounting reviewers name | Signature | Date |
|---------------------------|-----------|------|
|---------------------------|-----------|------|

| Tax reviewers name | Signature | Date |
|-----------------------------|---|----------|
| (Report only) JYOTIKA BAWAL |  | 13/11/13 |

| Directors name | Signature | Date |
|----------------|---|----------|
| DAN WILKIN |  | 14/11/13 |

| Cosec reviewers name | Signature | Date |
|----------------------|-----------|------|
|----------------------|-----------|------|