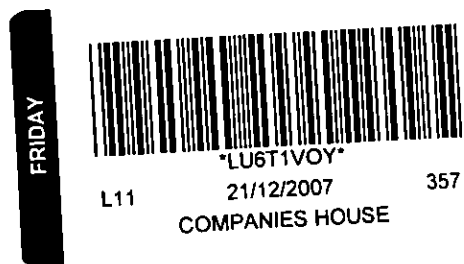


CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 24 FEBRUARY 2007

Registered number: OC313103



CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

MEMBERS' REPORT

The members' present the report and audited financial statements of the Cheshunt Overseas Limited Liability Partnership ("the partnership") for the period ended 24 February 2007

Principal activity

The partnership's principal activity is to provide financing arrangements and grant credit facilities to other group companies. The partnership has an operating branch in Switzerland and a management branch in Hungary

Results and distributions

The partnership made a profit before tax of £57m (2006 £9m) for the period

Designated members

The designated members who served during the period were

Iesco Global Stores Company Limited
Cheshunt Hungary Servicing Limited Liability Company

Other members

The only other member during the period was

Iesco Ireland Limited

Members' interests

An analysis of members' interests of £1,153m (2006 £1,099m) may be found in note 9 to the financial statements. These comprise £1,090m (2006 £1,090m) of members' capital which is not distributable and £63m (2006 £9m) of undistributed members' reserves

Members' profit share

Members are remunerated solely out of the profits of the partnership. Final allocation of profits to members is made according to the Members' Agreement drawn up on the incorporation of the limited liability partnership

Drawings

The drawings by members' can only be made with Board approval

STATEMENT OF MEMBERS' RESPONSIBILITIES

The Companies Act 1985, as applied to Limited Liability Partnerships, requires the members to prepare financial statements for each financial period that give a true and fair view of the state of affairs of Cheshunt Overseas Limited Liability Partnership for that period. In preparing those financial statements the members are required to

- ❖ select suitable accounting policies and then apply them consistently,
- ❖ make judgements and estimates that are reasonable and prudent,
- ❖ state whether applicable accounting standards as specified in accordance with the Limited Liability Partnership Deed have been followed, subject to any material departures disclosed and explained in the financial statements and
- ❖ prepare financial statements on a going concern basis unless it is inappropriate to presume that the partnership will continue in business

The members have confirmed that they have complied with the above requirements in preparing the financial statements

CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

MEMBERS' REPORT (continued)

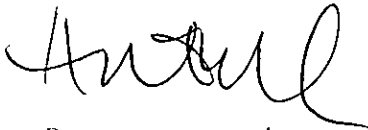
STATEMENT OF MEMBERS' RESPONSIBILITIES (continued)

The members are also responsible for keeping accounting records which are sufficient to show and explain the partnership's transactions and are such to disclose with reasonable accuracy at any time, the financial position of the partnership and thus enable the financial statements to comply with the Companies Act 1985, as applied to limited liability partnerships. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

Independent auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the partnership will be proposed at the annual general meeting.

On behalf of the Management Board



Representative member

Date 18th December 2007

Cheshunt Overseas LLP
Registered number OC313103

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

We have audited the financial statements of Cheshunt Overseas Limited Liability Partnership for the period ended 24 February 2007 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 members and auditors

The members' responsibilities for preparing the Annual Report and 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 Members' 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 members of the partnership in accordance with the Companies Act 1985 as applied to limited liability partnerships by the Limited Liability Partnerships Act 2000 and regulations made thereunder, 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, as applied to limited liability partnerships. We also report to you if, in our opinion, the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Members' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership'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 partnership's affairs as at 24 February 2007 and of its profit for the year then ended and
- have been properly prepared in accordance with the provisions of the Limited Liability Partnerships Regulation 2001 made under the Limited Liability Partnerships Act 2000.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

20th December 2007

CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 24 FEBRUARY 2007

	Notes	2007 £'000	2006 £'000
Net interest receivable	6	60,469	11,900
Net foreign exchange loss		(3,171)	(2,420)
Gross Profit		57,298	9,480
Administrative expenses		(78)	(11)
Profit on ordinary activities before tax	4	57,220	9,469
Tax on profit on ordinary activities	5	(3,119)	(881)
PROFIT FOR THE PERIOD AVAILABLE FOR DISTRIBUTION AMONGST MEMBERS		54,101	8,588

The notes on pages 7 to 9 form part of these financial statements

The partnership has no recognised gains and losses other than the profit shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation above and the historic cost equivalent

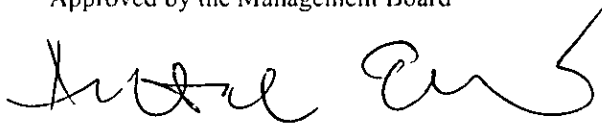
CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

BALANCE SHEET AS AT 24 FEBRUARY 2007

	Notes	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors (amounts due within one year)	7	1,154,200	1,120,724
Cash at bank		144	15
		<u>1,154,344</u>	<u>1,120,739</u>
CREDITORS (amounts falling due within one year)	8	(1,337)	(21,833)
		<u>1,153,007</u>	<u>1,098,906</u>
NFI ASSETS			
TOTAL MEMBERS' INTERESTS			
Members' capital	9	1,090,318	1,090,318
Profit and loss reserve	9	62,689	8,588
		<u>1,153,007</u>	<u>1,098,906</u>
MEMBERS' OTHER INTERESTS		<u>1,153,007</u>	<u>1,098,906</u>

The notes on pages 7 to 9 form part of these financial statements

Approved by the Management Board



Representative member

Date

CHESHUN1 OVERSEAS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007

1 ORGANISATION AND CONTROL

The partnership was incorporated on 5 May 2005 as a limited liability partnership in England and Wales under the Limited Liability Partnerships Act 2000. The partnership is constituted under the Limited Liability Partnership Deed dated 18 May 2005, as amended and restated on 17 August 2005.

2 ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared under the historical cost convention in accordance with the applicable accounting standards and the Statement of Recommended Practice, Accounting by Limited Liability Partnerships in the United Kingdom.

In accordance with FRS 1 (revised), the partnership, being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flows of this partnership, has not prepared such a statement itself.

Interest payable and receivable

Interest payable and receivable is calculated on an accruals basis.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate on the date of the transaction. At each Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the prices prevailing on the Balance Sheet date. All differences are taken to the Profit and Loss account for the period.

Taxation

UK income tax payable on the partnership's profits is solely the liability of the individual members and consequently is not dealt with in these financial statements.

3 PRINCIPAL ACTIVITY

The purpose of the partnership is to provide financing arrangements and grant credit facilities to other group companies.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

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

The partnership had no employees during the period (2006: nil).

The members' received no emoluments for their services to the LLP (2006: £nil).

CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY
2007 (continued)**

5 TAXATION

Analysis of charge in period

	2007	2006
	£'000	£'000
Current tax		
Foreign tax under provision in respect of prior periods	100	-
Foreign tax on profit for the period	3,019	881
Tax on profit on ordinary activities	3,119	881

6. NET INTEREST RECEIVABLE

	2007	2006
	£'000	£'000
Interest receivable	60,469	11,927
Interest payable	-	(27)
	60,469	11,900

7 DEBTORS (AMOUNTS DUE WITHIN ONE YEAR)

	2007	2006
	£'000	£'000
Amounts due from group undertakings	1,154,200	1,120,724

8 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2007	2006
	£'000	£'000
Amounts owed to group undertakings	56	21,744
Corporation tax payable	1,281	89
	1,337	21,833

CHESHUNT OVERSEAS LIMITED LIABILITY PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 FEBRUARY 2007 (continued)

9. MEMBERS' INTERESTS

	Members' capital contributions	Profit and loss reserve	Total
	£'000	£'000	£'000
As at 25 February 2006	1,090,318	8,588	1,098,906
Profit for the period	-	54,101	54,101
As at 24 February 2007	1,090,318	62,689	1,153,007

The partnership was incorporated on 5 May 2005. The Limited Liability Partnership deed dated 18 May 2005 had capital injections totalling £1,000. Subsequent capital of £1,089,318 was injected on 22 August 2005.

The percentage interests of each member at the Balance Sheet date were

Tesco Ireland Limited	99.8%
Tesco Global Stores Company Limited	0.1%
Cheshunt Hungary Servicing Limited Liability Company	0.1%

10. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of the partnership is Tesco Ireland Limited. The ultimate parent undertaking 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 group financial statements can be obtained from The Company Secretary, Tesco PLC, Tesco House, PO Box 18, Delamare Road, Cheshunt, Hertfordshire EN8 9SL.

11. RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the partnership has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures", as the consolidated accounts of Tesco PLC, in which the partnership is included, are available at the address noted above.