



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

Contents of the Report:

- 1 Partnership Rent Account**
- 2 Partnership VAT Account**
- 3 Partnership Transaction Account**
- 4 General Partner Corporation Tax Reserve Account**
- 5 General Partner VAT Transaction Account**
- 6 Partnership Pre-Enforcement Priority of Payments**
- 7 Issuer Transaction Account**
- 8 Issuer Pre-Enforcement Priority of Payments**
- 9 Bond Information**

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	Partnership Available Funds		
	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
	Partnership Pre-Enforcement Priority of Payments		
	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	-	
	Totals	28,775,498.33	28,775,498.33

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	Issuer Available Funds		
	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		-
	Issuer Pre-Enforcement Priority of Payments		
	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	
	Totals	42,766,359.65	42,766,359.65

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

Disclaimer - This report has been prepared for current Noteholders and is for the purposes of information and convenient reference only. It is not intended as an offer of finance.

This report is confidential. Distribution of this report, or of the information contained in it, to any person other than an original recipient (or to such recipient's advisors) is prohibited. Reproduction of this report, in whole or in part, or disclosure of any of its contents without the prior consent of HSBC Bank plc is prohibited.

Some information included in this report is estimated, approximated or projected. The information contained in this report has been obtained from sources believed to be reliable but none of the Issuer, any affiliate of the Issuer, any Transaction Party or HSBC Bank plc makes any representation or warranty (express or implied) of any nature or accepts any responsibility or liability of any kind for completeness or accuracy of the content of this report or for any loss or damage (whether direct, indirect, consequential or other) arising out of reliance upon this report. Information in this document has not been independently verified by HSBC Bank plc.

This document is not intended to provide and should not be relied upon for tax, legal or accounting advice or as a recommendation to purchase or sell investments. Noteholders should consult their tax, legal, accounting or other advisors if required.

The foregoing does not exclude or restrict any obligation that HSBC Bank plc may have under the Prudential Regulation Authority/ Financial Conduct Authority Rules, or any liability that it may incur under the Prudential Regulation Authority/ Financial Conduct Authority Rules or the Financial Services and Markets Act 2000 (or any amendment thereof) for breach of any such obligation.

HSBC Bank plc is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority and is a member of the HSBC Group of companies. HSBC Bank plc's registered office is at 8 Canada Square, London, E14 5HQ.