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TESCO AQUA (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015
Registered Number: FC026996

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TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

The Directors present their report and the financial statements of Tesco Aqua (1LP) Limited (the "Company") for the 53 week period ended 28 February 2015 (prior period 52 weeks ended 22 February 2014)

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 53 weeks ended 28 February 2015 show a pre-tax profit of £3,457,533 (2014 £2,207,621)

The Directors do not recommend payment of a dividend for the 53 weeks ended 28 February 2015 (2014 £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.

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 22 to 25 of the Tesco PLC Annual Report 2015 which does not form part of this Report.

Political donations

There were no political donations for the year (2014 £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.

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company, is discussed on pages 10 to 11 of the Tesco PLC Annual Report 2015 which does not form part of this Report.

Research and development

The Company does not undertake any research and development activities (2014 £nil)

TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

Employees

The Company had no employees during the period (2014 none)

Directors and their interests

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

A Clark	
S Grumble	(Resigned 29 September 2014)
M Iddon	(Resigned 29 September 2014)
Tesco Services Limited	(Appointed 3 October 2014)

Strategic report

The Directors have taken advantage of the exemption provided by section s414 (b) of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013) from preparing a Strategic Report

TESCO AQUA (1LP) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101)

Under company law 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 these 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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

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,
- 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,
- this confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act

On behalf of the Board

24 June 2015



P. Moore, on behalf of
Tesco Services Limited
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

STATEMENT OF COMPREHENSIVE INCOME FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

	Notes	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Administrative expenses		(1,721)	-
Distributions received		3,459,254	2,207,621
Profit on ordinary activities before taxation	2	3,457,533	2,207,621
Tax expense	3	-	-
Total comprehensive income for the financial period		3,457,533	2,207,621

STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015


	Notes	Equity share capital £	Share Premium £	Retained earnings £	Total equity £
At 23 February 2013		2,000	301,500	10,163,599	10,467,099
Total comprehensive income for the period		-	-	2,207,621	2,207,621
At 22 February 2014		2,000	301,500	12,371,220	12,674,720
Total comprehensive income for the year		-	-	3,457,533	3,457,533
At 28 February 2015		2,000	301,500	15,828,753	16,132,253

TESCO AQUA (ILP) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2015

	Notes	28 February 2015 £	22 February 2014 £
Fixed assets			
Investments	4	303,500	303,500
Current assets			
Debtors amounts falling due within one year	5	14,249,535	10,279,260
Cash at bank and in hand		1,694,879	2,207,621
Net current assets		15,944,414	12,486,881
Creditors amounts falling due within one year	6	(115,661)	(115,661)
Net current assets		15,828,753	12,371,220
Net assets		16,132,253	12,674,720
Capital and reserves			
Called up share capital	7	2,000	2,000
Share premium		301,500	301,500
Profit and loss account		15,828,753	12,371,220
Total equity shareholder's surplus		16,132,253	12,674,720

The financial statements on pages 5 to 11 were approved by the board of Directors on 24 June 2015 and were signed on its behalf by


 P. Moore, on behalf of
 Tesco Services Limited
 Director
 Tesco Aqua (ILP) Limited
 Registered Number FC026996

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 9 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the company prepared in accordance with FRS 101. The company's date of transition to FRS 101 is 1 January 2013. The company has notified its shareholders in writing about, and they do not object to it, the use of disclosure exemptions used by the company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the company's previously adopted accounting policies in accordance with UK GAAP was not material on the shareholders' equity as at the date of transition and as at 28 February 2015 and on the profit or loss for the year ended 28 February 2015.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of Cash Flows,
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, and
- The requirements of IAS 7 Statement of Cash Flows.

Dividends received

Dividends are recognised when a legal entitlement to payment arises.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The amount included in the Statement of Comprehensive Income 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 may receive or surrender group relief from group companies without payment and consequently there may be no tax charge in the Statement of Comprehensive Income.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Directors received no emoluments for their services to the Company (2013: £nil).

The Company had no employees during the period (2013: none).

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

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 23% to 21% with effect from 1 April 2014. This gives an overall blended Corporation Tax rate for the company for the full year of 21.2%.

	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Current tax:		
UK Corporation tax on profit for the financial period	-	-
Total current tax	-	-
Deferred tax	-	-
Total income tax expense	-	-

The tax assessed for the period is lower (2014: lower) than the blended rate of Corporation Tax in the UK of 21.2% (2014: 23.1%). The differences are explained below.

	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Profit / (loss) on ordinary activities before tax	3,457,533	2,207,621
Profit / (loss) on ordinary activities multiplied by blended rate in the UK 21.2% (2014: 23.1%)	732,997	509,960
Effects of:		
Non-taxable dividends	(733,362)	(509,960)
Taxable share of partnership income	684,689	615,343
Group relief claimed without payment	(684,324)	(615,343)
Total income tax charged for the year	-	-

4. FIXED ASSET INVESTMENTS

	Total £
Cost	
At 23 February 2014	303,500
At 28 February 2015	303,500
Net book value	
At 28 February 2015	303,500
At 22 February 2014	303,500

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

TESCO AQUA (1LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

4. FIXED ASSET INVESTMENTS (continued)

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

	28 February 2015 £	22 February 2014 £
Amounts owed by group undertakings	10,279,260	10,279,260
	10,279,260	10,279,260

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2015 £	22 February 2014 £
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

	28 February 2015 £	22 February 2014 £
Allotted, called up and fully paid 2,000 (2014 2,000) Ordinary shares of £1 each	2,000	2,000

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Tesco Property Holdings Limited

The Company's ultimate parent undertaking is Tesco PLC The Company is included within these group accounts which are publicly available

TESCO AQUA (1LP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28
FEBRUARY 2015**

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries