

DILLONS NEWSAGENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

Registered Number: 140624

TUESDAY



P8KMRCBH

PC5

11/08/2009

218

COMPANIES HOUSE

DILLONS NEWSAGENTS LIMITED

DIRECTORS' REPORT

Directors' Report for the 53 weeks ended 28 February 2009

The directors present their report and audited financial statements of Dillons Newsagents Limited (the "company") for the 53 weeks ended 28 February 2009.

Business review and principal activities

The company did not trade during the period. The only items in the profit and loss account are the preference share dividend and a tax credit.

The results for the period show a pre-tax loss of £20,000 (2008: £20,000)

The directors do not recommend the payment of a dividend (2008: £nil).

The company has net assets of £49m (2008: £48m).

Future outlook

There is no intention for the company to trade in the foreseeable future.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Tesco PLC and are not managed separately. These risks are discussed on page 38 of the Tesco PLC group annual report for the 53 weeks ending 28 February 2009 which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Research and development

The company does not undertake any research and development activities.

Employees

The company had no employees during the period (2008: none).

Directors and their interests

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

A T Higginson
L J Neville-Rolfe
M Everitt
D Turner
J M Lloyd

None of the directors had any disclosable interests in the company during the period.

A T Higginson and L J Neville-Rolfe are also directors of Tesco PLC, the company's ultimate parent company, and as such their disclosable interests in Tesco PLC are all declared in the financial statements of that company.

DILLONS NEWSAGENTS LIMITED

DIRECTORS' REPORT

Directors' Report for the 53 weeks ended 28 February 2009 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there will be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 Acts 1985 and 2006 as applicable. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to auditors


Each director who is a director 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
- each director 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.

Independent auditors

Pursuant to Section 386 of the Companies Act 1985 the company has elected to dispense with the obligations to appoint auditors annually in both the next financial period and all subsequent periods.

By order of the Board on the 5th August 2009.


Jonathan Lloyd
Director
Dillons Newsagents Limited
Registered Number 140624

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DILLONS NEWSAGENTS LIMITED

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 845039

We have audited the financial statements of Dillons Newsagents Limited for the 53 weeks ended 28 February 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

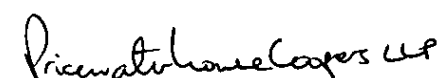
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 we 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2009 and of its results for the 53 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

52 August 2009

DILLONS NEWSAGENTS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009**

	Notes	2009 £'000	2008 £'000
Interest payable and similar charges	3	(20)	(20)
Loss on ordinary activities before taxation		(20)	(20)
Tax on loss on ordinary activities	4	1,063	(1,083)
Profit / (loss) for the financial period	10/11	1,043	(1,103)

There are no recognised gains or losses other than those shown in the Profit and Loss account above.

There is no difference between the loss on ordinary activities before taxation and the profit / (loss) for the financial period stated above and their historical cost equivalents.

All operations are continuing for the financial period.

DILLONS NEWSAGENTS LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2009

		2009	2008
		£'000	£'000
	Notes		
Fixed assets			
Investments	5	28	28
Current assets			
Debtors - due within one year	6	123,526	119,878
Creditors – amounts falling due within one year	7	(74,191)	(71,586)
Net current assets		49,335	48,292
Total assets less current liabilities		49,363	48,320
Creditors – amounts due after more than one year	8	(400)	(400)
Net assets		48,963	47,920
Capital and reserves			
Called up share capital	9	5,353	5,353
Share premium account	10	28,931	28,931
Other Reserves	10	160	160
Profit and loss reserve	10	14,519	13,476
Total equity shareholder's funds	11	48,963	47,920

The financial statements on pages 5 to 10 were approved by the board of directors on the 5th August 2009 and were signed on its behalf by:



Jonathan Lloyd
Director
Dillons Newsagents Limited
Registered Number: 140624

DILLONS NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, in accordance with applicable United Kingdom accounting standards, under the historical cost convention and in accordance with the Companies Act 1985. The company's principal accounting policies have been applied consistently during the period and are set out below.

In accordance with FRS 2 "Accounting for Subsidiary Undertakings" and Section 228 of the Companies Act 1985, group financial statements have not been prepared because the company is a wholly owned subsidiary of Tesco PLC, incorporated in England and Wales.

Cash flow statement

The company is a wholly owned subsidiary of Tesco PLC and is included in the consolidated financial statements of Tesco PLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Fixed asset investments

Investments in subsidiaries are stated at cost plus incidental expenses less, where appropriate, provisions for impairment.

2. OPERATING PROFIT

The directors received no emoluments for their services to the company (2008: £nil).

The company had no employees during the period (2008: none).

The auditors' remuneration for the current and prior period was borne by another group company.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£'000	£'000
Preference share dividend paid: 5p (2008: 5p) per £1share	20	20

DILLONS NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge:

The standard rate of Corporation Tax in the UK was changed from 30% to 28% with effect from April 2008. This gives an overall blended Corporation Tax rate for the company for the full year of 28.2%.

	2009 £'000	2008 £'000
Current tax:		
UK Corporation tax on profit / (loss) for the financial period	-	1,063
Adjustments in respect of previous financial periods – due to reallocation of group relief	(1,063)	-
Adjustments in respect of previous financial periods	-	20
Total current tax	(1,063)	1,083

The tax assessed for the period is lower (2008: higher) than the blended rate of corporation tax in the UK (28.2%). The differences are explained below:

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(20)	(20)
Loss on ordinary activities multiplied by standard rate in the UK 28.2% (2008: 30%)	(6)	(6)
Effects of:		
Expenses not deductible for tax purposes	6	6
UK to UK transfer pricing adjustment	-	1,063
Adjustments in respect of previous financial periods – due to reallocation of group relief	(1,063)	-
Adjustments in respect of previous financial periods	-	20
Current tax (credit) / charge for the financial period	(1,063)	1,083

5. INVESTMENTS

	Group companies £'000
At 23 February 2008	28
At 28 February 2009	28

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

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

Subsidiary undertakings	Country of incorporation	% Shares held	Nature of business
Alfred Preedy & Sons Limited	England and Wales	100%	Dormant
Alfred Preedy & Sons (Trustees) Limited	England and Wales	100%	Dormant

DILLONS NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

6. DEBTORS - DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Amounts due from group undertakings	123,526	119,878

Amounts owed by 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

	2009 £'000	2008 £'000
Amounts due to group undertakings	74,191	71,586

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

8. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
400,000 £1 fixed rate preference shares	400	400

The authorised preference share capital of the company is 70,000,000 preference shares of £1 each (2008: 70,000,000 shares of £1 each). The preference shares confer the holder the right to receive a fixed dividend of 5%.

9. CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
24,000,000 (2008: 24,000,000) ordinary shares of 25p each	6,000	6,000
Allotted, called up and fully paid:		
21,412,328 (2008: 21,412,328) ordinary shares of 25p each	5,353	5,353

10. RESERVES

	Share premium £'000	Other reserves £'000	Profit and loss reserve £'000
As at 23 February 2008	28,931	160	13,476
Profit for the financial period	-	-	1,043
As at 28 February 2009	28,931	160	14,519

DILLONS NEWSAGENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2009 (continued)

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2009	2008
	£'000	£'000
Retained profit / (loss) for the financial period	1,043	(1,103)
Net increase / (reduction) to shareholder's funds	1,043	(1,103)
Opening shareholders' funds	47,920	49,023
Closing shareholders' funds	48,963	47,920

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Statusfloat Limited.

The company's ultimate parent undertaking and controlling party is Tesco PLC, which is incorporated in Great Britain and registered in England and Wales, and which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC financial statements can be obtained from the Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.

13. RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 "Related Party Disclosures", as the consolidated financial statements of Tesco PLC, in which the company is included, are available at the address noted above.