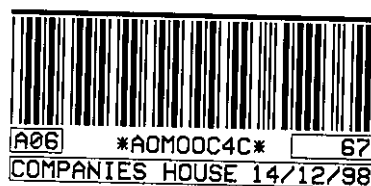


BUGDEN (SUPERMARKETS) LIMITED

REPORT AND ACCOUNTS

FOR THE 53 WEEKS ENDED 28 FEBRUARY 1998



BUGDEN (SUPERMARKETS) LIMITED

DIRECTORS REPORT

The directors present their report and audited accounts for the 53 weeks ended 28 February 1998.

REVIEW OF THE BUSINESS

During the period the company has not traded and has not incurred any liabilities and consequently has made neither profit nor loss.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were as follows:-

D E Reid
R S Ager
J A Bailey

None of the directors had any disclosable interests in the company during the period. For the one director as at 28 February 1998 who was not also a director of the ultimate holding company, his interests in the shares of Tesco PLC at the date of appointment, and at the end of the period are given below:-

	Ordinary Shares		*Share Options	
	<u>28 Feb</u> <u>1998</u>	<u>22 Feb</u> <u>1997</u>	<u>28 Feb</u> <u>1998</u>	<u>22 Feb</u> <u>1997</u>
J A Bailey	12,177	6,017	62,217	70,315

* Executive share option scheme (1984,1994 & 1996) and savings related share option scheme (1981). Details of those schemes are set out in the annual report and accounts of Tesco PLC.

By Order of the Board on 7/2/98



M J Field
Secretary

Bugden (Supermarkets) Ltd
Registered Number 978329

BUGDEN (SUPERMARKETS) LIMITED

BALANCE SHEET AT 28 FEBRUARY 1998

	<u>1998</u> <u>£'000</u>	<u>1997</u> <u>£'000</u>
CURRENT ASSETS		
Amounts due from group undertakings	<u>5,122</u>	<u>5,122</u>
NET CURRENT ASSETS	<u>5,122</u>	<u>5,122</u>
 CAPITAL AND RESERVES		
Called up Share Capital (Note 3)	1	1
Profit and loss account	<u>5,121</u>	<u>5,121</u>
	<u>5,122</u>	<u>5,122</u>

The company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the period ended 28 February 1998.

Approved by the Board on 21/2/98



DIRECTOR

The notes on pages 3 form part of these accounts.

BUGDEN (SUPERMARKETS) LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 28 FEBRUARY 1998

1. ACTIVITY AND DIRECTORS

The company has not traded during the 53 weeks ended 28 February 1998, has not incurred any liabilities and consequently made neither profit nor loss. None of the directors received any emoluments in respect of their services to the company.

2. <u>CALLED UP SHARE CAPITAL</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	3,800	3,800
Deferred Shares of £1 each	<u>96,200</u>	<u>96,200</u>
	100,000	100,000
<u>Allotted, Called up and Fully Paid</u>		
At 28 February 1998 and		
22 February 1997	<u>Number</u>	<u>£</u>
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

3. RIGHT TO PURCHASE FREEHOLD PROPERTIES

Bugden (Supermarkets) Limited has the contractual right to purchase the freehold interests in certain properties at a future specified time. The properties were previously sold to a third party and leased back by a fellow subsidiary undertaking of Tesco PLC.

4. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Tesco PLC, its ultimate holding company. Tesco PLC is incorporated in Great Britain and is registered in England and Wales. Copies of the group accounts can be obtained from The Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire, EN8 9SL.