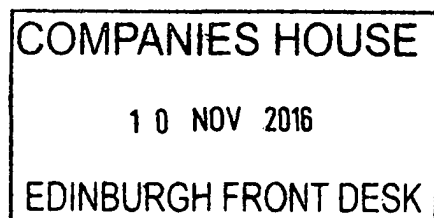
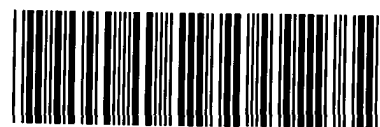


EDINBURGH BUTTERFLY FARM LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016

Registered Number: SC086856



THURSDAY



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# **EDINBURGH BUTTERFLY FARM LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016**

The Directors present their report and the audited financial statements of Edinburgh Butterfly Farm Limited (the "Company") for the 52 weeks ended 28 February 2016 (prior period 53 weeks ended 1 March 2015).

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

The principal activity of the Company is the operation of a visitor attraction involving the display, breeding and exhibition of live butterflies and insects and a small gift shop. 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 year.

In reviewing performance, the Board considers key performance indicators including sales and profit growth, visitor numbers and average visitor spend.

Net sales in the 52 weeks ended 28 February 2016 were £461,501 with visitor numbers of 78,418 (53 weeks ended 1 March 2015 £467,891 and 84,358 respectively). The average visitor spend in the 52 weeks ended 28 February 2016 was £5.89 (53 weeks ended 1 March 2015: £5.55).

The profit for the financial year, after taxation, amounted to £210,875 (53 weeks ended 1 March 2015: £143,225). This profit will be transferred to reserves.

The Directors are satisfied with the results for the year and intend to continue the development of the business.

### **Results and dividends**

The results for the financial year show a pre-tax profit of £174,664 (53 weeks ended 1 March 2015: £183,830) and sales of £461,501 (53 weeks ended 1 March 2015: £467,891).

The Directors do not recommend payment of a dividend for the 52 weeks ended 28 February 2016 (2015: £nil).

The retained profit for the 52 weeks ended 28 February 2016 amounted to £210,875 (2015: £143,225).

### **Principal risks and uncertainties**

The management of the business and the executions of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are considered to be family attraction trends and employee retention.

From the perspective of the Company, the principal risks and uncertainties were integrated with the principal risks of the Tesco PLC Group (the "Group") and were not managed separately. Accordingly, the principal risks and uncertainties of the Group, which included the Company, were discussed on page 24 of the Tesco PLC Group Annual Report for the 52 weeks ending 27 February 2016 which does not form part of this Report.

### **Future outlook**

The Company's performance is expected to continue throughout the next financial period and it is anticipated that similar performance levels will be maintained.

### **Political contributions**

There were no political donations for the period (2015: nil).

### **Going concern**

The Directors consider that the Company has adequate resources to continue to operate for the foreseeable future. In addition, it is the current intention of the Company's ultimate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

# **EDINBURGH BUTTERFLY FARM LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

### **Research and development**

The Company does not undertake any research and development activities. (2015: none).

### **Employees**

The Company depends on the skills and commitment of its employees in order to achieve its objectives.

Ongoing training programmes seek to ensure that employees understand the Company's customer service objectives and strive to achieve them.

The Company's selection, training, development and promotion policies ensure equal opportunities for all employees regardless of factors such as gender, marital status, race, age, sexual preference and orientation, colour, creed, ethnic origin, religion or belief, or disability. All decisions are based on merit.

Internal communications are designed to ensure that employees are well informed about the business.

The Company had 10 employees on average during the 52 weeks ended 28 February 2016 (53 weeks ended 1 March 2015: 11).

### **Directors**

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

Andrew James King (Resigned: 19/07/16)

M Britten (Resigned: 20/07/16)

John Gilkison Campbell (Appointed: 19/07/16, Resigned: 20/07/16, Reappointed: 15/09/2016)

Andrew James Mark Lewis Bracey (Appointed: 20/07/16)

Aidan Charles Barwick Clegg (Appointed: 20/07/16)

Neil Allen Currie (Appointed: 20/07/16)

David Henry Barnaby Burgess (Appointed: 20/07/16)

Federick Matthew Goltz (Appointed: 20/07/16)

John Cleland (Appointed: 15/09/2016)

None of the Directors had any disclosable interests in the Company during this period.

Tesco PLC maintained a directors' and officers' liability insurance policy throughout the financial period.

### **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.

### **Subsequent events**

On 20 July 2016, Tesco Group concluded the sale of Dobbies Garden Centres to DanAtAugusta Bidco Limited, a company ultimately controlled by DanAtAugusta Equityco Limited for £217m gross of pre-disposal dividends on a cash and debt free basis. The sale represented the entire share capital of Dobbies Garden Centres Limited.

## **EDINBURGH BUTTERFLY FARM LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

#### **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; and
- 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 report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Pursuant to section 487 of the Companies Act 2006, Deloitte LLP are the newly appointed auditor that will audit the 2016 statutory financial statements.

On behalf of the Board

25 October 2016



John Cleland  
Director  
Edinburgh Butterfly Farm Limited  
Registered Number SC086856  
Registered Office: Melville Nursery,  
Lasswade, Midlothian, EH18 1AZ



John Campbell  
Director  
Edinburgh Butterfly Farm Limited  
Registered Number SC086856  
Registered Office: Melville Nursery,  
Lasswade, Midlothian, EH18 1AZ

## **EDINBURGH BUTTERFLY FARM LIMITED**

### **DIRECTORS RESPONSIBILITIES STATEMENT**

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 period. Under that law the Directors have elected to prepare 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 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 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDINBURGH BUTTERFLY FARM LIMITED**

We have audited the financial statements of Edinburgh Butterfly Farm Limited for the 52 week period ended 28 February 2016 which comprise Income Statement, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Boyle, CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh, UK  
25 October 2016

# EDINBURGH BUTTERFLY FARM LIMITED

## INCOME STATEMENT FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016

	Note	52 weeks to 28 February 2016 £	53 weeks to 1 March 2015 £
<b>Turnover</b>		<b>461,501</b>	467,891
Cost of sales		(53,780)	(58,447)
<b>Gross profit</b>		<b>407,721</b>	409,444
Administrative expenses		(253,620)	(245,629)
<b>Operating profit</b>	4	<b>154,101</b>	163,815
Interest receivable and similar income	6	20,563	20,015
<b>Profit on ordinary activities before taxation</b>		<b>174,664</b>	183,830
Tax on profit on ordinary activities	7	36,211	(40,605)
<b>Profit for the financial period</b>		<b>210,875</b>	143,225

All results relate to continuing operations.

There are no gains or losses other than those shown in the Income Statement above, and as such no Statement of Comprehensive Income has been produced.

The notes on pages 10 to 18 form part of these financial statements.

# EDINBURGH BUTTERFLY FARM LIMITED

## BALANCE SHEET AS AT 28 FEBRUARY 2016

		28 February 2016 £	1 March 2015 £
	Note		
<b>Fixed assets</b>			
Tangible assets	8	151,417	131,164
		151,417	131,164
<b>Current assets</b>			
Inventory	9	36,021	30,912
Debtors – amounts falling due within one year	10	631,569	585,871
Debtors – amounts falling due after more than one year	11	182,894	182,894
Cash at bank and in hand		545,760	410,689
		1,396,244	1,210,366
Creditors – amounts falling due within one year	12	(99,109)	(106,799)
<b>Net current assets</b>		1,297,135	1,103,567
<b>Total assets less current liabilities</b>		1,448,552	1,234,731
Provisions for liabilities	13	(11,030)	(8,084)
<b>Net assets</b>		1,437,522	1,226,647
<b>Capital and reserves</b>			
Called up share capital	14	25,000	25,000
Retained earnings		1,412,522	1,201,647
<b>Total equity</b>		1,437,522	1,226,647

The financial statements on pages 7 to 18 were approved by the board of Directors on 25 October 2016 and were signed on its behalf by:



John Cleland  
Director  
Edinburgh Butterfly Farm Limited  
Registered Number SC086856



John Campbell  
Director  
Edinburgh Butterfly Farm Limited  
Registered Number SC086856



# **EDINBURGH BUTTERFLY FARM LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEK PERIOD ENDED 28 FEBRUARY 2016**

	<b>Called-Up Share Capital £</b>	<b>Retained Earnings £</b>	<b>Total Equity £</b>
<b>Balance as at 1 March 2015</b>	<b>25,000</b>	<b>1,201,647</b>	<b>1,226,647</b>
<b>Profit for the year &amp; total comprehensive income</b>	<b>-</b>	<b>210,875</b>	<b>210,875</b>
<b>Balance as at 28 February 2016</b>	<b>25,000</b>	<b>1,412,522</b>	<b>1,437,522</b>

# **EDINBURGH BUTTERFLY FARM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016**

### **1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101**

The financial statements of Edinburgh Butterfly Farm Limited (the “Company”) for the year ended 28 February 2016 were approved by the board of directors on 25 October 2016 and the balance sheet was signed on the board’s behalf by John Cleland and John Campbell. Edinburgh Butterfly Farm Limited is incorporated and domiciled in Scotland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company’s financial statements are presented in Sterling..

The results of Edinburgh Butterfly Farm Limited are included in the consolidated financial statements of Tesco PLC which are available from Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

The principal accounting policies adopted by the Company are set out in note 2.

### **2. 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 16 gives details of the company’s parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The company has notified its shareholders in writing about, and they do not object to, the use of the 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 disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment:
  - (i) the share based payment arrangement concerns the instruments of another group entity;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- The requirements of IFRS 7 Financial Instruments: Disclosures.
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- The requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
  - (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property; and

## **EDINBURGH BUTTERFLY FARM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

#### **2. ACCOUNTING POLICIES (continued)**

- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- 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 paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The financial statements have been prepared under the historical cost convention. A summary of the more important accounting policies is set out below.

#### **Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

#### **Taxation**

Management judgement is required to determine the amount of deferred tax liabilities that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 13.

#### **Going concern**

The Directors consider that the Company has adequate resources to continue to operate for the foreseeable future. In addition, it is the current intention of the Company's immediate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business without any significant curtailment of operations for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

#### **Accounting Policies**

##### **Tangible fixed assets and capitalised interest**

Tangible fixed assets are carried at historic purchase cost less accumulated depreciation. They include amounts in respect of interest paid on funds specifically related to the financing of assets and other costs incurred in bringing the asset to its working condition for its intended use. Interest is capitalised on a gross basis.

## **EDINBURGH BUTTERFLY FARM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

#### **2. ACCOUNTING POLICIES (continued)**

##### **Depreciation**

Depreciation is provided to write off costs or valuation of tangible fixed assets less their residuals on a straight-line basis over the anticipated useful economic lives of the assets.

The following depreciation rates were applied by the Company and are consistent with the prior period:

- Leasehold properties with less than 40 years unexpired are depreciated by equal annual instalments over the unexpired period of the lease.
- Fixtures and fittings – at rates varying from 15% to 33%.

##### **Inventory**

Inventories are valued at the lower of cost and net realisable value. Inventories in stores are calculated at retail prices and reduced by appropriate margins to take into account factors such as obsolescence seasonality and damage using the weighted average cost basis.

##### **Pensions**

The Company also operates a defined contribution scheme. Contributions to this scheme are charged to the Profit and Loss Account as they become payable.

##### **Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the operation of a visitor attraction. Turnover is recognised at the time the buyer accesses the visitor attraction.

##### **Current taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

##### **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 Income Statement.

# **EDINBURGH BUTTERFLY FARM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

### **2.ACCOUNTING POLICIES (continued)**

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax asset arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited in other comprehensive income, in which case deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **Current and deferred tax for the year**

Current and deferred tax are recognised in the profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **3. SEGMENTAL REPORTING**

The Company operates within one business segment being that of the operation of a visitor attraction and associated activities with business principally transacted in the United Kingdom.

# EDINBURGH BUTTERFLY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)

### 4. OPERATING PROFIT

	52 weeks to 28 February 2016 £	53 weeks to 1 March 2015 £
<b>Operating profit is stated after charging</b>		
Wages and salaries	153,815	153,030
Social security costs	10,324	9,972
Other pensions costs	2,690	2,584
<b>Staff costs</b>	<b>166,828</b>	<b>165,586</b>
Depreciation (Note 8)	8,217	8,582
<b>Services provided by the Company's auditor</b>		
Fees payable for the audit	2,000	2,000

The average monthly number of UK employees (excluding directors) per week during the 52 weeks ended 28 February 2016 was 10 (53 weeks ended 1 March 2015: 11) and the average monthly number of full-time equivalents was 8 (53 weeks ended 1 March 2015: 9).

### 5. DIRECTORS' EMOLUMENTS

No emoluments were paid to the Directors in respect of their services to the company during the 52 weeks ended 28 February 2016 (53 weeks ended 1 March 2015: £nil). The Directors' were employed by other companies within the Tesco PLC Group and their remuneration is disclosed as required in the respective employing company.

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks to 28 February 2016 £	53 weeks to 1 March 2015 £
Interest receivable on loans to parent company	18,289	18,289
Other interest receivable	2,274	1,726
	<b>20,563</b>	<b>20,015</b>

# EDINBURGH BUTTERFLY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Finance Act 2013 included legislation to reduce the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The blended tax rate for the period is therefore 20.1%.

	52 weeks to 28 February 2016 £	53 weeks to 1 March 2015 £
<b>Current tax:</b>		
UK Corporation tax on profit for the period	-	39,157
Adjustments in respect of previous periods	(39,157)	(1,301)
<b>Total current tax</b>	<b>(39,157)</b>	<b>37,856</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	976	20
Adjustment in respect of previous periods	(88)	2,729
Due to rate change	2,058	-
<b>Total deferred tax</b>	<b>2,946</b>	<b>2,749</b>
<b>Tax on profit on ordinary activities</b>	<b>(36,211)</b>	<b>40,605</b>

#### Factors that have affected the tax charge

	52 weeks to 28 February 2016 £	53 weeks to 1 March 2015 £
Profit on ordinary activities before tax	174,664	183,830
Profit on ordinary activities multiplied by blended rate in the UK 20.1% (2015: 21.2%)	35,107	38,972
Effects of:		
Expenses and charges not deductible for tax purposes	213	279
Due to rate change	2,057	(74)
Group relief (claimed) / surrendered without payment	(34,343)	-
Prior period items	(39,245)	1,428
<b>Current tax (credit) / charge for the financial period</b>	<b>(36,211)</b>	<b>40,605</b>

The Finance Act 2015 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. These rate reductions are therefore included in these financial statements. In addition, it was announced in the March 2016 Budget Statement that the main rate of corporation tax will be further reduced by 1% to 17% from 1 April 2020. This further rate reduction had not been substantively enacted at the balance sheet date and has therefore not been reflected in these financial statements.

# EDINBURGH BUTTERFLY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)

### 8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 March 2015	130,234	138,458	268,692
Additions	15,285	13,185	28,470
<b>At 28 February 2016</b>	<b>145,519</b>	<b>151,643</b>	<b>297,162</b>
<b>Accumulated depreciation</b>			
At 1 March 2015	(26,886)	(110,642)	(137,528)
Charge for the period	(2,769)	(5,448)	(8,217)
<b>At 28 February 2016</b>	<b>(29,655)</b>	<b>(116,090)</b>	<b>(145,745)</b>
<b>Net book value</b>			
<b>At 28 February 2016</b>	<b>115,864</b>	<b>35,553</b>	<b>151,417</b>
At 1 March 2015	103,348	27,816	131,164

### 9. INVENTORY

	2016 £	2015 £
Goods for resale	36,021	30,912

### 10. DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	775	1,198
Corporation tax	46,121	-
Amounts owed by parent company	584,673	584,673
	<b>631,569</b>	<b>585,871</b>

Amounts owed by parent company are interest free and repayable on demand.



# EDINBURGH BUTTERFLY FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)

### 11. DEBTORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Amounts due from parent company	182,894	182,894

Amounts owed by parent company are interest bearing at 10% per annum and have no fixed date of repayment. It has been confirmed to the parent company that this will not be recalled within 12 months.

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

	2016 £	2015 £
Trade creditors	8,612	8,896
Corporation tax	-	26,387
Amounts owed to parent company	2,191	1,780
Other taxation and social security	12,272	12,390
Accruals and deferred income	76,034	57,346
	99,109	106,799

Included within amounts owed to parent company are amounts that are unsecured, bear no interest, have no fixed date of repayment and are repayable on demand.

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

The following are the major deferred tax (liabilities) / assets recognised by the company and movements thereon during the current and prior financial years measured using the tax rates that are expected to apply when the liability is settled or the asset realised based on the tax rates that have been enacted or substantially enacted by the balance sheet date:

	Short Term Timing Differences	Accelerated Capital Allowances	Deferred Taxation
At 1 March 2015	860	(8,944)	(8,084)
Origination and reversal of temporary differences:			
- In respect of the current period	398	(3,432)	(3,034)
- In respect of prior periods		88	88
At 28 February 2016	1,258	(12,288)	(11,030)

## **EDINBURGH BUTTERFLY FARM LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 FEBRUARY 2016 (continued)**

#### **14. CALLED UP SHARE CAPITAL**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Allotted and fully paid:		
25,000 Ordinary shares of £1 each (2015: 25,000)	<b>25,000</b>	<b>25,000</b>

#### **15. POST-RETIREMENT BENEFITS AND PENSIONS**

Tesco Group operates a variety of post-employment benefit arrangements, covering both funded and unfunded defined benefit schemes and funded defined contribution schemes. The most significant of these are the funded defined benefit pension schemes for the Group's employees in the UK (now closed to future accrual) and the funded defined contribution scheme.

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund and contribution costs for the year which were charged to the Income Statement were £2,620 (2015: £2,584).

#### **16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company's immediate parent undertaking is Dobbies Garden Centres Limited.

The Company's ultimate parent undertaking and controlling party was Tesco PLC, which is registered in England and Wales, and 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, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL. Tesco Group concluded the sale of Dobbies Garden Centres on 20 July 2016, this is discussed in note 17.

#### **17. POST BALANCE SHEET EVENTS**

On 20 July 2016, Tesco Group concluded the sale of Dobbies Garden Centres to DanAtAugusta Bidco Limited, a company ultimately controlled by DanAtAugusta Equityco Limited for £217m gross of pre-disposal dividends on a cash and debt free basis. The sale represented the entire share capital of Dobbies Garden Centres Limited.