

2770004

TESCO OVERSEAS (HOLDINGS) LIMITED

REPORT AND ACCOUNTS

FOR THE 52 WEEKS ENDED 24 FEBRUARY 1996



TESCO OVERSEAS (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial accounts for the 52 weeks ended 24 February 1996.

PRINCIPAL ACTIVITY

The principal activity of the Company during the period was that of a holding company.

RESULTS AND DIVIDENDS

During the period the company has not traded and has not incurred any liabilities and consequently has made neither profit nor loss. The directors do not recommend payment of a dividend for the period.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were:

Sir Ian MacLaurin
R.S. Ager
D.E. Reid
J.A. Bailey

None of the directors had any disclosable interests in the Company during the period. Sir Ian MacLaurin, R.S. Ager and D.E. Reid are also directors of Tesco PLC, the Company's ultimate holding company, and as such their disclosable interests in Tesco PLC are declared in the accounts of that company.

For the director at 24 February 1996 who was not also a director of the ultimate holding company, his interests in the shares of Tesco PLC at this date are given below:-

	Ordinary Shares		Executive SAYE Options*	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
J.A. Bailey	6,091	4,780	50,315	80,315

* Executive share option scheme (1984 and 1994) and savings related share option scheme (1981). Details of these schemes are set out in the Annual Report and Accounts of Tesco PLC.

TESCO OVERSEAS (HOLDINGS) LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS AND OFFICERS LIABILITY INSURANCE

During the year ended 24 February 1996 the company had directors' and officers liability insurance in force.

RESPONSIBILITIES OF DIRECTORS

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 6 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

Price Waterhouse have expressed their willingness to continue in office. In accordance with section 384 of the Companies Act 1985 a resolution proposing their re-appointment as auditors of the company will be put to the Annual General Meeting.

By Order of the Board



M J Field
Secretary

Tesco Overseas (Holdings) Limited
Registered Number 2770004

18 December 1996

TESCO OVERSEAS (HOLDINGS) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF TESCO OVERSEAS (HOLDINGS) LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As set out on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

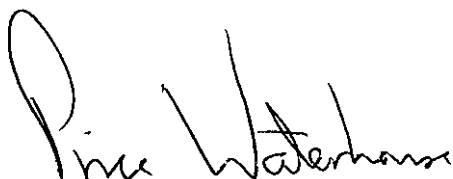
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which are considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 24 February 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors
10 Bricket Road
St Albans
Herts AL1 3JX

18 December 1996

TESCO OVERSEAS (HOLDINGS) LIMITED**BALANCE SHEET AT 24 FEBRUARY 1996**

	<u>Note</u>	<u>1996</u> £'000	<u>1995</u> £'000
FIXED ASSETS			
Investment in subsidiary undertakings	3	<u>214,513</u>	<u>184,955</u>
CURRENT ASSETS			
Debtors - Amounts due from group undertakings		82,214	4,412
Cash at bank and in hand		<u>1</u>	<u>-</u>
		82,215	4,412
CREDITORS - amounts falling due within one year			
Amounts due to group undertakings		(92,116)	(11,678)
NET CURRENT LIABILITIES		<u>(9,901)</u>	<u>(7,266)</u>
NET ASSETS		<u>204,612</u>	<u>177,689</u>
CAPITAL AND RESERVES			
Share Capital	4	501	501
Share Premium	5	177,188	177,188
Other Reserve	6	26,923	-
		<u>204,612</u>	<u>177,689</u>

The Company has not traded during the year and has not incurred any liabilities and consequently has made neither a profit nor loss.

Approved by the Board on 18 December 1996.


J A BAILEY DIRECTOR

The notes on pages 5 to 6 form part of these accounts

TESCO OVERSEAS (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTS

The accounts are prepared in accordance with applicable accounting standards, under the historical cost convention, and are in accordance with the Companies Act 1985. Group accounts have not been prepared because the company is a wholly owned subsidiary of a body corporate, incorporated in Great Britain.

In accordance with paragraph 8c of FRS1, the company being a wholly owned subsidiary of another company which prepares a cash flow statement including the cash flow of this company, has not prepared such a statement itself.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the financial period end rates. Gains and losses arising on the translation of the net assets of overseas subsidiaries are taken to reserves, less exchange differences arising on foreign currency borrowings. Other exchange differences are taken to the profit and loss account.

INVESTMENTS

Investments are included in the accounts at a revalued amount to reflect their net asset value at the year end and original goodwill on acquisition. Differences between net asset value and carrying value are adjusted for through the company's reserves. These are analysed between that element due to foreign exchange movements, taken to a foreign exchange reserve account, and that element due directly to the underlying movement in the subsidiary companies value, reflected in the revaluation reserve.

2. PROFIT AND LOSS ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES

During the year the company received no income and incurred no expenditure. Consequently during the year, the company made neither a profit or loss nor made a recognised gain or loss.

The directors of the company received no emoluments in respect of their services during the period. The company had no employees during the period. Auditors' remuneration has been borne by the parent company.

TESCO OVERSEAS (HOLDINGS) LIMITED

NOTES TO ACCOUNTS continued

3. INVESTMENTS - SHARES IN SUBSIDIARY UNDERTAKINGS

	<u>1996</u>	<u>1995</u>
	£'000	£'000
Shares in subsidiary undertakings at cost	187,590	184,955
Revaluation	<u>26,923</u>	<u>-</u>
	<u>214,513</u>	<u>184,955</u>

The Company holds 84.33 % of the share capital of Cheshunt Overseas Finance BV, a company incorporated in the Netherlands, which itself is the holding company of several overseas trading companies. In the year the investment has been revalued to reflect the net asset value of Cheshunt Overseas Finance BV and its subsidiary undertakings.

4. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£'000	£'000
Authorised - 600,000 ordinary shares of £1 each	<u>600</u>	<u>600</u>
Issued - 501,000 ordinary shares of £1 each	<u>501</u>	<u>501</u>

5. SHARE PREMIUM ACCOUNT

	<u>1996</u>	<u>1995</u>
	£'000	£'000
Premium on shares issued	<u>177,188</u>	<u>177,188</u>

6. OTHER RESERVES

	<u>Foreign Exchange Reserve</u>	<u>Revaluation Reserve</u>	<u>Total Other Reserves</u>
	£'000	£'000	£'000
At 25 February 1995	-	-	-
Revaluation of investments	<u>7,244</u>	<u>19,679</u>	<u>26,923</u>
At 24 February 1996	<u>7,244</u>	<u>19,679</u>	<u>26,923</u>

7. PARENT COMPANY

The parent and ultimate holding company is Tesco PLC which is incorporated in Great Britain and registered in England and Wales. Copies of the group accounts can be obtained from the Company Secretary, Tesco PLC, Tesco House, P.O.Box 18, Delamare Road, Cheshunt, Herts EN8 9SL.