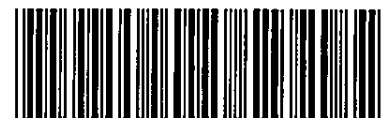


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TESCO AQUA (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

Registered Number: FC026996

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TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT

Directors' Report for the 53 weeks ended 28 February 2009

The directors present their report and audited financial statements of Tesco Aqua (1LP) Limited ("the company") for the 53 weeks ended 28 February 2009.

Business review and principal activities

The principal activity of the company is to act as an investment company.

The results for the 53 weeks show a pre-tax profit of £457,891 (2008:£212,919). The directors do not recommend a payment of a dividend (2008: £142,656).

The company has net assets £831,654 (2008: £373,763).

Future outlook

The company's level of trade is expected to continue throughout 2009 and it is hoped that the current performance levels will be maintained.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC group and are not managed separately. These risks are discussed on page 38 of the Tesco PLC group annual report which does not form part of this report.

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.

Employees

The company had no employees during the year (2008: none).

Directors and their interests

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

A Clark	
E O'Hare	(resigned 30 October 2009)
D Potts	
R Brasher	
M Risk	(resigned 7 April 2008)

None of the directors had any disclosable interests in the company during the year.

D Potts and R Brasher 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.

TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT

Directors' Report for the period ended 28 February 2009 (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.

United Kingdom 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 United Kingdom 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 proper accounting records that 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 United Kingdom Companies Act 1985 and 2006 as applicable. 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 the dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board on 18th December 2009



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

TESCO AQUA (1LP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

	Note	53 weeks to 28 February 2009 £	52 weeks to 23 February 2008 £
Continuing operations			
Dividend received		457,891	212,919
Profit on ordinary activities before taxation	2	457,891	212,919
Tax on profit on ordinary activities	3	-	-
Profit on ordinary activities after taxation	6	457,891	212,919
Dividend paid		-	(142,656)
Retained profit for the financial period		457,891	70,263

The company had no recognised gains or losses other than those reflected in the profit and loss account above.

There is no material difference 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.

The notes on pages 6 to 9 form part of these financial statements.

TESCO AQUA (1LP) LIMITED**BALANCE SHEET AS AT 28 FEBRUARY 2009**

	Note	2009 £	2008 £
Non-current assets			
Investments	4	303,500	303,500
Current assets			
Debtors – due within one year	5	80,960	80,960
Cash at bank		562,855	104,964
		643,815	185,924
Creditors - amounts falling due within one year	6	(115,661)	(115,661)
Net current assets		528,154	70,263
Net asset		831,654	373,763
Capital and reserves			
Called up share capital	7	2,000	2,000
Share premium accounts	8	301,500	301,500
Profit and loss reserve	8	528,154	70,263
Total equity shareholders' funds	9	831,654	373,763

The notes on pages 5 to 8 form part of these financial statements

The financial statements on pages 3 to 8 were approved by the board of directors on 18th December 2009 and were signed on its behalf by:



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

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

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 1985. The company's principal account policies have been applied consistently during the period, and are set out below.

In accordance with FRS 2 "Accounting for Subsidiary Undertakings" and Section 228 of Companies Act 1985, 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 terms FRS 1.

Taxation

The amount included in the Profit and Loss account is based on profit 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.

The company will receive/surrender group relief from/to group companies without payment and consequently there is no tax charge in the profit and loss account.

2 OPERATING PROFIT

The directors received no emoluments in respect of their services to the company.

The company had no employees during the period (2008: none).

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (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 30% to 28% with effect from April 2008. This gives an overall blended Corporation Tax rate for the company for the full year of 28.2 %.

	53 weeks to 28 February 2009 £	52 weeks to 23 February 2008 £
Current Tax :		
UK Corporation tax on profit for the period	-	-
Deferred taxation :		
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the period is lower (2008: lower) than the blended rate of corporation tax in the UK (28.2%). The differences are explained below:

Profit on ordinary activities before tax	457,951	212,919
Profit on ordinary activities at blended rate of corporation tax in the UK of 28.2% (2008: 30%)	129,125	63,876
Effects of :		
Taxable share of partnership profits	223,032	143,886
Group relief (Claimed)/Surrendered without payment	(223,032)	(143,886)
Partnership distribution not taxable	(129,125)	(63,876)
Current tax charge for the period	-	-

4 INVESTMENTS

	Total £
As at 23 February 2008	303,500
Additions	-
At 28 February 2009	303,500

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

Company	County of incorporation	% shares held	Nature of Business
The Tesco Aqua Limited Partnership	England	49.9%	Property Investment

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

5. DEBTORS – DUE WITHIN ONE YEAR

	28 February 2009 £	23 February 2008 £
Amounts owed by group undertakings	80,960	80,960
	80,960	80,960

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

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2009 £	23 February 2008 £
Amounts due to group undertakings	115,661	115,661
	115,661	115,661

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

7 CALLED-UP SHARE CAPITAL

	2009 £	2008 £
Authorised:		
3,000 (2008: 3,000) Ordinary shares at £1 each	3,000	3,000
Allotted, called up and fully paid:		
2,000 (2008: 2,000) Ordinary shares at £1 each	2,000	2,000

8 RESERVES

	Share premium £	Profit and loss £
As at 23 February 2008	301,500	70,263
Retained profit for the financial period	-	457,891
Issue of Ordinary shares	-	-
As at 28 February 2009	301,500	528,154

TESCO AQUA (ILP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	53 weeks to 28 February 2009	52 weeks to 23 February 2008
	£	£
Profit for the financial period	457,891	70,263
Opening shareholder's funds	373,763	303,500
Closing shareholder's funds	831,654	373,763

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 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, New Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

11 RELATED PARTY DISCLOSURES

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under Paragraph 3(c) of the Financial Reporting Standard 8 "Related Party Disclosures", as the consolidated accounts of Tesco PLC in which the company is included are available at the address noted above.