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TESCO PINK (1LP) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010  
Registered Number: FC026993



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

## **DIRECTORS' REPORT**

### **Directors' Report for the 52 weeks ended 27 February 2010**

The directors present their report and the audited financial statements of Tesco Pink (1LP) Limited (the "company") for the 52 week period ended 27 February 2010. The financial period represents 52 weeks ended 27 February 2010 (Prior period 53 weeks ended 28 February 2009)

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

The principal activity of the company is to act as an investment company. There has been no significant change in the nature or level of this activity during the period and we do not expect this to change significantly throughout the next financial period.

The results for the period show a pre-tax profit of £5,939,245 (2009 £75,018). The directors do not recommend the payment of a dividend (2009 £nil).

The company has net assets of £6,248,163 (2009 £243,018).

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Tesco PLC and are not managed separately. These risks are discussed on page 41 of the Tesco PLC group annual report for the 52 weeks ended 27 February 2010 which does not form part of this report.

### **Charitable and political donations**

There were no charitable and political donations for the period (2009 none).

### **Future outlook**

The company's performance is expected to continue throughout the next financial period and it is hoped 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.

### **Supplier payment policy**

The company does not have any direct supplier relationships. Any relationships with suppliers are handled through Tesco PLC. The Group policy and practice in relation to its suppliers is disclosed in Tesco PLC's annual report.

Tesco PLC is a signatory to the Prompt Payment Code. 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. Tesco PLC has no trade creditors on its Balance Sheet. The Group pays its creditors on a pay on time basis which varies according to the type of product and territory in which the suppliers operate.

### **Employees**

The company had no employees during the period (2009 none).

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

## **DIRECTORS' REPORT**

### **Directors' Report for the 52 weeks ended 27 February 2010 (continued)**

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

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

A Clark	
R Brasher	
D Potts	
M Iddon	(appointed 7 December 2009)
E O'Hare	(resigned 30 October 2009)

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 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 year.

#### **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**

### **Directors' Report for the 52 weeks ended 27 February 2010 (continued)**

#### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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, in which case there will be supporting assumptions or qualifications as necessary.

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 and 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.

#### **Statement on 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

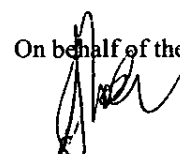
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he/she has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditors**

The independent auditors of Tesco Pink (1LP) Limited, PricewaterhouseCoopers LLP, are proposed for reappointment.

On behalf of the Board

2 November 2010



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

**TESCO PINK (1LP) LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010**

	Notes	52 weeks to 27 February 2010 £	53 weeks to 28 February 2009 £
Distributions received		5,939,245	75,181
Interest receivable and similar income	3	-	1,837
<b>Profit on ordinary activities before taxation</b>	2	<b>5,939,245</b>	<b>75,018</b>
Tax on profit on ordinary activities	4	-	-
<b>Retained loss for the financial period</b>		<b>5,939,245</b>	<b>75,018</b>

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 financial period stated above and their historical cost equivalents

All operations are continuing for the financial period

# TESCO PINK (1LP) LIMITED

## BALANCE SHEET AS AT 27 FEBRUARY 2010

	Notes	27 February 2010 £	Restated 28 February 2009 £
<b>Fixed assets</b>			
Investments	5	25,208,864	25,143,000
<b>Debtors – due after more than one year</b>	6	76,521,961	76,521,961
<b>Current assets</b>			
Debtors – due within one year	7	5,575,900	-
Cash at bank and in hand		504,263	75,018
		6,080,163	75,018
<b>Creditors – amounts falling due within one year</b>	8	(101,562,825)	(101,496,961)
<b>Net current liabilities</b>		(95,482,662)	(101,421,943)
<b>Net assets</b>		6,248,163	243,018
<b>Capital and reserves</b>			
Called up share capital	9	3,000	2,000
Share premium	10	230,900	166,000
Profit and loss reserve	10	6,014,263	75,018
<b>Total equity shareholder's funds</b>	11	6,248,163	243,018

The financial statements on pages 5 to 10 were approved by the board of directors on 2 November 2010 and were signed on its behalf by



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

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010**

### **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 and are set out below.

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.

#### **Fixed asset investments**

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

#### **Interest payable and receivable**

Interest payable and receivable is calculated on an accruals basis.

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

The directors received no emoluments for their services to the company (2009 £nil).

The company had no employees during the period (2009 none).

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

### **3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>52 weeks to 27 February 2010</b>	<b>53 weeks to 28 February 2009</b>
	<b>£</b>	<b>£</b>
Interest receivable on bank deposits	-	1,837

# TESCO PINK (1LP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

#### Factors that have affected the tax charge

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from April 2008. The overall corporation tax rate for the company for the full year is 28% (2009 blended rate of 28.2%).

	52 weeks to 27 February 2010 £	53 weeks to 28 February 2009 £
<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>Deferred tax:</b>		
<i>To be supplied by tax</i>	-	-
<i>To be supplied by tax</i>	-	-
<b>Total deferred tax</b>	-	-
<b>Tax on profit on ordinary activities</b>	-	-

The tax assessed for the period is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 blended rate of 28.2%). The differences are explained below.

	52 weeks to 27 February 2010 £	53 weeks to 28 February 2009 £
Profit on ordinary activities before tax	5,939,245	75,018
Profit on ordinary activities multiplied by standard rate in the UK 28% (2009 28.2%)	1,662,989	21,155
Effects of		
Non-taxable dividends – partnership	(1,662,989)	(20,637)
Other income – Dividend reversal contra in Tesco LP non-allowable	-	21,440
Tax on share of partnership tax adjusted profit	2,260,160	640,677
Group relief (relieved)/surrender without payment	(2,260,160)	(662,635)
<b>Current tax charge for the financial period</b>	-	-

Through The Tesco Pink Limited Partnership, Tesco Pink (1LP) Ltd sold its 49.95% interest in three properties during the year. All disposals give rise to potentially chargeable gains. Elections will be made to transfer the chargeable gains arising to another Tesco group company, which will claim rollover relief. The claim will be eligible because the group will reinvest the full proceeds from the sales. Without the elections or rollover, a liability estimated at £5,390,000 would result.



## TESCO PINK (1LP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (continued)

#### 5. INVESTMENTS

	Restated 27 February 2010 £
<b>Cost</b>	
At 28 February 2009	25,143,000
Additions	65,864
<b>At 27 February 2010</b>	<b>25,208,864</b>
<b>Net book value</b>	
<b>At 27 February 2010</b>	<b>25,208,864</b>
At 28 February 2009	25,143,000

The directors believe that the carrying value of the investments is supported by their underlying net assets

Details of the principal subsidiary and investment undertakings at the period end are as follows

Subsidiary undertakings	Country of incorporation	% Shares 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

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

	27 February 2010 £	Restated 28 February 2009 £
The Tesco Jade Limited Partnership	76,521,961	76,521,961

Amounts payable to 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.

#### 7. DEBTORS – DUE WITHIN ONE YEAR

	27 February 2010 £	Restated 28 February 2009 £
Unpaid share capital	65,900	-
Tesco Stores Limited	5,510,000	-
	<b>5,575,900</b>	<b>-</b>

Amounts owed by Tesco Stores Limited are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

On 30 March 2009, Tesco Property Holdings Limited purchased an additional 1,000 share in Tesco Pink (1LP) Limited for a premium of £64.90 per share. The total consideration of £65,900 was unpaid to 27 February 2010.

## TESCO PINK (1LP) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (continued)

#### 8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 February 2010 £	28 February 2009 £
Amounts owing to group undertakings	101,562,825	101,496,961
	101,562,825	101,496,961

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

#### 9. CALLED UP SHARE CAPITAL

	27 February 2010 £	28 February 2009 £
Authorised		
3,000 (2009 3,000) ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid		
2,000 (2009 2,000) ordinary share of £1 each	3,000	2,000

#### 10. RESERVES

	Restated Share premium £	Profit and loss reserve £
As at 28 February 2009	166,000	75,018
Increase in share premium	64,900	-
Loss for the financial period	-	5,939,245
As at 27 February 2010	230,900	6,014,263

#### 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 incorporated in Great Britain and 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 companies within the group are not disclosed as the company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 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