

**TESCO BRISLINGTON LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL  
STATEMENTS**

**FOR THE 47 WEEKS ENDED 27 FEBRUARY 2021**

**Registered Number: 10701640**

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## **TESCO BRISLINGTON LIMITED**

### **DIRECTORS' REPORT FOR THE 47 WEEKS ENDED 27 FEBRUARY 2021**

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The Directors present their Report and the financial statements of Tesco Brislington Limited (the "Company") for the 47 weeks ended 27 February 2021 (prior year: year ended 31 March 2020 ("2020")).

#### **Business review and principal activity**

The principal activity of the Company is to carry out property investment to earn rental income in the United Kingdom (UK).

During the period, the Company was acquired from British Land Plc in June 2020 by Tesco Property Holdings Limited, a Tesco PLC Group company.

The accounting period was shortened from March 2021 to February 2021 to align with the Tesco PLC Group accounting period. The comparatives presented are for the year ended 31 March 2020 and hence are not comparable to the current period of 47 weeks ended 27 February 2021.

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.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### **Results and dividends**

The results for the period ended 27 February 2021 show a profit before tax of £8,396,215 (2020: loss before tax of £3,817,853) and a profit after tax of £8,396,215 (2020: loss after tax of £3,817,853).

The Company has net assets at the period-end of £8,691,896 (2020: £295,681) and has net current assets of £1,744,793 (2020: £41,954,319).

The Directors do not recommend the payment of a dividend for the period ended 27 February 2021 (2020: £nil).

#### **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 (the "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 risk and uncertainties**

From the perspective of the Company, the principal risks related to the carrying value of investment in the Brislington retail store centre. These risks include the exposure to fluctuations in the open market value of the investment properties.

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 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's principal business relationships are with Tesco PLC Group companies which, by nature of their business, have continued to operate as essential businesses during the pandemic. This has served to mitigate some of the risk the Company is exposed to.

## **TESCO BRISLINGTON LIMITED**

### **DIRECTORS' REPORT FOR THE 47 WEEKS ENDED 27 FEBRUARY 2021 (continued)**

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#### **Business risk (continued)**

The financial impact of the pandemic for the financial year upon the Tesco PLC Group companies is noted in the Tesco PLC Annual Report and Financial Statements 2021. 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 line with the UK Government roadmap.

#### **Going concern**

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

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

Details of events after the reporting period can be found in Note 17 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: none).

#### **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 meeting its obligations associated with its financial liabilities.

Amounts owed to Group undertakings due within one year are repayable on demand and interest bearing. The Directors consider the Company to have sufficient resources to meet the interest repayments. As such the liquidity risk is determined to be low.

##### *Interest rate risk*

The Company's activities expose it primarily to the financial risks of fluctuations in interest rates.

#### **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 period (2020: none).

#### **Directors**

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

D Annis (appointed on 16 June 2020 and resigned on 26 March 2021)  
 S Barzycki (resigned on 16 June 2020)  
 D Wheeler (appointed on 22 April 2021)  
 J Gibney (appointed on 16 June 2020)  
 B Lewis (resigned on 16 June 2020)  
 J McNuff (resigned on 16 June 2020)  
 C Middleton (resigned on 16 June 2020)  
 Tesco Services Limited (appointed on 16 June 2020)

**TESCO BRISLINGTON LIMITED****DIRECTORS' REPORT FOR THE 47 WEEKS ENDED 27 FEBRUARY 2021  
(continued)**

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**Directors (continued)**

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 Tesco Services Limited which is appointed to the Board 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 from the acquisition of the Company by the Tesco Group and up to the date of signing the financial statements.

**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 year. 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 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 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:



Robert Welch

Director, for an on behalf of Tesco Services Limited

Tesco Brislington Limited

Registered number: 10701640

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

**TESCO BRISLINGTON LIMITED****PROFIT AND LOSS ACCOUNT FOR THE 47 WEEKS ENDED 27 FEBRUARY 2021**

	Notes	Period ended 27 February 2021	Year ended 31 March 2020
		£	£
Turnover	6	2,400,277	2,665,320
Cost of sales		-	(23,435)
<b>Gross profit</b>		<b>2,400,277</b>	<b>2,641,885</b>
Administrative expenses		-	(580,609)
Revaluation of investment properties	9	6,041,756	(4,900,000)
<b>Operating profit/(loss)</b>	4	<b>8,442,033</b>	<b>(2,838,724)</b>
Interest payable and similar expenses	7	(45,818)	(979,129)
<b>Profit/(Loss) before tax</b>		<b>8,396,215</b>	<b>(3,817,853)</b>
Tax (charge)/credit on profit/(loss)	8	-	-
<b>Profit/(Loss) for the financial period</b>		<b>8,396,215</b>	<b>(3,817,853)</b>

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

All operations are continuing for the financial period.

The notes on pages 7 to 14 form an integral part of these financial statements.

**TESCO BRISLINGTON LIMITED****BALANCE SHEET AS AT 27 FEBRUARY 2021**

	Notes	27 February 2021 £	31 March 2020 £
<b>Fixed assets</b>			
Investment properties	9	48,291,756	42,250,000
		<b>48,291,756</b>	<b>42,250,000</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,981,414	-
		<b>1,981,414</b>	<b>-</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(236,621)	(41,954,319)
<b>Net current assets</b>		<b>1,744,793</b>	<b>(41,954,319)</b>
<b>Total assets less current liabilities</b>		<b>50,036,549</b>	<b>295,681</b>
Creditors: amounts falling due after one year	12	(41,344,653)	-
<b>Net assets</b>		<b>8,691,896</b>	<b>295,681</b>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Profit and loss account		8,691,796	295,581
<b>Total shareholders' funds</b>		<b>8,691,896</b>	<b>295,681</b>

The notes on pages 7 to 14 form an integral part of the financial statements.

For the period ended 27 February 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**Directors' responsibilities**

Each Director who is the Director of the Company at the date of approval of these financial statements confirms:

- 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 Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 14 were approved by the Board and authorised for issue on 7 September 2021. They were signed on its behalf by:



Robert Welch

Director, for and on behalf of Tesco Services Limited

Tesco Brislington Limited

Registered number: 10701640

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

**TESCO BRISLINGTON LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021**

	<b>Called up share capital*</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance as at 31 March 2019</b>	100	4,113,434	4,113,534
Loss and total comprehensive loss for the financial period	-	(3,817,853)	(3,817,853)
<b>Balance as at 31 March 2020</b>	100	295,581	295,681
Profit and total comprehensive income for the financial period	-	<b>8,396,215</b>	<b>8,396,215</b>
<b>Balance as at 27 February 2021</b>	<b>100</b>	<b>8,691,796</b>	<b>8,691,896</b>

\*See Note 13 for breakdown of the Called up share capital.

The notes on pages 7 to 14 form an integral part of the financial statements.

# TESCO BRISLINGTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 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 Tesco Brislington Limited (the "Company") for the period 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 Robert Welch, for an on behalf of Tesco Services Limited. 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 as modified by investment properties recognised at fair value, and the Companies Act 2006.

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

The Company's financial statements are presented in 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 year and to the preceding year, 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 IFRS"), 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 15 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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1;
- The requirements of paragraphs 10(d), 40A and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- 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 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;
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and input; and
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - (i) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - (ii) paragraph 118(e) of IAS 38 Intangible Assets;
  - (iii) paragraph 79(a)(iv) of IAS 1; and
  - (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property.



## TESCO BRISLINGTON LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 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 from the date of signing the financial statements 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.

#### Judgements and Estimates

##### *Investment properties*

The key source of estimation uncertainty relates to the valuation of the property portfolio where an internal valuation is obtained. The primary source of evidence for property valuations should be recent, comparable market transactions on an arms-length basis. However, the valuation of the property classified as fair value through profit or loss is inherently subjective, as they are based upon valuer assumptions which may prove to be inaccurate.

All other factors being equal,

- A higher equivalent yield or discount rate would lead to a decrease in the valuation of the asset
- An increase in the current or estimated future rental stream would have the effect of increasing the capital value

However, there are interrelationships between the unobservable inputs which are partially determined by market conditions, which would impact on these changes.

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

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)**

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**3. Accounting policies (continued)****e) Significant accounting policies****Revenue**

The properties owned by the Partnership are being leased out under operating leases. Rental income is recognised on straight line basis over the term of the lease, with rent received in advance being deferred on the Balance Sheet.

100% of the rental income generated during the period was generated in the United Kingdom by letting out properties which are located in the United Kingdom.

The Company operates within one business segment being that of the leasing of its investment properties with business principally transacted in the United Kingdom (UK).

**Investment properties**

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The Company does the fair valuation internally.

The valuation is undertaken on an open market basis, deemed to be representative of fair value. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in Note 9.

No depreciation is provided in respect of freehold or long leasehold properties. The departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated is in the opinion of the management, necessary to show a true and fair view.

The financial effect of this departure cannot be reasonably quantified, as depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the assets is included in the Profit and Loss Account in the period of de-recognition.

**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 are interest bearing and are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest rate method.

*Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)**

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**3. Accounting policies (continued)****e) Significant accounting policies (continued)****Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**Interest payable and similar expense**

Intercompany interest-bearing loans and bank overdrafts are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds and redemption value being recognised in the Profit and Loss Account over the period of the borrowings on an effective interest basis.

**Income taxes**

Current tax, including United Kingdom (UK) 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.

*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.

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.

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****3. Accounting policies (continued)****e) Significant accounting policies(continued)****Income taxes (continued)***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.

*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.

**4. Operating profit**

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

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

**5. Auditor's remuneration**

The Company paid the following amounts to its auditor in respect of the audit of the prior year financial statements.

	<b>47 weeks ended 27 February 2021</b>	<b>Year ended 31 March 2020</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	-	20,000

**6. Turnover**

The analysis of the Company's turnover, all generated within the UK, for the year from continuing operations is as follows:

	<b>47 weeks ended 27 February 2021</b>	<b>Year ended 31 March 2020</b>
	<b>£</b>	<b>£</b>
Rental income from investment property	2,400,277	2,641,885
Service charge income	-	23,435
<b>Total</b>	<b>2,400,277</b>	<b>2,665,320</b>

**7. Interest payable and similar expenses**

	<b>47 weeks ended 27 February 2021</b>	<b>Year ended 31 March 2020</b>
	<b>£</b>	<b>£</b>
Interest payable on amounts owed to group companies	45,818	979,129
<b>Total</b>	<b>45,818</b>	<b>979,129</b>

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****8. Tax (charge)/credit on profit/(loss)****(a) Factors that have affected the tax (charge)/credit**

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.

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

	47 weeks ended 27 February 2021	Year ended 31 March 2020
	£	£
<b>Current income tax:</b>		
UK corporation tax on profit for the financial period	-	-
<b>Total current income tax charge</b>	-	-

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

The differences between the total (charge)/credit shown above and the amount calculated by applying the UK corporation tax rate to profit is as follows:

	47 weeks ended 27 February 2021	Year ended 31 March 2020
	£	£
<b>Profit/(loss) before tax</b>	8,396,215	(3,817,853)
Tax (charge)/credit at standard UK corporation tax rate of 19% (2020: 19%)	(1,595,281)	725,392
Effects of:		
Group relief claimed without payment	341,164	-
REIT exempt income and gains	106,183	205,608
Increase/(decrease) in fair value of property and investments	1,147,934	(931,000)
<b>Total tax (charge)/credit for the financial period</b>	-	-

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****9. Investment properties**

	Investment properties £
At 1 April 2020	42,250,000
Revaluation	6,041,756
<b>At 27 February 2021</b>	<b>48,291,756</b>

The investment properties have been valued by management on a fair value basis at 27 February 2021. The property has been valued on the basis of market value which the management confirms to be fair value, as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. This has been subject to any existing leases of guarantees; otherwise assuming vacant possession.

The average yield across the portfolio is 4.97% (2020: 6.31%) with a rental income of £20.90 (2020: £23.21) per square metre.

There were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal, nor were there any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements. Rental income relating to investment properties was £2,400,277.

	27 February 2021 £	31 March 2020 £
Leases less than one year	2,641,885	2,641,885
Leases between one and five years	10,567,540	10,567,540
Leases greater than five years	10,567,540	12,890,951
	<b>23,776,965</b>	<b>26,100,376</b>

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

	27 February 2021 £	31 March 2020 £
Amounts owed by Group undertakings	1,981,414	-
	<b>1,981,414</b>	<b>-</b>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	27 February 2021 £	31 March 2020 £
Trade creditors	-	132,094
Deferred income	190,803	625,488
Interest payable	45,818	-
Amounts owed to Group undertakings	-	41,196,737
	<b>236,621</b>	<b>41,954,319</b>

Amounts owed to group undertakings were interest bearing and were repayable on demand with an interest rate of 2.33%. Refer Note 12 for further details.

**TESCO BRISLINGTON LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE 47 WEEKS ENDED  
27 FEBRUARY 2021 (continued)****12. Creditors: amounts falling due after one year**

	27 February 2021	31 March 2020
	£	£
Amounts owed to Group undertakings	41,344,653	-
	41,344,653	-

During the year, as part of the acquisition by the Tesco Group, Tesco Property Holdings Limited settled the amounts owed to British Land Plc on behalf of the Company, subsequently a medium-term loan was issued to the Company by Tesco Corporate Treasury Services PLC, repayable by February 2023 with an interest rate of 3-month SONIA swap +0.88%.

**13. Called up share capital**

	27 February 2021	31 March 2020
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each (2020:100 Ordinary shares of £1 each)	100	100
	100	100

The ordinary shares have attached to them full and equal rights to participate in voting in all circumstances.

**14. Related party transactions and balances**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

**15. Ultimate group undertaking**

During the year, the Company was acquired from British Land Plc by Tesco Property Holdings Limited, a Tesco PLC Group company.

The Company's immediate parent undertaking is Tesco Property Holdings Limited. The Company's ultimate parent undertaking and controlling party is Tesco PLC which is 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 Annual Report and Financial Statements 2021 are available from the Company Secretary at the registered address: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA, United Kingdom.

**16. Accounting Period**

The financial statements have been prepared for the 47 weeks ended 27<sup>th</sup> February 2021 due to change in accounting period from 31<sup>st</sup> March to 27<sup>th</sup> February. The comparatives presented are for the year ended 31<sup>st</sup> March 2020 and hence are not comparable to the 47 weeks ended 27<sup>th</sup> February 2021. The accounting period has been changed in order to align with the Tesco PLC reporting period.

**17. Events after the reporting period**

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