

131159/200 PC

TESCO AQUA (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013
Registered Number: FC026996



TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 23 FEBRUARY 2013

The Directors present their report and the financial statements of Tesco Aqua (1LP) Limited (the "Company") for the 52 week period ended 23 February 2013 (prior period 52 weeks ended 25 February 2012)

Business review and principal activities

The principal activity of the Company is to act as an investment company for Tesco PLC into The Tesco Aqua 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 52 weeks ended 23 February 2013 show a pre-tax profit of £1,994,619 (2012 £1,994,664)

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

Charitable and political contributions

There were no charitable or political donations for the period (2012 £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 (2012 £nil)

TESCO AQUA (1LP) LIMITED

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

R Brasher	(Resigned 15 March 2012)
A Clark	
S Grimble	
M Iddon	

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

R Brasher is also a former director of Tesco PLC, the Company's ultimate parent company, and as such his 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 the Tesco PLC director listed above in respect of liabilities incurred as a result of his 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 AQUA (1LP) LIMITED

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

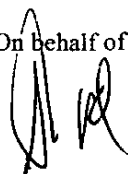
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 24 July 2013



A Clark
Director

Tesco Aqua (1LP) Limited

Registered Number FC026996

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

TESCO AQUA (1LP) LIMITED

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

	Notes	52 weeks to 23 February 2013 £	52 weeks to 25 February 2012 £
Administrative expenses		(1,381)	(1,336)
Distributions received		1,996,000	1,996,000
Profit on ordinary activities before taxation	2	1,994,619	1,994,664
Tax on profit on ordinary activities	3	-	-
Profit for the financial period	8,9	1,994,619	1,994,664

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 AQUA (1LP) LIMITED

BALANCE SHEET AS AT 23 FEBRUARY 2013

	Notes	23 February 2013 £	25 February 2012 £
Fixed assets			
Investments	4	303,500	303,500
Current assets			
Debtors amounts falling due within one year	5	10,279,260	4,980,960
Cash at bank and in hand		-	3,303,681
Net current assets		10,279,260	8,284,641
Creditors amounts falling due within one year	6	(115,661)	(115,661)
Net current assets		10,163,599	8,168,980
Net assets		10,467,099	8,472,480
Capital and reserves			
Called up share capital	7	2,000	2,000
Share premium	8	301,500	301,500
Profit and loss account	8	10,163,599	8,168,980
Total equity shareholder's surplus	9	10,467,099	8,472,480

The financial statements on pages 5 to 11 were approved by the board of Directors on 24 July 2013 and were signed on its behalf by



A Clark
Director
Tesco Aqua (1LP) Limited
Registered Number FC026996

TESCO AQUA (1LP) 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.

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.

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 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 (2012: £nil).

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

TESCO AQUA (1LP) LIMITED

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

3. 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 24.20%.

	52 weeks to 23 February 2013 £	52 weeks to 25 February 2012 £
Current tax		
UK Corporation tax on profit for the financial period	-	-
Total current tax	-	-
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 24.20% (2012: 26%). The differences are explained below.

	52 weeks to 23 February 2013 £	52 weeks to 25 February 2012 £
Profit on ordinary activities before tax	1,994,619	1,994,664
Profit on ordinary activities multiplied by blended rate in the UK 24.20% (2012: 26%)	482,698	522,602
Effects of:		
Partnership distribution not taxable	(483,032)	(522,952)
Taxable share of partnership income	503,352	424,058
Group relief received without payment	(507,018)	(423,708)
Current tax charge for the financial period	-	-

The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. The reduction from 24% to 23% was substantively enacted at the balance sheet date and has therefore been reflected in these Group financial statements.

In addition to the changes in the rates of corporation tax disclosed above, it was announced in the December 2012 Budget Statement that the 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% from 1 April 2015. None of these expected rate reductions had been substantively enacted at the balance sheet date and are therefore not reflected in these Group financial statements.

TESCO AQUA (1LP) LIMITED

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

4. FIXED ASSET INVESTMENTS

	Total £
Cost	
At 26 February 2012	303,500
Additions	-
At 23 February 2013	303,500
Provision for impairment	
At 26 February 2012	-
Provision for impairment	-
At 23 February 2013	-
Net book value	
At 23 February 2013	303,500
At 25 February 2012	303,500

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 Aqua Limited Partnership	England and Wales	49.90%	Property Investment

5. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	23 February 2013 £	25 February 2012 £
Amounts owed by group undertakings	10,279,260	4,980,960
	10,279,260	4,980,960

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

TESCO AQUA (ILP) LIMITED

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	23 February 2013 £	25 February 2012 £
Amounts owed to group undertakings	115,661	115,661
	115,661	115,661

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

7. CALLED UP SHARE CAPITAL

	23 February 2013 £	25 February 2012 £
Allotted, called up and fully paid 2,000 (2012 2,000) Ordinary shares of £1 each	2,000	2,000

8. RESERVES

	Share premium £	Profit and loss £
As at 26 February 2012	301,500	8,168,980
Profit for the financial period	-	1,994,619
As at 23 February 2013	301,500	10,163,599

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

	52 weeks to 23 February 2013 £	52 weeks to 25 February 2012 £
Profit for the financial period	1,994,619	1,994,664
Net additions to shareholder's surplus	1,994,619	1,994,664
Opening shareholder's surplus	8,472,480	6,477,816
Closing shareholder's surplus	10,467,099	8,472,480

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, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

TESCO AQUA (1LP) LIMITED

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

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 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