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TESCO AQUA (1LP) LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010  
Registered number: FC026996

WEDNESDAY



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

## **DIRECTORS' REPORT**

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

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

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

The results for the 52 weeks ended 27 February 2010 show a pre-tax profit of £nil (2009 £457,891). During the 52 weeks a dividend of £nil was paid (2009 £nil).

The company has net assets of £831,654 (2009 £831,654).

### **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.

From the perspective of the partnership, 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 41 of the Tesco PLC group annual report for the 52 weeks ending 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 £nil).

### **Future outlook**

The company's level of trade is expected to continue throughout 2010 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 (2009 £nil).

### **Supplier payment policy**

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 AQUA (1LP) LIMITED**

## **DIRECTORS' REPORT**

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

### **Directors and their interests**

The directors of the company during the period were as follows

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

None of the directors had any disclosable interests in the company during the period ended 27 February 2010

D Potts and R Brasher are also directors of Tesco PLC, and as such their disclosable interests in Tesco PLC are 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 and the Tesco PLC company secretary (who is also a director of certain subsidiaries 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 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 AQUA (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 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 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 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
- each director 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.

On behalf of the Board *27* July 2010



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

**TESCO AQUA (ILP) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE**

No. FEBRUARY 2010

53 weeks ended  
28 February  
2009

Dividend received		£
<b>Profit on ordinary activities before taxation</b>	2	
Tax on profit on ordinary activities	3	- 457,891
<b>Profit on ordinary activities after taxation</b>		- 7,891
<b>Retained profit for the financial period</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

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

# TESCO AQUA (1LP) LIMITED

## BALANCE SHEET AS AT 27 FEBRUARY 2010

	Notes	27 February 2010 £	28 February 2009 £
<b>Non-current assets</b>			
Investments	4	303,500	303,500
<b>Current assets</b>			
Debtors	5	80,960	80,960
Cash at bank		562,855	562,855
		<b>643,815</b>	<b>643,815</b>
<b>Creditors (amounts falling due within one year)</b>	6	<b>(115,661)</b>	<b>(115,661)</b>
		<b>528,154</b>	<b>528,154</b>
<b>Net assets</b>		<b>831,654</b>	<b>831,654</b>
<b>Capital and reserves</b>			
Called up share capital	7	2,000	2,000
Share premium accounts	8	301,500	301,500
Profit and loss reserve	8	528,154	528,154
<b>Total shareholders' funds</b>	9	<b>831,654</b>	<b>831,654</b>

The financial statements on pages 5 to 9 were approved by the board of directors on 27 July 2010 and signed on its behalf by



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

# **TESCO AQUA (ILP) 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.

#### **Dividends Received**

Dividends are recognised when a legal entitlement to payment arises.

#### **Taxation**

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

#### **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.

### **2. OPERATING PROFIT**

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.

# TESCO AQUA (ILP) LIMITED

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

### 3. TAXATION 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 ended 27 February 2010	53 weeks ended 28 February 2009
	£	£
<b>Current tax:</b>		
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 than (2009 higher 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 ended 27 February 2010	53 weeks ended 28 February 2009
	£	£
Profit on ordinary activities before tax	-	457,951
Profit on ordinary activities multiplied by standard rate in the UK 28% (2009 28.2%)	-	129,125
<b>Effects of:</b>		
Partnership distribution not taxable	(259,377)	(129,125)
Taxable share of Partnership income	-	223,032
Group relief surrendered without payment	(259,377)	(223,032)
Current tax charge for the financial period	-	-

### 4. INVESTMENTS

	Total £
As at 28 February 2009	303,500
At 27 February 2010	303,500

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

Company	County of incorporation	Proportion of rights and 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 52 WEEK PERIOD ENDED 27 FEBRUARY 2010 (continued)

### 5. DEBTORS

	27 February 2010 £	28 February 2009 £
Amounts owed by group undertakings	80,960	80,960

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

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

	27 February 2010 £	28 February 2009 £
Amounts owed to group undertakings	115,661	115,661

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

### 7. CALLED-UP SHARE CAPITAL

	27 February 2010 £	28 February 2009 £
Authorised		
3,000 (2009 3000) ordinary shares at £1 each	3,000	3,000
Allotted, called up and fully paid		
2,000 (2009 2000) ordinary shares at £1 each	2,000	2,000

### 8. RESERVES

	Share premium 27 February 2010 £	Profit and loss 28 February 2009 £
As at 28 February 2009	301,500	528,154
Retained profit for the financial period	-	-
At end of period	301,500	528,154

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

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 FEBRUARY 2010 (continued)**

#### **9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>52 weeks ended 27 February 2010</b>	<b>53 weeks ended 28 February 2009</b>
	<b>£</b>	<b>£</b>
Profit for the financial period	-	457,891
Opening of shareholders' funds	<b>831,654</b>	<b>373,763</b>
Closing of shareholders' funds	<b>831,654</b>	<b>831,654</b>

#### **10. ULTIMATE PARENT UNDETAKING**

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

#### **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 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