



## Tesco Property Finance 2 plc

£ 564,500,000 Secured 6.0517 per cent. Bonds due 13 October 2039

Issuer and Partnership Quarterly Report for the period covering April 2018 to July 2018

IPD 35

Report Date	06-Jul-18
Loan Interest Payment Date	10-Jul-18
Calculation Date	06-Jul-18
Interest Payment Date	13-Jul-18

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 2 plc,  
The Tesco Atrato Limited Partnership,

**1. Partnership Rent Account**

Opening Balance		5,000.14	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
21-Jun-18	Rent	9,432,062.14	Cr
10-Jul-18	To Partnership Transaction Account	9,432,062.14	Dr
<b>Closing Balance</b>		<b>5,000.14</b>	<b>Cr</b>

**2. Partnership VAT Account**

Opening Balance		1,918,791.89	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
27-Apr-18	VAT Payment	1,879,799.77	Dr
21-Jun-18	VAT Funding	1,886,412.45	Cr
<b>Closing Balance</b>		<b>1,925,404.57</b>	<b>Cr</b>

**3. Partnership Transaction Account**

Opening Balance		498,174.52	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
09-Jul-18	Credit Interest	1,289.25	Cr
10-Jul-18	Transfer from VAT Account	0.00	Cr
10-Jul-18	Transfer from Rent	9,432,062.14	Cr
10-Jul-18	Trustee Fee	1,500.00	Dr
10-Jul-18	Ongoing Fee	15,998.58	Dr
10-Jul-18	Expenses	6,782.10	Dr
10-Jul-18	Partnership Swap payment	994,206.35	Cr
10-Jul-18	Partnership Debt	10,258,559.14	Dr
10-Jul-18	Property Pool Manager Fee	77,380.16	Dr
10-Jul-18	Partnership distribution account	65,512.28	Dr
<b>Closing Balance</b>		<b>500,000.00</b>	<b>Cr</b>

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

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

## 5. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jul-18			
	<b>Partnership Available Funds</b>		
	a) Rental Income		9,432,062.11
	b) Funds from Issuer under Partnership Swaps		10,258,582.98
	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		1,289.25
	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		-
	<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)	2,700.00	
	c) Partnership Operating Expenses excluding GP UK Tax	5,891.21	
	d) Partnership Operator Fee	890.89	
	d) Property Advisor Fee (Annual 25 K Jan)	-	
	d) Nominees Corporate Services Provider Fee	-	
	d) Nominees Holdco Corporate Services Provider Fee	-	
	d) Nominees Side Letter payments	-	
	d) Nominees Holdco Side Letter payments	-	
	d) Account Bank Fee	-	
	d) Cash Manager Fee	-	
	d) Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	12,548.58	
	d) Headlease payment	-	
	e) Partnership Expenses Ledger payment	1,825.45	
	f) Partnership Debt Interest	7,438,540.14	
	f) Partnership Swap payment	9,264,376.63	
	g) Partnership Debt Principal	2,820,019.00	
	g) Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i) Partnership Swap Termination Amount	-	
	j) Property Pool Manager Fee	77,380.16	
	k) Partnership Expenses Ledger payment	-	
	l) Alteration Adjustment Rent	-	
	m) Committed Subordinated Loan payment	-	
	n) Partnership Distribution Account	65,512.28	
	<b>Totals</b>	<b>19,691,934.34</b>	<b>19,691,934.34</b>

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

DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Opening Balance	498,174.52	Cr
	Partnership Expenses Ledger payment	-	CR
	Partnership Expenses Ledger payment	1,825.45	CR
	<b>Closing Balance</b>	<b>499,999.97</b>	<b>Cr</b>

## 6. Issuer Transaction Account

	Opening Balance	83,045.85	Cr
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
01-Jun-18	Credit Interest	10.58	Cr
02-Jul-18	Credit Interest	10.58	Cr
10-Jul-18	Swaps Receipts	994,206.35	Cr
13-Jul-18	Partnership Debt	10,258,559.14	Cr
13-Jul-18	Swap Pays	994,206.35	Dr
13-Jul-18	Ongoing Fee	15,248.58	Cr
13-Jul-18	HSBC Fee	7,700.00	Dr
13-Jul-18	Issuer Operating Expenses	-	Dr
13-Jul-18	Issuer Profit (paid as part of Ongoing Fee)	750.00	Cr
13-Jul-18	Notes	10,258,559.13	Dr
13-Jul-18	Issuer/Issuer Holdco Corporate Services Provider Fee	7,548.58	Dr
<b>Closing Balance</b>		<b>83,817.02</b>	<b>Cr</b>

## 7. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jul-18	<b>Issuer Available Funds</b>		
	a) Funds due to Issuer under Partnership Swap Agreement		9,264,376.63
	b) Amounts due to Issuer in respect of Partnership Loan		10,274,557.72
	c) Any amount due to Issuer under Issuer Swap Agreement		10,258,582.98
	d) Interest Received by Issuer on Transaction Account		21.16
	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	-	
	c) Issuer/Issuer Holdco Corporate Services Provider Fee	7,548.58	
	c) Paying Agent Fee	500.00	
	c) Account Bank Fee	750.00	
	c) Cash Manager Fee	3,750.00	
	d) Bond Interest	7,438,540.13	
	d) Bond Principal	2,820,019.00	
	d) Issuer Swap Provider	9,264,376.63	
	d) Partnership Swap payment	10,258,582.98	
	e) Issuer Profit	750.00	
	f) Swap Subordinated Amounts	-	
	g) Issuer Partnership Swap Termination Amount	-	
	h) Issuer Transaction Account	0.01	
	<b>Totals</b>	<b>29,797,517.33</b>	<b>29,797,538.49</b>

## 8. Note Information

Listing Irish Stock Exchange

Original Rating

Moody's	A3
Standard and Poor's	A-
Fitch	A-
Offered Date	23-Sep-09
Expected Maturity	
Issue Amount	£564,500,000
ISIN code	XS0347919028
Interest Rate	6.0517%
Current Factor	0.870976354295837
Next Factor	0.865980749335695

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