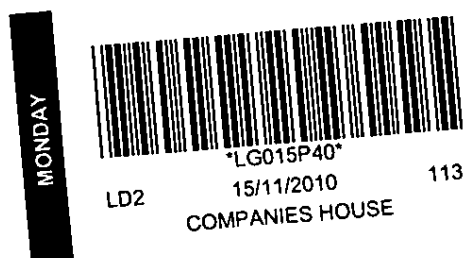


TESCO BLUE (NOMINEE HOLDCO) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010
REGISTERED NUMBER: 5888990



TESCO BLUE (NOMINEE HOLDCO) LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010

The directors present their report and the audited financial statements of Tesco Blue (Nominee Holdco) Limited (the "company") for the 52 week period ended 27 February 2010. The financial period represents 52 weeks ended 27 February 2010 (Prior year 53 weeks ended 28 February 2009).

Business review and principal activities

The principal activity of the company is to act as a holding company for other entities within The Tesco Blue Limited Partnership structure. There has been no significant change in the nature or level of activity during the period and we do not expect this to change significantly throughout the next financial period.

The results for the period show a pre-tax result of £nil (2009: £6). The directors do not recommend the payment of a dividend (2009: £nil).

The company has net assets of £175 (2009: £175).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are related to the payment of balances with related parties.

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 41 of the Tesco PLC group annual report for the 52 weeks ending 27 February 2010, which does not form part of this report.

Charitable and political donations

There were no charitable and political donations for the period (2009: none).

Future outlook

The company's performance is expected to continue throughout the next financial period and it is hoped that the current performance levels will be maintained.

Research and development

The company does not undertake any research and development activities.

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.

Supplier payment policy

The company does not have any direct supplier relationships.

TESCO BLUE (NOMINEE HOLDCO) LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010 (continued)

Employees

The company had no employees during the period (2009 none)

Directors and their interests

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

R Brasher	
A Clark	
M Iddon	(appointed 30 October 2009)
D Potts	
M Rapley	(appointed 25 June 2009)
S Scally	(appointed 25 June 2009)
E O'Hare	(resigned 30 October 2009)

R Brasher and D Potts are also director's 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

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Tesco PLC directors listed above in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year.

Cautionary statement regarding forward-looking information

Where this review contains forward-looking statements, these are made by the directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of important factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

TESCO BLUE (NOMINEE HOLDCO) LIMITED

DIRECTORS' REPORT

Directors' Report for the 52 weeks ended 27 February 2010 (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 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 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.

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

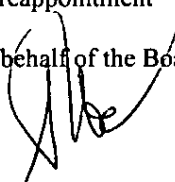
Each director who is a director at the date of approval of this Annual Report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- 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.

Independent auditors

The independent auditors of Tesco Blue (Nominee Holdco) Limited, PricewaterhouseCoopers LLP, are proposed for reappointment.

On behalf of the Board 10 November 2010


A Clark
Director
Tesco Blue (Nominee Holdco) Limited
Registered Number 5888990

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TESCO BLUE (NOMINEE HOLDCO) 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 Tesco Blue (Nominee Holdco) Limited for the 52 weeks ended 27 February 2010 which comprise Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 4, 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 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.

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.

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.

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 27 February 2010 and of its result for the 52 weeks 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 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.



David Beer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

10 November 2010

TESCO BLUE (NOMINEE HOLDCO) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

		52 weeks ended 27 February 2010	53 weeks ended 28 February 2009
	Notes	£	£
Interest receivable	3	-	6
Profit on ordinary activities before taxation		-	6
Tax on profit on ordinary activities	4	-	(1)
Profit for the financial period		-	5
Retained profit for the financial period	9	-	5

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

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

All operations are continuing for the financial period

TESCO BLUE (NOMINEE HOLDCO) LIMITED

BALANCE SHEET AS AT 27 FEBRUARY 2010

	Notes	27 February 2010 £	28 February 2009 £
Fixed Assets			
Investments	5	2	2
Current assets			
Cash at bank and in hand		3,173	174
Creditors – due within one year	6	-	(1)
Net current assets		3,173	173
Creditors – amounts falling due after more than one year	7	(3,000)	-
Net assets		175	175
Capital and reserves			
Called up share capital	8	100	100
Profit and loss reserve	9	75	75
Total equity shareholders' funds	10	175	175

The financial statements on pages 6 to 11 were approved by the board of directors on 10 November 2010 and signed on its behalf by



A Clark
Director
Tesco Blue (Nominee Holdco) Limited
Registered Number 5888990

TESCO BLUE (NOMINEE HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010

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 2006. The company's principle 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 400 of the Companies Act 2006, group financial statements have not been prepared because the company is a wholly owned subsidiary of Tesco Blue (GP) Limited, incorporated in England and Wales.

Cash flow statement

In accordance with paragraph 5 of FRS 1 "Cash Flow Statements (Revised)", the company, being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flows of this company, has not prepared such a statement itself.

Fixed asset investments

Fixed asset investments in subsidiaries and associates are stated at cost plus incidental expenses less, where appropriate, provisions for impairment.

Interest receivable

Interest receivable is calculated on an accruals basis.

Current taxation

The amount included in the Profit and Loss Account 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.

2. OPERATING PROFIT

The directors received no emoluments for their services to the company (2009 £nil).

The company had no employees during the period (2009 none).

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

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 27 February 2010	53 weeks ended 28 February 2009
	£	£
Interest receivable on bank deposits	-	3
	-	3

TESCO BLUE (NOMINEE HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (Continued)

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Factors that have affected the tax charge

The small companies rate of corporation tax in the UK changed from 20% to 21% with effect from April 2008

The overall corporation tax rate for the company for the full year is 21% (2009 blended rate of 20.8%)

	52 weeks ended to 27 February 2010	53 weeks ended to 28 February 2009
	£	£
Current tax:		
UK corporation tax on profit for the financial period	-	1
Adjustments in respect of previous financial periods	-	-
Total current tax	-	1
Tax on profit on ordinary activities	-	1

The tax assessed for the period is the same (2009 the same) as the small companies rate of corporation tax in the UK of 21% (2009 blended rate of 20.8%)

	52 weeks ended to 27 February 2010	53 weeks ended to 28 February 2009
	£	£
Profit on ordinary activities before tax	-	3
Profit on ordinary activities multiplied by small companies rate in the UK 21% (2009 20.8%)	-	1
Effects of	-	-
Expenses not deductible for tax purposes	-	-
Accelerated capital allowances and other timing differences	-	-
Current tax charge for the financial period	-	1

5. INVESTMENTS

	£
Cost	
At 28 February 2009	2
At 27 February 2010	2
Net book value	
At 27 February 2010	2
At 28 February 2009	2

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
Tesco Blue (Nominee 1) Limited	England and Wales	100%	Nominee company
Tesco Blue (Nominee 2) Limited	England and Wales	100%	Nominee company

TESCO BLUE (NOMINEE HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (Continued)

6. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 February 2010	28 February 2009
	£	£
Taxation and social security	-	1

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

	27 February 2010	28 February 2009
	£	£
Tesco Property Finance 1 PLC	3,000	-

The loan from Tesco Property Finance 1 PLC is unsecured, interest free, has no fixed date of repayment and is repayable on 13 July 2039

8. CALLED UP SHARE CAPITAL

	27 February 2010
	£
Authorised	
1,000 (2009 1,000) Ordinary shares of £1 each	1,000
Allotted, called up and fully paid	
100 (2009 100) Ordinary share of £1 each	100

9. RESERVES

	Profit and loss reserve
	£
As at 28 February 2009	75
Profit for the financial period	-
As at 27 February 2010	75

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	27 February 2010
	£
Profit for the financial period	-
Retained profit for the financial period	-
Net proceeds of issue of Ordinary share capital	-
Net additions to shareholders' funds	-
Opening shareholders' funds	175
Closing shareholders' funds	175

TESCO BLUE (NOMINEE HOLDCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2010 (Continued)

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Tesco Blue (GP) Limited. Tesco Blue (GP) Limited is jointly owned by Tesco Property Holdings (No 2) Limited and Tesco Pension Trustees Limited. Tesco Pension Trustees Limited purchased the shares in Tesco Blue (GP) Limited on behalf of the Tesco PLC Pension Scheme (the "Scheme") and is required to act in the best interests of the Scheme. The company's ultimate parent undertaking is Tesco PLC, which is incorporated in Great Britain and registered in England and Wales. 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.

12. RELATED PARTY TRANSACTIONS

During the year, the company received £1,000 from Tesco Property Finance 1 PLC as a loan.