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**TESCO PINK (1LP) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012**

**Registered Number: FC026993**

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

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012**

The Directors present their report and the financial statements of Tesco Pink (1LP) Limited (the "Company") for the 52 week period ended 25 February 2012 (prior period 52 weeks ended 26 February 2011)

#### **Business review and principal activities**

The principal activity of the Company is to act as an investment company for the Tesco Group into the Tesco Pink 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 profit of £5,809,993 (2011 profit of £5,850,312)

The Directors do not recommend a payment of a dividend for the 52 weeks ended 25 February 2012 (2011 £nil)

#### **Principal risks and uncertainties**

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

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 40-47 of the Tesco PLC group Annual Report for the 52 weeks ended 25 February 2012 which does not form part of this report.

#### **Charitable and political contributions**

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

#### **Research and development**

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

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

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)**

#### **Supplier payment policy**

The Company pays its suppliers directly

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](http://www.promptpaymentcode.org.uk). Payment terms and conditions are agreed with suppliers in advance and the Group pays its suppliers 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.

#### **Directors and their interests**

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

R Brasher	(Resigned 15 March 2012)
A Clark	
S Grimble	(Appointed 2 March 2011)
M Iddon	
D Potts	(Resigned 2 March 2011)

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

R Brasher and D Potts are former 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 PINK (1LP) LIMITED**

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

On  behalf of the Board

10 October

2012

A Clark  
Director

Tesco Pink (1LP) Limited

Registered Number FC026993

Registered Office: Strathvale House, 90, North Church Street, PO Box 10378 APO, George Town, Cayman Islands

## **TESCO PINK (ILP) LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012**

	Notes	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
Dividends received		5,811,247	5,851,636
Administrative expenditure		(1,254)	(1,324)
<b>Profit on ordinary activities before taxation</b>	2	<b>5,809,993</b>	<b>5,850,312</b>
Tax on profit on ordinary activities	3	-	-
<b>Profit for the financial period</b>	9,10	<b>5,809,993</b>	<b>5,850,312</b>

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 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 11 form part of these financial statements

# TESCO PINK (1LP) LIMITED

## BALANCE SHEET AS AT 25 FEBRUARY 2012

	Notes	25 February 2012 £	26 February 2011 £
<b>Fixed assets</b>			
Investments	4	25,208,864	25,208,864
<b>Current assets</b>			
Debtors – due within one year	5	91,163,668	9,475,900
Debtors – due after more than one year	6	-	76,521,961
Cash at bank and in hand		3,032,897	2,454,575
		94,196,565	88,452,436
Current liabilities – amounts falling due within one year	7	(101,496,961)	(101,562,825)
<b>Net current liabilities</b>		<b>(7,300,396)</b>	<b>(13,110,389)</b>
<b>Net assets</b>		<b>17,908,468</b>	<b>12,098,475</b>
<b>Capital and reserves</b>			
Called up share capital	8	3,000	3,000
Share premium	9	230,900	230,900
Profit and loss reserve	9	17,674,568	11,864,575
<b>Total equity shareholder's funds</b>	10	<b>17,908,468</b>	<b>12,098,475</b>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 10 October 2012 and were signed on its behalf by



A Clark  
Director  
Tesco Pink (1LP) Limited  
Registered Number FC026993

## **TESCO PINK (ILP) LIMITED**

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

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 a 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.

##### **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.

##### **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.

## TESCO PINK (ILP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

#### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

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

#### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

##### Factors that have affected the tax charge

The standard rate of Corporation Tax in the UK was changed from 28% to 26% with effect from 1 April 2011. This gives an overall blended Corporation Tax rate for the company for the full year of 26.2 %

	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
<b>Current tax:</b>		
UK Corporation tax on profit for the financial period	-	-
Adjustments in respect of previous financial periods	-	-
<b>Total current tax</b>	-	-
<b>Tax on profit on ordinary activities</b>	-	-

The tax assessed for the period is lower (2011 lower) than the blended rate of corporation tax in the UK of 26.2% (2011 28%). The differences are explained below

	52 weeks to 25 February 2012 £	52 weeks to 26 February 2011 £
Profit on ordinary activities before tax	5,809,993	5,850,312
Profit on ordinary activities multiplied by the blended rate in the UK 26.2% (2011 28%)	1,521,405	1,638,087
Effects of		
Partnership distribution not taxable	(1,521,733)	(1,638,458)
Taxable share of partnership income	1,496,620	1,733,584
Group relief received without payment	(1,496,292)	(1,733,213)
<b>Current tax charge for the financial period</b>	-	-



## TESCO PINK (ILP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

#### 4. INVESTMENTS

	Company £
<b>Cost</b>	
At 27 February 2011	25,208,864
Additions	-
<b>At 25 February 2012</b>	<b>25,208,864</b>
<b>Provision for impairment</b>	
At 27 February 2011	-
Provision for impairment	-
<b>At 25 February 2012</b>	<b>-</b>
<b>Net book value</b>	
<b>At 25 February 2012</b>	<b>25,208,864</b>
At 26 February 2011	25,208,864

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 Pink Limited Partnership	England and Wales	49.95%	Property Investment
The Tesco Jade Limited Partnership	England and Wales	49.95%	Property Investment

On 13 August 2012 the Company sold its 49.95% holding in The Tesco Jade Limited Partnership for £104 million

#### 5. DEBTORS – DUE WITHIN ONE YEAR

	25 February 2012 £	26 February 2011 £
Unpaid share capital	-	65,900
Tesco Stores Limited	5,510,000	5,510,000
Tesco PLC	9,131,671	3,900
The Tesco Pink Limited Partnership	36	-
The Tesco Jade Limited Partnership	76,521,961	
	<b>91,163,668</b>	<b>9,475,900</b>

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

Amounts receivable from The Tesco Jade Limited Partnership have no fixed date of repayment and are interest free. As per clause 6.2.3 of The Tesco Jade Limited Partnership Deed these loans cannot be repaid within three years of the start of the Partnership on 19 December 2008.

# TESCO PINK (1LP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)

### 6. DEBTORS – DUE AFTER MORE THAN ONE YEAR

	25 February 2012 £	26 February 2011 £
The Tesco Jade Limited Partnership	-	76,521,961
	-	76,521,961

Amounts receivable from The Tesco Jade Limited Partnership have no fixed date of repayment and are interest free  
As per clause 6 2 3 of The Tesco Jade Limited Partnership Deed these loans cannot be repaid within three years of the start of the Partnership on 19 December 2008

### 7. CURRENT LIABILITIES – AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 February 2012 £	26 February 2011 £
Amounts owing to group undertakings	101,496,961	101,562,825
	101,496,961	101,562,825

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

### 8. CALLED UP SHARE CAPITAL

	25 February 2012 £	26 February 2011 £
Authorised		
3,000 (2011 3,000) Ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid		
3,000 (2011 3,000) Ordinary shares of £1 each	3,000	3,000

### 9. RESERVES

	Share premium £	Profit and loss reserve £
As at 27 February 2011	230,900	11,864,575
Profit for the financial period	-	5,809,993
As at 25 February 2012	230,900	17,674,568

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 FEBRUARY 2012 (continued)**

#### **10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AS AT 25 FEBRUARY 2012**

	2012 £	2011 £
Profit for the financial period	5,809,993	5,850,312
Proceeds from share issue	-	-
<b>Net increase to shareholder's funds</b>	<b>5,809,993</b>	<b>5,850,312</b>
Opening shareholders' funds	12,098,475	6,248,163
<b>Closing shareholder's funds</b>	<b>17,908,468</b>	<b>12,098,475</b>

#### **11. 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 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, can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.