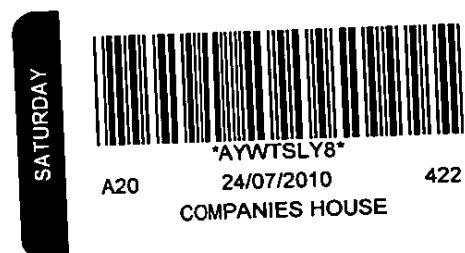


TESCO VIOLET (1LP) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010
REGISTERED NUMBER: FC027090



TESCO VIOLET (ILP) LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010

The directors present their report and the financial statements of Tesco Violet (ILP) Limited ("the company") for the 52 weeks period ended 27 February 2010. The financial period represents 52 weeks ended 27 February 2010 (Prior year 53 weeks period 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 Violet 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: £nil). The directors do not recommend the payment of a dividend (2009: £nil).

The company has net assets of £603,500 (2009: £603,500).

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 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 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.

Supplier payment policy

The company does not have direct supplier relationships.

TESCO VIOLET (1LP) LIMITED

DIRECTORS' REPORT

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

Research and development

The company does not undertake any research and development activities (2009 £nil)

Employees

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

Directors and their interests

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

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

None of the directors had any disclosable interests in the company during the 52 weeks 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 VIOLET (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.

On behalf of the Board 16 July 2010



A Clark
Director
Tesco Violet (1LP) Limited
Registered Number FC027090

TESCO VIOLET (ILP) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

	Notes	52 weeks to 27 February 2010 £	52 weeks to 28 February 2009 £
Dividends received		-	-
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	-	-
Profit for the financial period		-	-
Dividend paid		-	-
Retained profit/(loss) for the financial period	6	-	-

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 7 to 9 form part of these financial statements

TESCO VIOLET (1LP) LIMITED**BALANCE SHEET AS AT 27 FEBRUARY 2010**

	Notes	27 February 2010 £	28 February 2009 £
Non-current assets			
Investments	4	603,500	603,500
Current assets			
Cash at bank and in hand		-	-
		603,500	603,500
Creditors – due within one year		-	-
Net current assets		603,500	603,500
Net assets		603,500	603,500
Capital and reserves			
Called up share capital	6	2,000	2,000
Share premium accounts		601,500	601,500
Profit and loss reserve	7	-	-
Total equity shareholders' funds	8	603,500	603,500

The financial statements on pages 5 to 9 were approved by the board of directors on 16 July 2010 and signed on its behalf by



A Clark
Director
Tesco Violet (1LP) Limited
Registered Number FC027090

TESCO VIOLET (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.

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date and which could give rise to an obligation to pay more or less taxation in the future. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the Balance Sheet date.

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).

TESCO VIOLET (1LP) LIMITED

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

4. 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 to 27 February 2010	53 weeks to 28 February 2009
	£	£
Current tax		
UK Corporation tax on profit for the financial period	-	-
Total current tax	-	-
Tax on profit on ordinary activities	-	-

The Company's share of tax on the adjusted profit of the underlying Partnership (The Tesco Violet Limited Partnership) is included in the above. The tax assessed for the period is the same as (2009 the same as) 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	-	-
Profit on ordinary activities multiplied by standard rate in the UK 28% (2009 28.2%)	-	-
Effects of:		
Partnership distribution not taxable	-	-
Taxable share of Partnership tax adjusted profit/(loss)	2,736,801	(486,707)
Utilisation of losses brought forward	(2,736,801)	-
Group relief surrendered without payment	-	486,707
Current tax charge for the financial period	-	-

Through The Tesco Violet Limited Partnership, Tesco Violet (1LP) Limited sold its 49.95% interest in two properties during the year. No chargeable gains are expected to arise. If they do, then rollover relief claims will be made against those gains. The claims will be eligible because the group will reinvest the full proceeds from the sales.

5. INVESTMENTS

	Total £
At 28 February 2009	603,500
Additions	-
At 27 February 2010	603,500

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

Subsidiary undertakings	Country of incorporation	% Shares held	Nature of business
The Tesco Violet Limited Partnership	England and Wales	49.95%	Property Investment

TESCO VIOLET (1LP) LIMITED

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

6. 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 shares of £1 each	2,000	2,000

7. RESERVES

	Share premium	Retained profit
	£	£
As at 28 February 2009	601,500	-
Retained profit/(loss) for the financial period	-	-
As at 27 February 2010	601,500	-

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	27 February 2010	28 February 2009
	£	£
Profit for the financial period	-	-
Retained profit for the financial period	-	-
Net proceeds of issue of ordinary share capital	-	-
Net additions to shareholders' funds	-	-
Opening shareholders' funds	603,500	603,500
Closing shareholders' funds	603,500	603,500

9. 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

10. 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