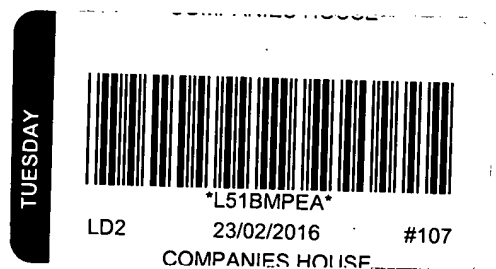


TESCO INTERNATIONAL INTERNET RETAILING
LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

Registered Number: 00041420



TESCO INTERNATIONAL INTERNET RETAILING LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

The Directors present their Report and the audited financial statements of Tesco International Internet Retailing Limited (the "Company") for the 53 weeks ended 28 February 2015 (Prior 52 weeks ended 22 February 2014).

Business review and principal activities

The principal activity of the Company is international internet retailing. Turnover has increased significantly during the period due to the opening of online clothing websites in Poland and Republic Of Ireland (ROI) (October 2014 and May 2014 respectively). The Directors expect performance to diminish throughout the next financial period due to the closure of the online clothing websites in Poland and ROI on 8 September 2015. The international market proposition will continue to operate until closure of the next financial period.

Results and dividends

The results for the period show a profit on ordinary activities before taxation of £3,322k (2014: £2,360k) and turnover of £8,248k (2014: £5,147k).

The Directors do not recommend payment of a dividend for the 53 weeks ended 28 February 2015 (2014: £nil). The retained profit for the 53 weeks ended 28 February 2015 amounted to £3,322k (2014: £2,360k).

Principal risks and uncertainties

The Company is susceptible to economic downturns in the countries where it carries out its business activities.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Tesco PLC Group (the "Group") and are not managed separately. Accordingly, the principle risks and uncertainties of the Group, which include the Company, are discussed on pages 22 to 25 of the Tesco PLC Group Annual Report 2015 which does not form part of this Report.

Financial risk management

The Company is susceptible to movements in foreign exchange rates in the countries where it carries out its business activities.

Political Donations

There were no political donations for the period (2014: nil).

Future outlook

There have been two significant subsequent events since 28 February 2015 (please see note 13). The ROI and Poland online clothing websites were closed as of 8 September 2015. The international markets outside of ROI and Poland continued to trade until 26 January 2016, with the full operation intended to close in March 2016. The intention is that the company will then become dormant. As such the company's performance is expected to diminish during the next financial period.

Going concern

It is the current intention of the Company's ultimate parent undertaking to continue to finance the Company so as to enable it to meet its liabilities as they fall due and to carry on its business. Accordingly the Financial Statements have been prepared on a going concern basis. Please see note 13 for details of subsequent events.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED
DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015
(continued)

Key performance indicators (KPI's)

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.

The development, performance and position of the operations of the Tesco PLC Group (the "Group"), which includes the Company is discussed on pages 10 to 11 of the Group's Annual Report which does not form part of this Report.

Research and development

The company does not undertake any research and development activities (2014: none).

Employees

The company had no employees during the period (2014: none).

Directors and their interests

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

J Easterbrook – Resigned 20 January 2016

J Tarry – Resigned 1 February 2016

K Towle – Resigned 27 February 2015

Tesco Services Limited

M Britten – Appointed 3 November 2015

A Letts – Appointed 3 November 2015

Save as set out below, none of the Directors had any disclosable interests in the Company during this period.

J Easterbrook and J Tarry 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.

During the respective financial period and up until the signing of these accounts, 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 and the Tesco PLC company secretary (who is also a Director of the Company) 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 period.

Strategic Report

The Directors have taken advantage of the exemption provided by section s414 (b) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a Strategic Report.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED
DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015
(continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

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 the 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.

Disclosure of information to auditors

Each director who is a director of the company at the date of approval of these financial statements 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;
- this confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006;
- this report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

22 February 2016



Max Britten
Director
Tesco International Internet Retailing Limited
Registered Number: 00041420
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

Independent auditors' report to the members of Tesco International Internet Retailing Limited

Report on the financial statements

Our opinion

In our opinion, Tesco International Internet Retailing Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 February 2015 and of its profit for the 53 week period (the "period") 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 28 February 2015;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Tesco International Internet Retailing Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Hodgekins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
22 February 2016

TESCO INTERNATIONAL INTERNET RETAILING LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE 53 WEEKS ENDED 28
FEBRUARY 2015

	Note	53 weeks to 28 February 2015 £'000	52 weeks to 22 February 2014 £'000
Turnover		8,248	5,147
Cost of sales		(4,821)	(2,789)
Gross profit		3,427	2,358
Administrative expenses		(105)	2
Operating profit		3,322	2,360
Profit on ordinary activities before taxation		3,322	2,360
Tax on profit on ordinary activities	5	-	-
Total Comprehensive Income for the financial period		3,322	2,360

All operations are continuing for the financial period.

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

The notes on pages 10 to 14 form part of these financial statements.

TESCO INTERNATIONAL INTERNET RETAILING LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE 53 WEEKS ENDED 28
FEBRUARY 2015

	<i>Equity Share Capital</i>	<i>Retained Earnings</i>	<i>Total equity</i>
	£'000	£'000	£'000
At 23 February 2013	738	993	1,731
Total comprehensive income	-	2,360	2,360
At 22 February 2014	738	3,353	4,091
Total comprehensive income	-	3,322	3,322
At 28 February 2015	738	6,675	7,413

TESCO INTERNATIONAL INTERNET RETAILING LIMITED
BALANCE SHEET AS AT 28 FEBRUARY 2015

	Note	28 February 2015 £'000	22 February 2014 £'000
Current assets			
Debtors	6	6,730	4,091
Cash at Bank	7	683	-
Net current assets		7,413	4,091
Total assets less current liabilities		7,413	4,091
Net assets		7,413	4,091
Capital and reserves			
Called up share capital	8	738	738
Retained earnings	9	6,675	3,353
Total equity		7,413	4,091

The financial statements and notes on pages 7 to 14 were approved by the Board of Directors on 22 February 2016 and were signed on its behalf by:



Max Britten
 Director
 Tesco International Internet Retailing Limited
 Registered Number: 00041420
 Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015

1 AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of Tesco International Internet Retailing Limited (the "Company") for the year ended 28 February 2015 were authorised for issue by the Board of Directors on 22 February 2016 and the Balance Sheet was signed on the board's behalf by Max Britten. Tesco International Internet Retailing Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The results of the company are included in the consolidated financial statements of Tesco PLC which are available from Tesco house, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA.

The principal accounting policies adopted by the Company are set out in note 2.

2 ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101. "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS101. FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 11 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the Company's previously adopted accounting policies in accordance with UK GAAP was not material on the shareholders' equity as at the date of transition and as at 28 February 2015 and on the profit for the 53 weeks ended 28 February 2015.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of Cash Flows;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Turnover

Turnover consists of international sales through internet websites carried out by Tesco Stores Limited on behalf of Tesco International Internet Retailing Limited. Turnover is reported net of returns, vouchers and value added taxes. Turnover is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Cost of Sales

Cost of Sales consists of goods purchased from Tesco Stores Limited at book price.

Current taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The amount included in the Statement of Comprehensive Income 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.

Group relief on taxation

The Company may receive or surrender Group relief from Group companies without payment and consequently there may be no tax charge in the Profit and Loss account.

Debtors

Debtors are amounts due from Group Undertakings. Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

3 AUDITORS' REMUNERATION

The auditors' remuneration for the current and prior period was borne by another Group Company.

4 STAFF COSTS AND DIRECTORS' REMUNERATION

The Directors received no emoluments for their services to the Company (2014: £nil).

The Company had no employees during the period (2014: none).

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The standard rate of Corporation Tax in the UK was changed from 23.0% to 21.0% with effect from 1 April 2014. This gives an overall blended Corporation Tax rate for the company for the full year of 21.2 %.

	53 weeks to 28 February 2015 £'000	52 weeks to 22 February 2014 £'000
Current income tax:	-	-
UK Corporation tax on profit for the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax:	-	-
Origination and reversal of temporary differences	-	-
Adjustments in respect of previous periods	-	-
Total deferred tax	-	-
Tax expenses in the statement of comprehensive income	-	-

Reconciliation of Total Tax Charge

The tax assessed for the period is lower (2014: lower) than the blended rate of corporation tax in the UK of 21.2% (2014: 23.1%). The differences are explained below:

	53 weeks to 28 February 2015 £'000	52 weeks to 22 February 2014 £'000
Profit on ordinary activities before tax	3,322	2,360
Profit on ordinary activities multiplied by blended rate in the UK 21.2% (2014: 23.1%)	704	545
Effects of:		
Expenses not deductible for tax purposes		-
Group relief (claimed) without payment	(704)	(545)
Current tax charge for the financial period	-	-

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

6 DEBTORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Amounts owed by Group undertakings	6,730	4,091
	6,730	4,091

Included within amounts owed by group undertakings are amounts that are unsecured, have no fixed date of repayment and are repayable on demand.

7 CASH AT BANK AND IN HAND

	2015	2014
	£'000	£'000
Cash at Bank	683	-
	683	-

Poland and ROI Cash at Bank balances have been translated at respective FX spot rates as at 28 February 2015 (GBP:Pol = 1 : 5.7082 and GBP:Eur = 1 : 1.3761, Source Oanda). The FX loss upon translation has been recognised in the Statement of Comprehensive Income within Administrative Expenses.

8 CALLED UP SHARE CAPITAL

	2015	2014
	£'000	£'000
Allotted, called up and fully paid: 738,378 Ordinary shares of £1 each (2014: 738,378)	738	738

9 RESERVES

	Profit and Loss reserve £'000
As at 22 February 2014	3,353
Profit for the financial period	3,322
As at 28 February 2015	6,675

TESCO INTERNATIONAL INTERNET RETAILING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEKS ENDED 28 FEBRUARY 2015 (continued)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AS AT 28 FEBRUARY 2015

	2015 £'000	2014 £'000
Profit for the financial period	3,322	2,360
Retained profit for the financial period	3,322	2,360
Net additions to the Profit and Loss Account	-	-
Net reduction of ordinary share capital	-	-
Net increase to shareholders' funds	3,322	2,360
Opening shareholders' funds	4,091	1,731
Closing shareholders' funds	7,413	4,091

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is Tesco PLC. The Company is included within the Tesco PLC Group financial statements which are publicly available and can be obtained from the Company Secretary, Tesco PLC, Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA.

12 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exception under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

13 SUBSEQUENT EVENTS

The ROI and Poland websites ceased trading on 8 September 2016. International market proposition has been reviewed and ceased to trade from 26 January 2016, with the intention to cease all operations by the end of March 2016.

There are currently no plans to liquidate the Company and so during the financial period to February 2017 the Company will become dormant.

Parent company 'Tesco PLC' has pledged not to recall any liabilities in the 12 months following the Balance Sheet signing date.