

**SPEN HILL REGENERATION LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL**  
**STATEMENTS**  
**FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021**  
**REGISTERED NUMBER: 06418300**

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# SPEN HILL REGENERATION LIMITED

## DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

The Directors present their Report and the unaudited financial statements of Spen Hill Regeneration Limited (the "Company") for the 52 weeks ended 27 February 2021 (prior period: 53 weeks ended 29 February 2020 ("2020")).

### Business review and principal activity

The principal activity of the Company is to act as a commercial property developer, developing new sites and redeveloping existing sites.

There has been no significant change in the nature or level of this activity during the period and the Directors do not expect this to change significantly throughout the next financial period.

### Results and dividends

The results for the 52 weeks ended 27 February 2021 show a loss before tax of £88,468 (2020: £230,039) and a loss after tax of £73,952 (2020: £230,569).

The Company has net assets of £5,382,359 at the period end (2020: £5,456,311) and has net current assets of £6,252,662 (2020: £6,215,380).

The Directors do not recommend payment of a dividend for the 52 weeks ended 27 February 2021 (2020: £45,000,000).

### Future developments

The Company's performance is expected to continue throughout the next financial period and it is anticipated that the current performance levels will be maintained.

The Company's future developments form a part of the Tesco PLC Group's ("Group") long-term strategies, which are discussed on pages 4 to 30 of the Tesco PLC Annual Report and Financial Statements 2021, which do not form a part of this Report.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include the Company, are discussed on pages 31 to 37 of the Tesco PLC Annual Report and Financial Statements 2021, which do not form a part of this Report.

#### *Business risk*

The ongoing development of the UK's trading relationship with the EU, subsequent to the end of the Brexit transition period during the year, and a failure to prepare for all eventualities could have an adverse effect on our primary business, its financial results and operations. The Tesco PLC Board will continue to assess and monitor the potential risks and impacts on the Company and its stakeholders as a whole, while taking mitigation measures to address challenges as appropriate.

The Company holds investments in Tesco Group companies which, by the nature of their business, continue to operate as essential businesses during the pandemic. This serves to mitigate some of the risk the Company is exposed to.

The financial impact of the pandemic for the financial year upon the Tesco PLC Group companies is noted in the Tesco PLC Annual Report, with increased Group sales offset by significant COVID-19 costs. The wider Tesco Group continues to assess, monitor and, where possible mitigate the risks and impacts of the pandemic upon the Company and its stakeholders, particularly as restrictions are eased in local areas that the Company's investments operate in.

### Going concern

The Directors consider that the Company has adequate resources to remain in operation for a period of at least twelve months and have therefore continued to adopt the going concern basis in preparing the financial statements.

## **SPEN HILL REGENERATION LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)**

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#### **Events after the reporting period**

Details of events after the reporting period can be found in Note 14 to the financial statements.

#### **Political donations**

There were no political donations for the period (2020: £nil) and the Company did not incur any political expenditure (2020: £nil).

#### **Research and development**

The Company does not undertake any research and development activities (2020: £nil).

#### **Financial risk management**

The main risks associated with the Company's financial assets and liabilities are set out below:

##### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities.

The Company creditors are unsecured and interest-free. Whilst the creditors are interest-free, they are repayable on demand. The Directors do not foresee that the Company's creditors will be called upon within the foreseeable future.

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Debtors predominantly comprises amounts owed by Group undertakings, hence credit risk is determined to be low.

#### **Strategic Report**

The Directors have taken advantage of the exemption provided by Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 from preparing a Strategic Report.

#### **Employees**

The Company had no employees during the 52 weeks ended 27 February 2021 (2020: none).

#### **Directors**

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

A Soni (resigned on 21 September 2020)  
D Anniss (appointed on 21 September 2020 and resigned on 26 March 2021)  
J Gibney  
R Welch  
D Wheeler (appointed on 22 April 2021)

None of the Directors had any disclosable interests in the Company during this period.

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of 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 and officers may not be indemnified, Tesco PLC maintained a Directors' and Officers' liability insurance policy throughout the financial period and up to the date of signing the financial statements.

## **SPEN HILL REGENERATION LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)**

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#### **Cautionary Statement regarding forward-looking information**

Where this document contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this Report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. A number of factors, including those in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

#### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "(Reduced Disclosure Framework)".

Under the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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.

Approved by the Board on 7 September 2021 and signed on behalf of the Board by:



John Gibney  
Director  
Spenn Hill Regeneration Limited  
Registered Number: 06418300  
Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

# SPEN HILL REGENERATION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

	Notes	52 weeks ended 27 February 2021	53 weeks ended 29 February 2020
		£	£
Administrative expenses		(7,431)	(7,760)
Stock write off		-	(113,985)
Other operating income		36,015	-
<b>Operating profit/(loss)</b>		<b>28,584</b>	<b>(121,745)</b>
Interest receivable and similar income	5	1,270	12,854
Interest payable and similar costs	6	(118,322)	(121,148)
<b>Loss before tax</b>		<b>(88,468)</b>	<b>(230,039)</b>
Tax credit/(charge) on loss	7	14,516	(530)
<b>Loss for the financial period</b>		<b>(73,952)</b>	<b>(230,569)</b>

All operations are continuing for the current and prior financial periods.

There is no other comprehensive income/(loss) in the periods presented; therefore no Statement of Comprehensive Income has been prepared.

The notes on pages 8 to 16 form an integral part of these financial statements.

**SPEN HILL REGENERATION LIMITED****BALANCE SHEET AS AT 27 FEBRUARY 2021**

	Notes	27 February 2021	29 February 2020
		£	£
<b>Non-current assets</b>			
Deferred tax assets	7	142,946	128,430
Right of use assets	8	1,795,541	1,848,090
		<u>1,938,487</u>	<u>1,976,520</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	-	1,508,796
Cash at bank and in hand		6,252,665	4,754,058
		<u>6,252,665</u>	<u>6,262,854</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(3)	(47,474)
<b>Net current assets</b>		<u>6,252,662</u>	<u>6,215,380</u>
<b>Total assets less current liabilities</b>		<u>8,191,149</u>	<u>8,191,900</u>
<b>Non-current liabilities</b>			
Lease liabilities	8	(2,808,790)	(2,735,589)
		<u>(2,808,790)</u>	<u>(2,735,589)</u>
<b>Net assets</b>		<u>5,382,359</u>	<u>5,456,311</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account		5,382,358	5,456,310
<b>Total shareholders' funds</b>		<u>5,382,359</u>	<u>5,456,311</u>

The notes on pages 8 to 16 form an integral part of these financial statements.

For the 52 weeks ending 27 February 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

## **SPEN HILL REGENERATION LIMITED**

### **BALANCE SHEET AS AT 27 FEBRUARY 2021 (continued)**

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Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 16 were approved by the Board and authorised for issue on 7 September 2021. They were signed on its behalf by:

*John Gibney*

John Gibney

Director

Spenn Hill Regeneration Limited

Registered Number: 06418300

Registered Office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom

# SPEN HILL REGENERATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

	Called up share capital*	Profit & loss account	Total
	£	£	£
<b>Balance as at 23 February 2019</b>	1	50,686,879	50,686,880
Dividends paid		(45,000,000)	(45,000,000)
Loss and total comprehensive loss for the financial period	-	(230,569)	(230,569)
<b>Balance as at 29 February 2020</b>	1	5,456,310	5,456,311
Loss and total comprehensive loss for the financial period	-	(73,952)	(73,952)
<b>Balance as at 27 February 2021</b>	1	5,382,359	5,382,359

\* Refer Note 11 for breakdown of Called up share capital.

The notes on pages 8 to 16 form an integral part of these financial statements.



## SPEN HILL REGENERATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021

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#### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Spen Hill Regeneration Limited (the "Company") for the 52 weeks ended 27 February 2021 were approved by the Board of Directors on 7 September 2021 and the Balance Sheet was signed on the Board's behalf by John Gibney. These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention and the Companies Act 2006, modified to include certain items at fair value.

The functional currency of Spen Hill Regeneration Limited is considered to be Pound Sterling (£) because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Tesco PLC. The Company's results 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, United Kingdom.

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

#### 2. General information

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom. The nature of the Company's operations and its principal activity are set out in the Directors' Report on page 1.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period, unless otherwise stated.

#### 3. Accounting policies

##### (a) Basis of preparation

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted for use within the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. Following the UK's exit from the European Union the Company has early adopted the FRS 101 amendments 'UK exit from the European Union'.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from contracts with Customers;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a) (iv) of IAS 1;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- 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.

**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****3. Accounting policies (continued)****(b) New and revised IFRS applied with no material effect on the financial statements**

The amendments in below standards were adopted in the current period, and there is no impact on the financial statements upon their adoption.

- a. IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to update a new definition of material in IAS 1. The amendments clarify the definition of "material" and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The new definition clarifies that, information is considered material if omitting, misstating, or obscuring such information, could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.
- b. IFRS 3 'Business Combination' in connection with clarification of business definition, which help in determining whether an acquisition made is of a business or a group of assets. The amendment added a test that makes it easier to conclude that a Company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.
- c. IFRS 16 'Leases' providing lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.
- d. IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform provide relief from potential effects of the uncertainty caused by the LIBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties.

Other changes to standards, interpretations and amendments effective in the current period had no material impact on the Company financial statements.

**(c) Going concern**

The Directors consider that the Company has adequate resources to remain in operation for a period of at least twelve months and have therefore continued to adopt the going concern basis in preparing the financial statements.

**(d) Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

**Estimates**

There are no estimates that have a significant effect on amounts recognised in the financial statements.

**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****3. Accounting policies (continued)****(d) Critical accounting judgements and key sources of estimation uncertainty (continued)****Judgements**

Critical accounting judgements, apart from those involving estimations, that are applied in the preparation of the financial statements are discussed below:

*Leases*

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations, and hence at commencement of the lease, break or extension options are not typically considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. Management uses the rate implicit in the lease where the lessor is a related party (such as leases from joint ventures) and the lessee's incremental borrowing rate for all other leases. Incremental borrowing rates are determined monthly and depend on the term, country, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk free rate based on government bond rates; a country specific risk adjustment; a credit risk adjustment based on Tesco bond yields; and an entity specific adjustment where the entity risk profile is different to that of the Group.

Refer to Note 8 for additional disclosures relating to leases.

**(e) Significant accounting policies****Cash at bank and in hand**

Cash at bank and in hand in the Balance Sheet comprise cash at banks and in hand.

**Income taxes***Current taxation*

Current tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that that the Company will be required to settle that tax. Measurement is dependent on subjective judgements as to the outcome of decisions by tax authorities in the various tax jurisdictions in which the Company operates. This is assessed on a case by case basis using in-house tax experts, professional firms and previous experience.

## SPEN HILL REGENERATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)

#### 3. Accounting policies (continued)

##### (e) Significant accounting policies (continued)

##### Income taxes (continued)

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### *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.

##### *Current tax and deferred tax for the period*

Current and deferred tax are recognised in the Profit and Loss Account, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****3. Accounting policies (continued)****(e) Significant accounting policies (continued)****Leases**

Whether a contract is, or contains a lease is assessed at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

*Company as a lessee*

A right of use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Company is reasonably certain to exercise; penalties for early termination if the lease term reflects the Company exercising a break option; and payments in an optional renewal period if the Company is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Company's assessment of whether it is reasonably certain to exercise a purchase or extension option or not exercise a break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets and short term leases of 12 months or less are expensed to the income statement, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. The expected maturity of the financial assets and liabilities is not considered to be materially different to their current and non-current classification.

*Financial assets*

The Company's financial assets include debtors and other receivables. Debtors (including intercompany balances) are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

*Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are recorded at amortised cost. Creditors (including intercompany balances) are non-interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method.

**4. Staff costs and Directors' remuneration**

The Directors received no emoluments for their services to the Company (2020: £nil).

The Company had no employees during the period (2020: none).

**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****5. Interest receivable and similar income**

	<b>52 weeks ended 27 February 2021</b>	<b>53 weeks ended 29 February 2020</b>
	<b>£</b>	<b>£</b>
Interest receivable	<b>1,270</b>	12,854
	<b>1,270</b>	<b>12,854</b>

**6. Interest payable and similar charges**

	<b>52 weeks ended 27 February 2021</b>	<b>53 weeks ended 29 February 2020</b>
	<b>£</b>	<b>£</b>
Finance charges payable on lease liabilities	<b>118,322</b>	121,148
	<b>118,322</b>	<b>121,148</b>

**7. Tax credit/(charge) on loss****(a) Factors that have affected the tax credit/(charge)**

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the Company for the full period of 19% (2020: 19%).

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

**(b) Tax credit/(charge) in the Profit and Loss Account**

The analysis of the charge for the period is as follows:

	<b>52 weeks ended 27 February 2021</b>	<b>53 weeks ended 29 February 2020</b>
	<b>£</b>	<b>£</b>
<b>Current income tax:</b>		
UK corporation tax on loss for financial period	-	-
<b>Total current income tax credit/(charge)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
Current period	(593)	(592)
Impact of rate change adjustment	15,109	62
<b>Total deferred tax credit/(charge)</b>	<b>14,516</b>	<b>(530)</b>
<b>Tax credit/(charge) in the Profit and Loss Account</b>	<b>14,516</b>	<b>(530)</b>

# SPEN HILL REGENERATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)

### 7. Tax credit/(charge) on loss (continued)

#### (c) Reconciliation of the tax credit/(charge)

The differences between the total charge shown above and the amount calculated by applying the blended rate of UK corporation tax to profit is as follows:

	52 weeks ended 27 February 2021 £	53 weeks ended 29 February 2020 £
<b>Loss before tax</b>	<b>(88,468)</b>	<b>(230,039)</b>
Tax on loss at standard UK corporation tax rate of 19% (2020: 19%)	<b>16,809</b>	<b>43,707</b>
Effects of:		
Impact of rate change adjustment	<b>15,109</b>	<b>63</b>
Group relief surrendered without payment	<b>(17,402)</b>	<b>(44,300)</b>
<b>Overall tax credit/(charge)</b>	<b>14,516</b>	<b>(530)</b>

#### (d) Deferred tax assets

The following are the deferred tax assets recognised by the Company and movements thereon during the current and prior financial periods measured using the tax rates that are expected to apply when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date:

	IFRS 16 Transitional adjustment	Total
At 23 February 2019	128,960	128,960
Origination and reversal of temporary differences		
- In respect of the current period	(592)	(592)
Change in tax rate	62	62
<b>At 29 February 2020</b>	<b>128,430</b>	<b>128,430</b>
Origination and reversal of temporary differences		
- In respect of the current period	(593)	(593)
Change in tax rate	15,109	15,109
<b>At 27 February 2021</b>	<b>142,946</b>	<b>142,946</b>

### 8. Lease

Lease liabilities represent rentals payable by the Company for a certain retail property. The Company holds one lease for 250 years however the rental payments will commence in 30 years from the start of the lease.

#### Right of use assets

	Land and buildings £
Carrying amount as at 29 February 2020	1,848,090
Modification*	(45,121)
Depreciation	(7,428)
<b>Net carrying value as at 27 February 2021</b>	<b>1,795,541</b>

\*This above modification is due to the lease end date which has been considered as 25<sup>th</sup> January 2262 instead of 24<sup>th</sup> January 2262

**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****8. Lease (continued)****Right of use assets (continued)**

	<b>Land and buildings</b>
	<b>£</b>
Carrying amount as at 23 February 2019	1,855,850
Depreciation	(7,760)
<b>Net carrying value as at 29 February 2020</b>	<b>1,848,090</b>

**Lease liabilities**

The following tables show the discounted lease liabilities included in the Company balance sheet and a maturity analysis of the contractual undiscounted lease payments:

	<b>27 February 2021</b>	<b>29 February 2020</b>
	<b>£</b>	<b>£</b>
Non-current	<b>(2,808,790)</b>	<b>(2,735,589)</b>
<b>Total lease liabilities</b>	<b>(2,808,790)</b>	<b>(2,735,589)</b>

	<b>27 February 2021</b>	<b>29 February 2020</b>
	<b>£</b>	<b>£</b>
<b>Maturity analysis – contractual undiscounted lease payments</b>		
Within one year	-	-
Greater than one year but less than five years	-	-
Greater than five years but less than ten years	-	-
Greater than ten years but less than fifteen years	-	-
After fifteen years	<b>(81,350,086)</b>	<b>(81,350,086)</b>
<b>Total undiscounted lease payments</b>	<b>(81,350,086)</b>	<b>(81,350,086)</b>

	<b>52 weeks ended 27 February 2021</b>	<b>53 weeks ended 29 February 2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts recognised in the Profit and Loss Account</b>		
Interest on lease liabilities	<b>(118,322)</b>	<b>(121,148)</b>
	<b>(118,322)</b>	<b>(121,148)</b>



**SPEN HILL REGENERATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 27 FEBRUARY 2021 (continued)****9. Debtors: amounts falling due within one year**

	27 February 2021	29 February 2020
	£	£
Amounts owed by Group undertakings	-	1,508,795
	-	1,508,795

Amounts owed by Group undertakings include £nil (2020: £30,208) to Tesco Stores Limited, and £nil (2020: £1,478,587) to Tesco Gateshead Property Limited. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**10. Creditors: amounts falling due within one year**

	27 February 2021	29 February 2020
	£	£
Accruals and deferred income	3	47,474
	3	47,474

**11. Called up share capital**

	27 February 2021	29 February 2020
	£	£
Allotted, called up and fully paid:		
1 Ordinary share of £1 each (2020: 1)	1	1
	1	1

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**12. Ultimate parent undertaking**

The Company's immediate parent undertaking is Tesco Holdings Limited.

The Company's ultimate parent company and controlling party is Tesco PLC, which is registered in England and Wales. The results of the Company are included in the consolidated financial statements of Tesco PLC, which is the smallest and largest group to consolidate these financial statements. Copies of the Tesco PLC Annual Report and Financial Statements 2021 can be obtained from the Company Secretary at the registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

**13. Related party transactions**

During the 52 weeks ended 27 February 2021, the Company entered into transactions with related parties in the ordinary course of business. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries within the Group.

**14. Events after the reporting period**

There are no material events since the Balance Sheet date which requires disclosure.