TESCO KIRKBY (GENERAL PARTNER) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Registered Number: 06092705

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TESCO KIRKBY (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

The Directors present their report and the audited financial statements of Tesco Kirkby (General Partner) 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 a holding company 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 period show a result on ordinary activities before taxation of £nil (2014 £nil)

The Directors do not recommend the payment of a dividend for the period ended 28 February 2015 (2014 £nil)

The Company has net liabilities of £8,079 (2014 net liabilities of £6,976)

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 (the "Group") and are not managed separately Accordingly, the principle risks and uncertainties of the Group, which include the Company, are discussed on pages 22-25 of the Tesco PLC Group Annual Report for the 53 weeks ending 28 February 2015 which does not form part of this Report

Political donations

There were no political donations for the period (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 straight forward 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 UK operations of the Group, which includes the Company, are discussed in the Group's Annual Report which does not form part of this Report

Research and development

The Company does not undertake any research and development activities (2014 none)

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

J Gibney	(Appointed 23 January 2015)
Tesco Services Limited	
J Lloyd	(Resigned 23 January 2015)

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

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of the Tesco PLC Company Secretary (who was also a Director of the Company) in respect of liabilities incurred as a result of his office, to the extent permitted by law In respect of those liabilities for which directors may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements

Strategic Report

The Directors have taken advantage of the exemption provided by section s414B(b) of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2014) from preparing a Strategic Report

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 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, 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 confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

On behalf of the Board 24 November 2015

Tesco Services Limited
Director
Tesco Kirkby (General Partner) Limited
Registered Number 06092705
Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESCO KIRKBY (GENERAL PARTNER) LIMITED

Report on the financial statements

Our opinion

In our opinion, Tesco Kirkby (General Partner) Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its loss for the 53 week period (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

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise

- the Balance Sheet as at 28 February 2015,
- the income statement and statement of comprehensive income for the period then ended,
- the statement of changes in equity for the period then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, they have made assumptions and considered future events

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made We have no exceptions to report arising from this responsibility

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland) 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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

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

David Beer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
24 November 2015

TESCO KIRKBY (GENERAL PARTNER) LIMITED

INCOME STATEMENT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

	Notes	**53 weeks to 28 February 2015**	52 weeks to 22 February 2014
		£	£
Operating profit	3	-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	4	**(1,103)**	(9)
Loss for the financial period		**(1,103)**	(9)

There are no material differences between the result on ordinary activities before taxation and the result for the period stated above and their historical cost equivalents

All operations are continuing for the financial period

The notes on pages 7 to 12 form part of these financial statements

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

	53 weeks to 28 February 2015	52 weeks to 25 February 2014
	£	£
Loss for the financial period	**(1,103)**	(9)
Total comprehensive losses for the period	**(1,103)**	(9)

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

	Share capital (note 9) £	Retained earnings £	**Total equity £**
At 23 February 2013	110	(7,077)	(6,967)
Total comprehensive losses for the period	-	(9)	(9)
At 22 February 2014	110	(7,086)	(6,976)
Total comprehensive gains for the period	-	(1,103)	(1,103)
At 28 February 2015	**110**	**(8,189)**	**(8,079)**

TESCO KIRKBY (GENERAL PARTNER) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2015

	Notes	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014
Fixed assets			
Investments	5	**100**	100
Current assets			
Debtors Amounts fallıng due wıthın one year	6	**110**	110
Cash at bank and ın hand		**17,258**	4,076,062
		17,368	4,076,172
Credıtors Amounts fallıng due wıthın one year	7	**(21,840)**	(4,080,644)
Net current liabilities		**(4,472)**	(4,472)
Total assets less current liabilities		**(4,372)**	(4,372)
Provısıons for lıabılıtıes	8	**(3,707)**	(2,604)
Net liabilities		**(8,079)**	(6,976)
Capital and reserves			
Called up share capıtal	9	**110**	110
Profit and loss account		**(8,189)**	(7,086)
Total equıty shareholder's funds		**(8,079)**	(6,976)

The financıal statements on pages 5 to 12 were approved by the board of Dırectors on 24 November 2015 and were sıgned on ıts behalf by

Tesco Servıces Lımıted
Dırector
Tesco Kırkby (General Partner) Lımıted
Regıstered Number 06092705

TESCO KIRKBY (GENERAL PARTNER) LIMITED

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

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of Tesco Kirkby (General Partner) Limited (the "Company") for the period ended 28 February 2015 were authorised for issue by the Board of Directors on 24 November 2015 and the balance sheet was signed on the Board's behalf by Tesco Services Limited

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 has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Tesco Stores Limited

The results of Tesco Stores 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 10 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained

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

- 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, and
- 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

The financial statements have been prepared on the going concern basis, under the historical cost convention The Company's principal accounting policies have been applied consistently during the period A summary of the more important accounting policies is set out below

Going concern

With date of 13th November 2015 the shareholder has injected further £9,000 of share capital into the Company, extinguishing the net liability position as at 28th February 2015 As such the directors have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future The company therefore continues to adopt the going concern basis in preparing its financial statements

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 FRS 101

2. ACCOUNTING POLICIES (continued)

Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost less where appropriate provisions for impairment

Impairment of fixed assets

At each Balance Sheet date the Company reviews the carrying amounts of the fixed assets to determine whether there is any need for impairment in accordance with FRS 101 Any impairment is recognised in the Income Statement in the period in which it occurs

Trade payables

Trade payables are non-interest-bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

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

Deferred taxation

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date Deferred tax is charged or credited in the Statement of Comprehensive Income 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

3. OPERATING PROFIT

The Directors received no emoluments for their services to the Company (2014 £nil)

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

The auditors' remuneration of £5,125 (2014 £5,000) was borne by another group company

4. TAXATION ON RESULT 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 Partnership for the full year of 21 2 % (2014 23 1%)

	53 weeks to 28 February 2015 £	52 weeks to 22 February 2014 £
Current tax:		
UK Corporation tax on result for the financial period	**-**	-
Total current tax	**-**	-
Deferred tax:		
Origination and reversal of temporary differences	**266**	401
Adjustments in respect of previous periods	**903**	-
Difference due to rate changes	**(66)**	(392)
Total deferred tax	**1,103**	9
Total income tax expense	**1,103**	9

The tax assessed for the period is higher (2014 higher) 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	**-**	-
Profit / (loss) on ordinary activities multiplied by blended rate in the UK 21 2% (2014 23 1%)	**-**	-
Effects of		
Capital allowances in excess of depreciation	**266**	401
Taxable share of partnership profit	**(2,520)**	6,458
Group relief (claimed)/surrendered without payment	**2,520**	(6,458)
Prior period items	**903**	
Difference due to change in tax rates	**(66)**	(392)
Total income tax charge for the financial period	**1,103**	9

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 These rate reductions are therefore included in these financial statements

5. INVESTMENTS

	£
Cost	
At 23 February 2014	110
At 28 February 2015	**110**
Provision for impairment	
At 23 February 2014	(10)
At 28 February 2015	**(10)**
Net book value	
At 28 February 2015	**100**
At 22 February 2014	100

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

Details of the Company's subsidiary undertakings and principal investments at the period end are as follows

Subsidiary and other undertakings	**Country of incorporation**	**% interest held**	**Nature of business**
Tesco Kirkby (Nominee Holdco) Limited	England and Wales	100%	Holding company
The Tesco Kirkby Limited Partnership	England and Wales	1%	Property investment

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2015	22 February 2014
	£	£
Amounts due from group undertakings	**110**	110
	110	110

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

7. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2015	22 February 2014
	£	£
Amounts due to group undertakings	**21,840**	4,080,644
	21,840	4,080,644

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

8. PROVISIONS FOR LIABILITIES

	28 February 2015	22 February 2014
	£	£
At 24 February 2014	**2,604**	2,595
Charged to the Profit and Loss Account		
Deferred tax		
- In respect of the current period	**266**	9
- In respect of prior periods	**903**	-
- Due to rate changes	**(66)**	-
At 28 February 2015	3,707	2,604

	Amounts provided	
	28 February 2015	22 February 2014
	£	£
Excess of capital allowances over depreciation	**3,707**	2,604
	3,707	2,604

9. CALLED UP SHARE CAPITAL

	28 February 2015	22 February 2014
	£	£
Allotted, called up and fully paid		
110 (2014 110) Ordinary shares of £1 each	**110**	110
	110	110

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ımmedıate parent undertakıng ıs Tesco Stores Lımıted

The Company's ultımate parent undertakıngs and controllıng party ıs Tesco PLC, whıch ıs regıstered ın England and Wales, and whıch ıs the parent undertakıng of the smallest and largest group to consolıdate these financıal statements Copıes of the Tesco PLC financıal statements can be obtaıned from the Company Secretary, Tesco PLC, Tesco House, Delamare Road, Cheshunt, Hertfordshıre, EN8 9SL

11. POST BALANCE SHEET EVENTS

On 13 November 2015 Tesco Stores Lımıted ınjected a further £9,000 of Share Capıtal ınto the Company, extınguıshıng the Company's net lıabılıty posıtıon

12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptıon under paragraph 8(k) of FRS101 not to dısclose transactıons wıth fellow wholly owned subsıdıarıes

THE TESCO KIRKBY LIMITED PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Registered Number: LP011867

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 6092705

THE TESCO KIRKBY LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Tesco Kirkby (General Partner) Limited (the "General Partner") presents its report and the audited financial statements of The Tesco Kirkby Limited Partnership (the "Partnership") for the 53 week period ended 28 February 2015 (prior period 52 weeks ended 22 February 2014) During the period, Tesco Kirkby (General Partner) Limited acted as the General Partner and Tesco Kirkby (LP) Limited and The Tesco Kirkby Unit Trust acted as Limited Partners of the Partnership (the "Partners")

Tesco Kirkby (General Partner) Limited is owned by Tesco Stores Limited

The Partnership was originally constituted under an Initial Partnership Agreement on 21 February 2007

Review of the business

The principal activity of the Partnership is to carry out property development During the year the Partnership took the decision not to proceed with the Kirkby town centre development The Partnership was committed to completing any contracted work, the estimated costs of which were provided for within these financial statements

On 14 October 2015 the Partnership agreed the sale of the Investment Properties for £34 8m and the Fixed Assets for £1m to St Modwen

Results and dividends

The results for the period show a pre-tax loss of £22,268,961 (2014 loss of £302,937) Net liabilities for the period were £65,270,337 (2014 £43,001,376)

The General Partner does 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 Partnership, the principal risks and uncertainties are related to the carrying value of its fixed assets This risk is managed through the periodic review of the value of the property under development, in addition to considering impairment of assets held as investment properties

Other principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (the "Group") and are not managed separately Accordingly, the principle risks and uncertainties of the Group, which include the Partnership, are discussed on pages 22 to 25 of the Tesco PLC Group Annual Report 2015 which does not form part of this Report

On behalf of Tesco Kirkby (General Partner) Limited 24 November 2015

Tesco Services Limited
For and on behalf of
General Partner
Tesco Kirkby (General Partner) Limited
Registered Number 6092705
Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

THE TESCO KIRKBY LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Tesco Kirkby (General Partner) Limited (the "General Partner") presents its report and the audited financial statements of the Partnership for the 53 weeks ended 28 February 2015 (Prior 52 weeks ended 22 February 2014)

Political donations

There were no political donations for the period (2014 nil)

Future outlook

On 14 October 2015 the Partnership agreed the sale of the Investment Properties for £34 8m and the Fixed Assets for £1m to St Modwen Afterwards the Partnership is expected to remain in force without further trading activity

Going concern

It is the current intention of the Partnership's ultimate parent undertaking to continue to finance the Partnership (through other group companies) 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 accounts have been prepared on a going concern basis

Research and development

The Partnership does not undertake any research and development activities (2014 none)

Employees

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

GENERAL PARTNER'S REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

Statement of General Partner's responsibilities

The General Partner is responsible for preparing the Strategic Report and General Partner's Report and the financial statements in accordance with applicable law and regulations

The Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the Partners to prepare financial statements for each financial year Under that law the General Partner has 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 General Partner 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 Partnership and of the profit or loss of the Partnership for that period In preparing these financial statements, the General Partner is 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 Partnership will continue in business

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors

At the date of approval of this report, the General Partner confirms that

- so far as the General Partner is aware, there is no relevant audit information of which the Partnership's auditors are unaware, and
- the General Partner has taken all the steps that ought to have been taken as a General Partner to be aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information

The financial statements have been prepared in accordance with part 15 of the Limited Partnership Deed and part 15 of the Companies Act 2006 as required under statutory instrument 2008/569

On behalf of Tesco Kirkby (General Partner) Limited 24 November 2015

Tesco Services Limited
For and on behalf of
General Partner
Tesco Kirkby (General Partner) Limited
Registered Number 06092705
Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE TESCO KIRKBY LIMITED PARTNERSHIP

Report on the financial statements

Our opinion

In our opinion, The Tesco Kirkby Limited Partnership's financial statements (the "financial statements")

- give a true and fair view of the state of the qualifying partnership's affairs as at 28 February 2015 and of its loss for the 53 week period (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 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise

- the Balance Sheet as at 28 February 2015,
- the income statement and statement of comprehensive income for the period then ended,
- the statement of changes in equity for the period then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

In applying the financial reporting framework, the general partner has made a number of subjective judgements, for example in respect of significant accounting estimates In making such estimates, it has made assumptions and considered future events

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility

General Partner's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of general partner's remuneration specified by law are not made We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the general partner

As explained more fully in the Statement of General Partner's Responsibilities set out on page 3, the general partner is 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) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinion, has been prepared for and only for the members of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland) 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 qualifying partnership's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the general partner, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the general partner's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

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

David Beer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
24 November 2015

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

	Notes	2015 £	2014 £
Turnover		**2,415,276**	3,737,212
Administrative expenses		**(709,147)**	(770,149)
Impairment of fixed assets and provisions for liabilities		**(20,951,016)**	(3,270,000)
Operating loss	3	**(19,244,887)**	(302,937)
Interest payable and similar cost	4	**(3,024,074)**	-
Loss on ordinary activities before taxation		**(22,268,961)**	(302,937)
Tax expense	5	**-**	-
Loss and total comprehensive income for the period		**(22,268,961)**	(302,937)

The notes on pages 7 to 12 form part of these financial statements

THE TESCO KIRKBY LIMITED PARTNERSHIP

BALANCE SHEET AS AT 28 FEBRUARY 2015

	Notes	2015 £	2014 £
Fixed assets			
Investment properties	6	**26,791,694**	27,080,727
Tangible fixed assets	7	**987,379**	17,139,759
		27,779,073	44,220,486
Current assets			
Debtors	8	**258,943,771**	10,658,948
Creditors: amounts falling due within one year	9	**(350,032,883)**	(97,880,810)
Net current liabilities		**(91,089,112)**	(87,221,862)
Total assets less current liabilities		**(63,310,039)**	(43,001,376)
Creditors: amounts falling due after one year			
Provisions for liabilities	10	**(1,960,298)**	-
Net liabilities		**(65,270,337)**	(43,001,376)
Capital and reserves			
Partners' capital accounts	11	**1,000**	1,000
Profit and loss reserve		**(65,271,337)**	(43,002,376)
Total equity		**(65,270,337)**	(43,001,376)

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

	Notes	*Partners' capital accounts* £	*Profit and loss reserve* £	*Total equity* £
At 23 February 2013		1,000	(42,699,439)	(42,698,439)
Loss and total comprehensive income for the year		-	(302,937)	(302,937)
At 22 February 2014		1,000	(43,002,376)	(43,001,376)
Loss and total comprehensive income for the year		-	(22,268,961)	(22,268,961)
At 28 February 2015		**1,000**	**(65,271,337)**	**(65,270,337)**

The notes on pages 7 to 12 are an integral part of the financial statements

The financial statements on pages 5 to 12 were approved by the General Partner on 24 November 2015 and were signed on its behalf by

Tesco Services Limited
For and on behalf of
General Partner
Tesco Kirkby (General Partner) Limited
Registered Number 06092705
Registered Office Tesco House, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL

THE TESCO KIRKBY LIMITED PARTNERSHIP

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

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of The Tesco Kirkby Limited Partnership (the "Partnership") for the year ended 28 February 2015 were approved by the General Partner on 24 November 2015 and the balance sheet was signed on the General Partner's behalf by Tesco Services Limited The Tesco Kirkby Limited Partnership is incorporated and domiciled in England and Wales

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 financial statements have been prepared under the historical cost convention and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations")

2 ACCOUNTING POLICIES

Basis of preparation

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) as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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 Partnership is a qualifying entity for the purposes of FRS 101 Note 13 gives details of the Partnership'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 Partnership prepared in accordance with FRS 101 The Partnership's date of transition to FRS 101 is 24 February 2013 The Partnership has notified its Partners in writing about, and they do not object to, the use of the disclosure exemptions used by the Partnership 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 Partnership's previously adopted accounting policies in accordance with UK GAAP was not material on the Partners' equity as at the date of transition and as at 23 February 2014 and on the profit or loss for the year ended 28 February 2015

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

- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements
- 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 73(e) of IAS 16 Property, Plant and Equipment, and
  (ii) paragraphs 76 and 79(d) of IAS 40 Investment Property
- 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 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 principal accounting policies adopted by the Partnership are set out in note 2 These policies have been consistently applied to all periods presented unless otherwise stated

2 ACCOUNTING POLICIES (continued)

Changes in accounting policy and disclosures

IFRS 13 Fair Value Measurement

IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS The Partnership is exempt under FRS 101 from the disclosure requirements of IFRS 13

There was no impact on the Partnership from the adoption of IFRS 13

Going concern

It is the current intention of the Partnership's ultimate parent undertaking to continue to finance the Partnership (through other group companies) 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 accounts have been prepared on a going concern basis

Significant accounting policies

a) Investment properties

Investment properties are carried at cost less accumulated depreciation and any recognised impairment in value Freehold buildings are depreciated on a straight-line basis to their residual value over its anticipated useful economic life, over 40 years

b) Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows

Buildings - over 20 to 40 years
Plant and equipment - over 5 to 15 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition

c) Impairment of non-financial assets

The Partnership assesses at each reporting date whether there is an indication that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the Partnership makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount Impairment losses on continuing operations are recognised in the income statement

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

2 ACCOUNTING POLICIES (continued)

c) Impairment of non-financial assets (continued)

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase

d) Provisions for liabilities

A provision is recognised when the Partnership has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability

Where the Partnership expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain The expense relating to any provision is presented in the income statement net of any reimbursement Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost

e) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Partnership becomes a party to the contractual provisions of the instrument

Trade and other receivables

Trade receivables including intercompany balances are non-interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment

Interest-bearing borrowings including intercompany balances
Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis

Trade and other payables
Trade payables including intercompany balances are non-interest-bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets All other borrowing costs are expensed in the period they occur Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

g) Turnover recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Partnership and the revenue can be reliably measured Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes

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

3 OPERATING LOSS

The General Partner received no emoluments for its services to the Partnership (2014 £nil)

The Partnership had no employees during the 53 weeks ended 28 February 2015 (2014 none)

The operating loss is stated after impairment on fixed assets of £18,604,747 and charges for provision for liabilities of £2,346,263

The auditors' remuneration of £7,675 (2014 £7,000) for the current and prior period was borne by Tesco Stores Limited

4 INTEREST PAYABLE

	2015	2014
	£	£
Other loans	**3,024,074**	-
Total interest payable and similar costs	**3,024,074**	-

Interest is payable on the loan advanced to the Partnership by Tesco Stores Limited in the year Further details of this loan are given in note 9 Interest payable is shown net of £724,499 interest capitalized as part of Fixed Assets

5 TAXATION

The financial information does not incorporate any charge or liability for taxation on the results of the Partnership, as the relevant income tax or tax on capital gains is the responsibility of the individual Partners

6 INVESTMENT PROPERTIES

	Total
	£
Cost	
At 23 February 2014 and at 28 February 2015	**70,997,200**
Accumulated depreciation and impairment	
At 23 February 2014	43,916,473
Provided during the year	289,033
At 28 February 2015	**44,205,506**
Net Book value	
At 28 February 2015	**26,791,694**
At 23 February 2014	27,080,727

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

7 TANGIBLE FIXED ASSETS

	Land and buildings under construction £	Total £
Cost		
At 23 February 2014	27,573,440	27,573,440
Additions	2,452,367	2,452,367
At 28 February 2015	30,025,807	30,025,807
Accumulated depreciation and impairment		
At 23 February 2014	10,433,681	10,433,681
Impairment loss	18,604,747	18,604,747
At 28 February 2015	29,038,428	29,038,428
Net Book value		
At 28 February 2015	987,379	987,379
At 23 February 2014	17,139,759	17,139,759

Impairment
The impairment loss during the year of £18,604,747 arose as a result of the decision not to proceed with the Kirkby town centre development, resulting in the carrying value of assets being held at the lower of cost and their net realisable amount as assessed by Management

8 DEBTORS

	2015 £	2014 £
Trade debtors	153,706	209,527
Service charge debtor	105,991	31,162
Prepayments	28,921	7,856
Amounts owed by group undertakings	258,655,153	10,410,403
	258,943,771	10,658,948

Amounts owed by group undertakings include an interest free loan of £250,000,000 advanced to Tesco Stores Limited during the year This balance is repayable, and was repaid, on 2 March 2015 All other amounts owed by group undertakings are unsecured, interest free and are repayable on demand

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Loan due to Tesco PLC	64,017,034	64,017,034
Amounts owed to group undertakings	285,006,711	33,517,167
Deferred income	193,192	263,667
VAT	26,185	82,942
Accruals	789,761	-
	350,032,883	97,880,810

THE TESCO KIRKBY LIMITED PARTNERSHIP

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

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Amounts owed by group undertakings include an amount of £250,000,000 advanced by Tesco Stores Limited during the year This balance is interest bearing at 1 94075% and the loan principal is repayable, and was repaid, on 2 March 2015 The loan from Tesco PLC is interest free and is repayable on demand The amounts are unsecured All other amounts owed to group undertakings are unsecured, interest free and are repayable on demand

10 PROVISIONS FOR LIABILITIES

	Committed costs	Total
	£	£
At 22 February 2014	-	-
Arising during the year	2,346,263	2,346,263
Utilisation	(385,965)	(385,965)
At 28 February 2015	**1,960,298**	**1,960,298**

Committed costs

A provision is recognised for Management's best estimate of the amount required to complete the committed work to transform the public space in the existing town centre prior to sale

11 PARTNERS' CAPITAL ACCOUNTS

The Partnership was formed on 20 February 2007 The Partnership was originally constituted under the Initial Partnership Agreement dated 21 February 2007, with capital injections totalling £1,000

Tesco Kirkby (LP) Limited owns 49 5%, The Tesco Kirkby Unit Trust owns 49 5%, and Tesco Kirkby (General Partner) Limited owns 1 0% of the Partnership and the Partners' Capital of £1,000 is in the same proportion as the ownership percentages noted

12 RELATED PARTY TRANSACTIONS

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

13 POST BALANCE SHEET EVENTS

On 14 October 2015 the Partnership agreed the sale of the Investment Properties for £34 8m and the Fixed Assets for £1m to St Modwen

14 ULTIMATE GROUP UNDERTAKING

The immediate parent undertakings of the Partnership are Tesco Kirkby (LP) Limited, The Tesco Kirkby Unit Trust and Tesco Kirkby (General Partner) Limited

The ultimate parent undertaking and controlling party is Tesco PLC which is registered in England and Wales and which is the ultimate 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