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TESCO (OVERSEAS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 23 FEBRUARY 2002



TESCO (OVERSEAS) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 23 February 2002.

Principal activity

The principal activity of the company is to act as a holding company.

Results and dividends

The company made a profit after taxation in the period of £nil (2001: £611,800). The directors recommend the payment of a dividend of £nil (2001: £874,000).

Directors and their interests

The directors who served during the year were:

R S Ager
D E Reid
J A Bailey

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

D E Reid and R S Ager are also directors of Tesco PLC, the company's ultimate parent company, and as such their disclosable interest in Tesco PLC are all declared in the financial statements of that company.

For the one director as at 23 February 2002, who was not also a director of the ultimate parent company, his interests in the shares of Tesco PLC at the beginning and end of the year are given below:

	Ordinary shares		2002	Share options*		2001
	2002	2001		Granted	Exercised	
J A Bailey	30,751	28,021	93,220	30,959	38,849	101,110

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

Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 7 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

TESCO (OVERSEAS) LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities (continued)

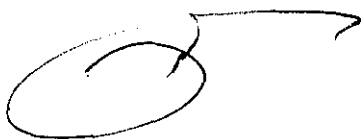
The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board on 17 December 2002

J A Bailey
Director

A handwritten signature in black ink, consisting of a large, stylized 'J' and 'A' followed by a horizontal line.

Tesco (Overseas) Limited
Registered Number 1611684

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF TESCO (OVERSEAS) LIMITED**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on pages 1 and 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members 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 in to 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

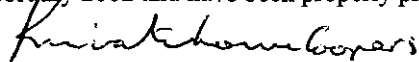
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 of the state of the company's affairs at 23 February 2002 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

27 December 2002

TESCO (OVERSEAS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 23 FEBRUARY 2002

	Note	2002 £	2001 £
Income from shares in group undertakings		-	874,000
Profit on ordinary activities before taxation	2	-	874,000
Tax on profit on ordinary activities	3	-	(262,200)
Profit on ordinary activities after taxation		-	611,800
Equity dividends		-	(874,000)
Retained loss for the financial year		-	(262,200)

The company had no recognised gains or losses other than those reflected in the profit and loss account above.

The notes on pages 6 and 7 form part of these financial statements.

TESCO (OVERSEAS) LIMITED

BALANCE SHEET AS AT 23 FEBRUARY 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments in subsidiary undertakings	4	1	-
CURRENT ASSETS			
DEBTORS : Amounts due from group undertakings		947,203	947,203
CREDITORS: amounts falling due within one year			
Amounts due to group undertakings		(894,225)	(894,224)
NET CURRENT ASSETS		52,979	52,979
NET ASSETS		52,979	52,979
CAPITAL AND RESERVES			
Called up share capital	5	740	740
Profit and loss account		52,239	52,239
EQUITY SHAREHOLDERS' FUNDS	6	52,979	52,979

Approved by the Board on 17 December 2002

J A Bailey
Director



The notes on pages 6 and 7 form part of these financial statements.

TESCO (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 23 FEBRUARY 2002

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention.

In accordance with FRS1 (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.

Group accounts

In accordance with FRS2, group accounts are not prepared because the company is a wholly owned subsidiary of a body corporate, incorporated in the UK.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditors' remuneration is paid by another Group company.

The company had no employees during the period (2001: nil).

Directors received no emoluments for their services to the company (2001: £nil).

3 TAXATION ON ORDINARY ACTIVITIES

	2002 £	2001 £
(a) Analysis of change in year		
Current Tax :		
UK Corporation tax at 30% (2001 : 30%)	-	262,220
Tax on profit on ordinary activities	-	262,220

(b) Factors affecting tax charge for the year

The tax assessed for the year is equal to the standard rate of corporation tax in the UK (30%).

TESCO (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 23 FEBRUARY 2002 (continued)

4 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The company holds the entire issued share capital of Tesco Insurance Limited, an insurance company incorporated in Guernsey. The cost of the investment was £252,493 (2001: £252,493). A provision has been made against the cost of the investment for £252,493 (2001: £252,493).

The company holds the entire share capital of Tesco International Finance (Hong Kong) Ltd, a company incorporated in Hong Kong. During the year this investment was increased to HK\$10 [£1] (2001: HK\$2).

5 CALLED-UP SHARE CAPITAL

	2002 £	2001 £
Authorised :		
900 ordinary shares of £1 each	900	900
Allotted and fully paid		
740 ordinary shares of £1 each	740	740

6 MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial period	-	611,800
Dividend proposed	-	(874,000)
Net reduction to shareholders' funds	-	(262,200)
Opening shareholders' funds	52,979	315,179
Closing shareholders' funds	52,979	52,979

7 ULTIMATE PARENT UNDERTAKING

The parent and ultimate parent company 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.

8 RELATED PARTY TRANSACTIONS

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption under 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.