



## **Tesco Property Finance 3 plc**

**£ 958,450,000 Secured 5.744 per cent. Bonds due 13 April 2040**

**Issuer and Partnership Quarterly Report for the period covering April 2014 - July 2014**

**IPD 17**

Report Date	10-Oct-14
Loan Interest Payment Date	10-Oct-14
Calculation Date	08-Jul-14
Interest Payment Date	13-Oct-14

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 3 plc, The Tesco Passaic Limited Partnership, Tesco Passaic (Nominee 1) Limited, Tesco Passaic (Nominee 2) Limited and Tesco Passaic (GP) Limited.

**1. Partnership Rent Account 70295444**

Opening Balance		5,000.03 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Jul-10	Initial Deposit on Closing Date	5,000.00	Cr
24-Sep-14	Rent	14,059,569.60	Cr
10-Oct-14	To Partnership Transaction Account	14,059,569.60	Dr
Closing Balance		5,000.03	Cr

**2. Partnership VAT Account 70295460**

Opening Balance		2,975,101.22 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
21-Jul-14	Tesco Stores	1,745.56	Cr
29-Jul-14	VAT Payment	2,740,222.15	Dr
24-Sep-14	VAT Funding	2,811,913.96	Cr
Closing Balance		3,048,538.59	Cr

**3. Partnership Transaction Account 70295452**

Opening Balance		257,928.54 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
06-Oct-14	Credit Interest	1,368.19	Cr
10-Oct-14	Transfer from Rent	14,059,569.60	Cr
10-Oct-14	Trustee Fee	1,500.00	Dr
10-Oct-14	Ongoing Fee	65,848.81	Dr
10-Oct-14	Expenses	67,808.40	Dr
10-Oct-14	Partnership Swap payment	669,595.12	Cr
10-Oct-14	Partnership Debt	14,456,591.18	Dr
10-Oct-14	Spem Hill Management Ltd	390,463.06	Dr
Closing Balance		6,250.00	Cr

**4. General Partner Corporation Tax Reserve Account 70295487**

Opening Balance		0.00 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		0.00	Cr

**5. General Partner VAT Transaction Account 70298993**

Opening Balance		164,514.57 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-14	Credit Interest	62.20	Cr
Closing Balance		164,576.77 Cr	

**Expense Reserve Ledger - Max GBP 500,000.00**

Date			
DATE			
	13-Oct-14	6,250.00	Cr
Balance		6,250.00 Cr	

**6. Partnership Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Oct-14	<b>Partnership Available Funds</b>		
	a Rental Income		14,059,569.60
	b Funds from Issuer under Partnership Swaps		14,456,632.00
	c From Partnership VAT Account		-
	d From Partnership Disposal Proceeds Account		-
	e From Partnership Insurance Proceeds Account		-
	f Interest received by the Partnership Accounts and Rent Account		1,368.19
	g Eligible Investment Earnings by Partnership		-
	h Advance under Committed Subordinated Loan Agreement		-
	i Net proceeds of a CPO Disposal or a Mortgage Property		-
	j Net proceeds of a disposal of a Mortgage Property		-
	k Any other sums standing to the credit of the Partnership Transaction Ac		257,928.54
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	60,098.81	
	c Partnership Operating Expenses excluding GP UK Tax	-	
	d Partnership Operator Fee	52,419.60	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	4,500.00	
	d Nominees Holdco Corporate Services Provider Fee	6,388.80	
	d PL Propco Corporate Services Provider Fees	4,500.00	
	d Nominees Side Letter payments	-	
	d Nominees Holdco Side Letter payments	-	
	d Account Bank Fee	-	
	d Cash Manager Fee	-	
	Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	5,000.00	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250)	6,250.00	
	f Partnership Debt Interest	13,598,030.18	
	f Partnership Swap payment	13,787,036.88	
	g Partnership Debt Principal	858,561.00	
	Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Partnership Swap Termination Amount	-	
	j Property Pool Manager Fee	390,463.06	
	k Partnership Expenses Ledger payment	-	0.00
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	-	
	<b>Totals</b>	<b>28,775,498.33</b>	<b>28,775,498.33</b>

**7. Issuer Transaction Account 70295495**

Opening Balance		32,712.14 Cr	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
06-Oct-14	Credit Interest	250.78	Cr
13-Oct-14	Swaps Receipts	669,595.12	Cr
13-Oct-14	Partnership Debt	14,456,591.18	Cr
13-Oct-14	Swap Pays	669,595.12	Dr
13-Oct-14	Ongoing Fee	65,848.81	Cr
13-Oct-14	HSBC Fee	7,700.00	Dr
13-Oct-14	Notes	14,456,591.18	Dr
13-Oct-14	Issuer Operating Expenses	57,398.81	Dr
	Closing Balance	<u>33,712.92</u>	Cr

**8. Issuer Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Oct-14	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		13,787,036.88
	b Amounts due to Issuer in respect of Partnership Loan		14,522,439.99
	c Any amount due to Issuer under Issuer Swap Agreement		14,456,632.00
	d Interest Received by Issuer on Transaction Account		250.78
	e Eligible Investment Earnings		-
	<b>Issuer Pre-Enforcement Priority of Payments</b>		
	a Bond Trustee Fee	1,200.00	
	a Issuer Security Trustee Fee	1,500.00	
	b Issuer Operating Expenses	57,398.81	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	-	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	13,598,030.18	
	d Bond Principal	858,561.00	
	d Issuer Swap Provider	13,787,036.88	
	d Partnership Swap payment	14,456,632.00	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	250.78	
	<b>Totals</b>	<b>42,766,359.65</b>	<b>42,766,359.65</b>

## 9. Bond Information

Listing Irish Stock Exchange

Original Rating

Moody's A3

Standard and Poor's A-

Fitch A-

Offered Date 07 July 2010

Expected Maturity 13 April 2040

Issue Amount £958,450,000

ISIN code XS0512401976

Interest Rate 5.744% p.a.

Current Factor 0.987988976994105

Next Factor 0.987093196306536

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