

# TESCO PERSONAL FINANCE GROUP LIMITED

(formerly Tesco Personal Finance Group plc)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

Company Number SC173198

**TESCO PERSONAL FINANCE GROUP LIMITED**  
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## TESCO PERSONAL FINANCE GROUP LIMITED

### DIRECTORS AND ADVISERS

<b>Directors:</b>	Elizabeth Buckley	Independent Non-Executive Chair
	Gillian Cass	Chief Financial Officer
	Margot Cronin	Independent Non-Executive Director
	Robert Endersby	Independent Non-Executive Director
	Scott Fitzgerald	Non-Executive Director
	Simon Machell	Independent Non-Executive Director
	Caroline Ramsay	Independent Non-Executive Director

**Company Secretary:** Patricia Lynne Mitchell

**Registered Office:** 2 South Gyle Crescent  
Edinburgh  
EH12 9FQ

**Independent Auditor:** Deloitte LLP  
4 Brindley Place  
Birmingham  
B1 2HZ

**Bankers:** HSBC Bank plc  
8 Canada Square  
London  
E14 5HQ

# TESCO PERSONAL FINANCE GROUP LIMITED

## STRATEGIC REPORT

The Directors present the Strategic Report of Tesco Personal Finance Group Limited (the Company) for the year ended 28 February 2025.

### Business review and principal activity

The Company is a holding company for the Tesco Insurance and Money Services Business (the TPF Group, or the Group). The Company owns 100% of Tesco Personal Finance Limited (TPF), which operates as an insurance intermediary and money services business, and Tesco Underwriting Limited (TU) which provides the insurance underwriting service for a number of the Group's general insurance products. Prior to the sale of its banking business on 1 November 2024 TPF also operated as a regulated bank providing financial services and products to personal customers in the UK.

During the year, there have been a number of changes to the Company related to the sale of the banking business by TPF to Barclays Bank UK PLC (Barclays) which completed on 1 November 2024.

On 25 July 2024, TPF repaid the £144.7 million fixed rate subordinated loan provided by the Company. This allowed the Company to repay £144.7 million debt securities in issue. These securities were issued to satisfy the Company's minimum requirements for own funds and eligible liabilities (MREL), which applied from 1 January 2020 to 31 December 2022.

On 12 November 2024, TPF repaid the remaining £235.0 million of subordinated loans, and £150.0 million of other equity instruments to the Company. This allowed the Company to repay the corresponding £235.0 million subordinated loans and £150.0 million of other equity instruments owed to Tesco PLC.

On 19 February 2025, TPF distributed its shareholding in TU to the Company. This was accounted for at book value, resulting in the Company assuming an investment in TU of the amount previously recorded on TPF's balance sheet, with the Company's investment in TPF reducing by the same amount.

The Directors do not expect the nature or level of activity of the Company to change significantly through the next financial year.

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Financial Reporting Standards.

Due to the changes in the business during the year, and as the Company no longer has debt instruments traded in a public market, the preparation of consolidated Financial Statements is no longer required. As a result, these Financial Statements have been prepared for the Company only. Some comparative data for the prior year is therefore presented in this format for the first time but has been derived from previously audited Financial Statements. The Company is a wholly owned subsidiary of another company, Tesco PLC (the Parent Company) which is incorporated in England and Wales, that produces publicly available consolidated Financial Statements that include the Company and its subsidiaries.

### Results and dividends

The results for the year ended 28 February 2025 show total income of £0.5m (2024: £251.6m), profit before tax of £2.5m (2024: £252.4m) and profit after tax of £2.8m (2024: £252.0m). No dividends were received or paid in the current year. In the prior year, the Company received a special dividend of £250.0m from TPF in preparation for the sale of the banking business and paid a dividend of £250.0m to Tesco PLC.

The Company has net assets at year-end of £1,079.9m (2024: £1,227.1m).

### Key performance indicators (KPIs)

Given the straightforward nature of the business, the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks relate to the carrying value of investments in its subsidiaries. To manage this risk, the Company periodically reviews the performance of those companies.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of TPF and TU and are not managed separately. Accordingly, the principal risks and uncertainties of the group comprising the Company and its subsidiaries TPF and TU (the Group) are discussed in the annual reports and Financial Statements of TPF and TU, which do not form part of this Report.

## TESCO PERSONAL FINANCE GROUP LIMITED

### STRATEGIC REPORT (continued)

#### S172 Statement by the Directors

S172 Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, s172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

In discharging its s172 duties, the Board has regard to the factors set out above. The Board also has regard to other factors which it considers relevant to the decisions it makes. The Board acknowledges that not every decision it makes will necessarily result in a positive outcome for all of the Company's stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Board does, however, aim to make sure that its decisions are consistent.

The Board delegates authority for the day-to-day running of the business to the interim CEO and, through him, to Senior Management to set, approve and oversee execution of the Company's strategy and related policies. The Board reviews matters relating to financial and operational performance; business strategy; key risks; stakeholder-related matters; compliance; and legal and regulatory matters, over the course of the financial year. This is supported through the consideration of reports and presentations provided at Board meetings and reviewing aspects of the Company's strategy at least twice a year. Directors are supported in the discharge of their duties by provision of induction materials and ongoing training. Agendas for Board and Board Committee meetings are structured to provide sufficient time for consideration and discussion of key matters and ad hoc meetings are scheduled where necessary.

As the principal activity of the Company is to act as a holding company for Tesco Group entities, the Company had no commercial business, and no employees, customers or suppliers other than Tesco Group companies during the year. The Company's key stakeholders are its subsidiaries and shareholder.

The following decisions taken by the Board during the year ended 28 February 2025 are considered to be principal decisions and strategically important to the Company:

- Sale of the Group's Banking business to Barclays Bank UK plc; and
- Changes to the Company's capital structure

#### Sale of the Group's Banking business to Barclays Bank UK plc

Following the Board decision in the prior year to sell the banking business of the Company's subsidiary, TPF, to Barclays the Board received regular updates over the period to sale to ensure that the sale process completed successfully and achieved the outcomes desired by the shareholder. Throughout the period the Board also continued to consider the impact of the sale on customers, colleagues and suppliers to the overall TPFG group.

The Board oversaw the Executive-led separation programme throughout the period to sale, and received regular updates from the new Separation Programme Executive Committee which were discussed and challenged.

The Board approved the final sale on 31 October 2024 following confirmation from the Separation Programme Executive Committee that all key pre-completion deadlines had been met. The final transaction was in line with the terms of the transaction documents entered into on 9 February 2024.

# TESCO PERSONAL FINANCE GROUP LIMITED

## STRATEGIC REPORT (continued)

### S172 Statement by the Directors (continued)

#### Changes to the Company's capital structure

The Board approved a number of changes to the capital structure of the Company throughout the year related to the sale of the banking business. The Board received regular updates on the capital restructuring plan and provided specific approval for each of the major milestones.

Prior to the sale in July 2024 the Company repaid its banking related MREL funding.

Following the sale in November 2024 the Board approved the repayment of the Company's regulatory capital instruments and subordinated debt to the parent company as part of the return of proceeds of the sale to the ultimate shareholder, Tesco PLC.

The Company was re-registered as a private limited company on 6 December 2024, following which the Board approved two separate share capital reductions to be in a position to return the final proceeds from the sale to the ultimate parent company. Prior to approving the share capital reductions the Board gave consideration to the capital and liquidity position of the Company post sale and capital adequacy requirements.

On 31 March 2025 the Board approved the final distribution of sale proceeds of £315.0m to Tesco PLC.

**The Strategic Report was approved by the Board of Directors and signed by order of the Board.**

**Gillian Cass**

Director

1 May 2025

# TESCO PERSONAL FINANCE GROUP LIMITED

## DIRECTORS' REPORT

The Directors present their Report together with the Company Financial Statements and Independent Auditor's Report, for the year ended 28 February 2025.

### Business Review and Future Developments

The Company's business review and future developments are set out in the Strategic Report on page 2.

### Going concern

The Directors consider that the Company has adequate resources to remain in operation for at least 12 months from the date of signing the Financial Statements. In assessing the going concern for the Company the Directors have also assessed the financial position of its subsidiaries and are satisfied with their going concern which further supports the Company's net asset position. Therefore, the Directors continue to adopt the going concern basis in preparing the Financial Statements and have concluded that there are no material uncertainties relating to going concern.

### Events after the reporting period

Details of events occurring after the reporting date are discussed in note 16 to the Financial Statements.

### Employees

The Company had no employees during the year (2024: none).

### Directors

The present Directors and Company Secretary at the date of signing this Annual Report and Financial Statements are listed on page 1. Details of changes in Directors during the year and up to the date of signing the Financial Statements are set out below. Since 1 March 2024 to date the following changes have taken place:

#### Directors

Scott Fitzgerald  
Margot Cronin  
Caroline Ramsay  
Gary Duggan  
Gillian Cass

#### Appointed

1 October 2024  
1 November 2024  
1 November 2024  
1 November 2024  
29 November 2024

Adrian Morris  
Prasanna Gopalakrishnan  
Julie Currie  
Jacqueline Ferguson  
Richard Henderson  
Gerard Mallon  
Tikendra Patel  
Deborah Walker  
Gary Duggan

#### Resigned

12 July 2024  
1 September 2024  
1 November 2024  
1 November 2024  
1 November 2024  
1 November 2024  
1 November 2024  
1 November 2024  
11 February 2025

#### Company Secretary

Patricia Lynne Mitchell

#### Appointed

1 November 2024

Fiona Burden

#### Resigned

1 November 2024

### Directors' indemnities

In terms of Section 236 of the Companies Act 2006, all Executive and Non-Executive Directors of TPGF are issued a qualifying Third-Party Indemnity Provision by the Company. All Qualifying Third-Party Indemnities were in force or in the process of being issued at the date of approval of the Financial Statements and shall remain in force without any limit in time. This will not be affected by the expiration or termination of a Director's appointment, however it may arise.

# TESCO PERSONAL FINANCE GROUP LIMITED

## DIRECTORS' REPORT (continued)

### 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 matters referred to in this document, could cause actual results to differ materially from those contained in any forward-looking statement.

### Information provided to the Independent Auditor

So far as each Director is aware at the date of approving this report, there is no relevant audit information, being information needed by the independent auditor in connection with preparing this report, of which the independent auditor is unaware. All the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the independent auditor is aware of that information.

### Statement of Directors' Responsibilities

The following should be read in conjunction with the responsibilities of the independent auditor set out in their report on page 7.

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 such Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the International Accounting Standards Board (IASB).

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 year. In preparing these Financial Statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

Each of the Directors, whose names are listed on page 1, confirms that to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with IASs in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the Company's shareholder to assess the Company's position, performance, business model and strategy.

**Approved by the Board of Directors and signed by order of the Board.**

**Gillian Cass**

Director

1 May 2025



# **TESCO PERSONAL FINANCE GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER'S OF TESCO PERSONAL FINANCE GROUP LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Tesco Personal Finance Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 28 February 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards, and IFRS Accounting Standards as issued by the IASB.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# TESCO PERSONAL FINANCE GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER'S OF TESCO PERSONAL FINANCE GROUP LIMITED (continued)

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and the HM Revenue and Customs (HMRC) tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included the requirements of the Financial Conduct Authority (FCA).

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with FCA.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

# **TESCO PERSONAL FINANCE GROUP LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER'S OF TESCO PERSONAL FINANCE GROUP LIMITED (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Matt Perkins FCA (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

1 May 2025

**TESCO PERSONAL FINANCE GROUP LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2025**

	Note	2025 £m	2024 £m
Interest and similar income	4	13.3	21.5
Interest expense and similar charges	4	(12.8)	(19.9)
<b>Net interest income</b>		<b>0.5</b>	<b>1.6</b>
Dividend income	3	–	250.0
<b>Total income</b>		<b>0.5</b>	<b>251.6</b>
Impairment release on financial assets	7	2.0	0.8
<b>Profit before tax</b>		<b>2.5</b>	<b>252.4</b>
Income tax credit/(expense)	8	0.3	(0.4)
<b>Profit after tax</b>		<b>2.8</b>	<b>252.0</b>

There are no items of other comprehensive income (2024: £nil).

The notes on pages 14 to 21 form an integral part of these Financial Statements.

# TESCO PERSONAL FINANCE GROUP LIMITED (SC173198)

## BALANCE SHEET

AS AT 28 FEBRUARY 2025

	Note	2025 £m	2024 £m
Cash and cash equivalents	9	10.1	9.8
Loans and advances to subsidiaries	10	–	380.6
Investments in subsidiaries	11	1,069.9	1,219.9
<b>Total assets</b>		<b>1,080.0</b>	<b>1,610.3</b>
Debt securities in issue	12	–	145.3
Current tax liability		0.1	0.4
Subordinated debt	13	–	237.5
<b>Total liabilities</b>		<b>0.1</b>	<b>383.2</b>
<b>Net assets</b>		<b>1,079.9</b>	<b>1,227.1</b>
<b>Shareholder's equity</b>			
Share capital	14	35.0	107.0
Share premium	14	315.2	963.2
Other equity instruments	14	–	150.0
Retained earnings		729.7	6.9
<b>Total shareholder's equity</b>		<b>1,079.9</b>	<b>1,227.1</b>

The notes on pages 14 to 21 form an integral part of these Financial Statements.

The Company Financial Statements on pages 10 to 21 were approved by the Board of Directors and authorised for issue on 1 May 2025 and were signed on its behalf by:

**Gillian Cass**  
Director

**TESCO PERSONAL FINANCE GROUP LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 28 FEBRUARY 2025**

	Share capital	Share premium	Other equity instruments	Retained earnings	Total equity
	£m	£m	£m	£m	£m
<b>As at 1 March 2023</b>	122.0	1,098.2	–	4.9	1,225.1
Profit for the year	–	–	–	252.0	252.0
<b>Transactions with owners</b>					
Share capital reduction	(15.0)	–	–	–	(15.0)
Share premium reduction	–	(135.0)	–	135.0	–
Capital distribution	–	–	–	(135.0)	(135.0)
Other equity instruments issued	–	–	150.0	–	150.0
Dividends paid	–	–	–	(250.0)	(250.0)
<b>Total transactions with owners</b>	(15.0)	(135.0)	150.0	(250.0)	(250.0)
<b>As at 29 February 2024</b>	107.0	963.2	150.0	6.9	1,227.1
Profit for the year	–	–	–	2.8	2.8
<b>Transactions with owners</b>					
Share capital reduction	(72.0)	–	–	72.0	–
Share premium reduction	–	(648.0)	–	648.0	–
Other equity instruments redeemed	–	–	(150.0)	–	(150.0)
<b>Total transactions with owners</b>	(72.0)	(648.0)	(150.0)	720.0	(150.0)
<b>As at 28 February 2025</b>	35.0	315.2	–	729.7	1,079.9

**TESCO PERSONAL FINANCE GROUP LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 28 FEBRUARY 2025**

	2025 £m	2024 £m
<b>Profit before tax</b>	<b>2.5</b>	<b>252.4</b>
<b>Adjusted for:</b>		
Impairment release on financial assets	(2.0)	(0.8)
Dividend income	–	(250.0)
Interest expense on financing activities	12.8	19.9
Net change in interest accruals	2.9	(0.6)
<b>Net cash provided by operating activities</b>	<b>16.2</b>	<b>20.9</b>
Dividend received from subsidiary	–	250.0
Loans and advances to subsidiaries repaid	379.7	–
Subsidiary other equity instrument repaid	150.0	–
<b>Net cash provided by investing activities</b>	<b>529.7</b>	<b>250.0</b>
Subordinated debt repaid	(235.0)	–
Debt securities repaid	(144.7)	–
Interest paid on subordinated debt and debt securities	(15.9)	(19.2)
Other equity instruments repaid	(150.0)	–
Dividends paid	–	(250.0)
<b>Net cash used in financing activities</b>	<b>(545.6)</b>	<b>(269.2)</b>
<b>Net increase in cash and cash equivalents</b>	<b>0.3</b>	<b>1.7</b>
Cash and cash equivalents at beginning of year	9.8	8.1
<b>Cash and cash equivalents at end of year</b>	<b>10.1</b>	<b>9.8</b>

# TESCO PERSONAL FINANCE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

#### General information

Tesco Personal Finance Group Limited (the Company, formerly Tesco Personal Finance Group plc) is a private limited company incorporated and domiciled in Scotland under the Companies Act 2006. The main activity of the Company is a holding company.

#### Basis of preparation

These Financial Statements have been prepared in accordance with UK-adopted IFRS and the requirements of the Companies Act 2006. The Financial Statements are presented in Pounds Sterling, which is the functional currency of the Company. The figures shown are rounded to the nearest £0.1 million unless otherwise stated. The Financial Statements are prepared on the historical cost basis.

#### Going concern

The Directors have made an assessment of going concern and consider that it is appropriate to adopt the going concern basis of accounting in preparing the Financial Statements. The Directors have at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, which reflects a period of 12 months from the date of approval of the Financial Statements, and have concluded that there are no material uncertainties relating to going concern.

#### Changes during the year

During the year, there have been a number of changes to the Company related to the sale of the banking business by its subsidiary Tesco Personal Finance Limited (TPF) to Barclays Bank UK plc (Barclays) which completed on 1 November 2024.

On 25 July 2024, TPF repaid the £144.7 million fixed rate subordinated loan provided by the Company. This allowed the Company to repay £144.7 million debt securities in issue. These securities were issued to satisfy the Company's minimum requirements for own funds and eligible liabilities (MREL), which applied in previous years.

On 12 November 2024, TPF repaid the remaining £235.0 million of subordinated loans, and £150.0 million of other equity instruments to the Company. This allowed the Company to repay the corresponding £235.0 million subordinated loans and £150.0 million of other equity instruments owed to Tesco PLC.

On 19 February 2025, TPF distributed its shareholding in Tesco Underwriting Limited (TU) to the Company at book value, resulting in the Company assuming an investment in TU of the amount previously recorded on TPF's Balance Sheet, with the Company's investment in TPF reducing by the same amount.

The impact of changes to the Company throughout the year are set out in the relevant notes.

#### Changes to the presentation of the Financial Statements

Due to the changes in the business during the year, and as the Company no longer has debt instruments traded in a public market, the preparation of consolidated Financial Statements is no longer required. As a result, these Financial Statements have been prepared for the Company only. Some comparative data for the prior year is therefore presented in this format for the first time but has been derived from previously audited Financial Statements. The Company is a wholly owned subsidiary of another company, Tesco PLC (the Parent Company) which is incorporated in England and Wales, that produces publicly available consolidated Financial Statements that include the Company and its subsidiaries.

### 2. Accounting Policies

Unless otherwise stated, the Company's accounting policies have been applied consistently to all periods presented in these Financial Statements. There have been no new standards, interpretations or amendments effective in the current financial year that have impacted the Company.

The Company has not applied any standards, interpretations or amendments that have been issued but are not yet effective. Work is ongoing to assess the impact of any such standards, interpretations or amendments that will impact future reporting periods.

#### a) Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company's investments in its subsidiaries are stated at cost less any impairment.



## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 2. Accounting Policies (continued)

##### b) Revenue recognition

###### *Net interest income recognition*

Interest income and expense for all financial instruments measured at amortised cost are recognised using the effective interest rate (EIR) method.

The EIR method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the expected life of the financial asset or financial liability. The EIR is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount.

Calculation of the EIR takes into account fees receivable that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual and behavioural terms of a financial instrument are considered when estimating future cash flows.

Interest income is calculated on the gross carrying amount of a financial asset unless the financial asset is impaired, in which case interest income is calculated on the net carrying amount, after allowance for ECL.

###### *Dividend income recognition*

Dividends are recognised in the Income Statement when the Company's right to receive payment is established.

##### c) Impairment release on financial assets

Expected Credit Loss (ECL) on financial assets is recognised based on the expected credit risk. For loans and advances to subsidiary companies, any previously recognised ECL is reversed and credited to the Income Statement when the loans are fully repaid, and no further credit risk is expected.

##### d) Taxation

The tax charge or credit included in the Income Statement consists of current tax only. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the reporting date.

##### e) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits with banks.

##### f) Loans and advances to subsidiaries

Loans and advances are initially recognised at fair value plus directly related transaction costs. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest method less any allowance for expected credit losses.

##### g) Debt securities in issue and subordinated debt

These financial liabilities are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost with any difference between proceeds and redemption value being recognised in profit or loss over the term of the instrument on an effective interest basis.

##### h) Share capital and share premium

Ordinary shares are recognised at the par value with the amount paid per ordinary share above par value, net of directly attributable issue costs, recognised as share premium.

##### i) Other equity instruments

Other equity instruments have the legal form of debt and do not carry any voting rights. They are wholly classified as equity as there is no contractual obligation for the Company to either deliver cash or another financial instrument or to exchange financial instruments on a potentially unfavourable basis. They are recognised at the amount paid for the instruments less directly attributable issue costs.

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 3. Dividend income

	2025 £m	2024 £m
Special interim dividend received	–	250.0

In the prior year, a special interim dividend of £250.0m (£0.2049 per ordinary share) was received on 14 July 2023. There were no dividends received in the current year.

#### 4. Net interest income

	2025 £m	2024 £m
<b>Interest and similar income</b>		
Cash and balances with central banks	0.1	–
Loans and advances to subsidiaries	13.2	21.5
<b>Total interest and similar income</b>	<b>13.3</b>	<b>21.5</b>
<b>Interest expense and similar charges</b>		
Debt securities in issue	(1.9)	(5.2)
Subordinated liabilities and notes	(10.9)	(14.7)
<b>Total interest expense and similar charges</b>	<b>(12.8)</b>	<b>(19.9)</b>
<b>Net interest income</b>	<b>0.5</b>	<b>1.6</b>

#### 5. Auditor's remuneration

Total Auditor's remuneration of £68,000 (2024: £65,000) has been paid by the Company's subsidiary, TPF, without reimbursement. There were no non-audit services provided to the Company during the current or previous year.

#### 6. Staff costs and director's remuneration

The Company had no employees during the period (2024: none).

Directors' emoluments for the current and prior year have been paid by the Company's subsidiary, TPF, without reimbursement.

#### 7. Impairment release on financial assets

	2025 £m	2024 £m
Impairment release on loans and advances to subsidiary companies	2.0	0.8

Following the sale of the banking business by TPF, loans and advances to subsidiary companies were fully repaid on 12 November 2024 and the related ECL allowance was released to the Income Statement. Refer to note 11 for further information.

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 8. Income tax

	2025 £m	2024 £m
<b>Current tax</b>		
Current tax charge for the year	0.1	0.4
Current tax (over)/under provided for prior year's profits	(0.4)	–
<b>Total current tax</b>	<b>(0.3)</b>	<b>0.4</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25% (2024: 24.5%). The differences are explained below:

	2025 £m	2024 £m
Profit before taxation	2.5	252.4
Profit before taxation multiplied by standard rate in the UK of 25% (2024: blended rate of 24.5%)	0.6	61.8
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(0.5)	(61.4)
Adjustments in respect of prior years	(0.4)	–
<b>Total tax (credit)/charge for the year</b>	<b>(0.3)</b>	<b>0.4</b>

The Company has applied the Pillar Two income taxes exception in IAS12, so neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

#### 9. Cash and cash equivalents

	2025 £m	2024 £m
<b>Cash at bank and in hand</b>	<b>10.1</b>	<b>9.8</b>

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 10. Loans and advances to subsidiaries

	Note	2025 £m	2024 £m
Fixed rate subordinated loan		—	145.2
Floating rate subordinated loans		—	191.9
Undated floating rate notes		—	45.5
		—	382.6
Less: ECL allowance	7	—	(2.0)
<b>Net loans and advances to subsidiary companies</b>		<b>—</b>	<b>380.6</b>
Current		—	145.6
Non-Current		—	235.0

All loans and advances to subsidiaries were fully repaid by TPF following the sale of the banking business on 12 November 2024.

#### 11. Investments in subsidiaries

	2025 £m	2024 £m
<b>Cost</b>		
At the beginning of period	1,219.9	1,219.9
Repayment of AT1 equity	(150.0)	—
Transfer of investment in TU	226.4	—
Reduction of investment in TPF	(226.4)	—
<b>At end of the period</b>	<b>1,069.9</b>	<b>1,219.9</b>

Following the sale of the banking business TPF fully repaid £150.0m of 11.5% fixed rate reset AT1 securities to the Company on 12 November 2024. As a result, the Company's investment in TPF reduced by £150.0m.

On 19 February 2025 the investment held by TPF in Tesco Underwriting Limited (TU), the Group's insurance underwriter, was transferred from TPF to the Company by way of an in specie distribution. As a result, the Company now holds an investment in Tesco Underwriting Limited of £226.4 million and has reduced the investment in TPF by the same amount. The overall investment held in group undertakings is therefore unchanged as a result of this restructuring.

Details of the Company's subsidiaries are as follows:

Name of company	Nature of business	Place of incorporation	Ownership interest	Registered address
Tesco Personal Finance Limited	Insurance distribution and money services	United Kingdom	100%	2 South Gyle Crescent, Edinburgh, EH12 9FQ
Tesco Underwriting Limited	Insurance underwriting	United Kingdom	100%	The Omnibus Building, Lesbourne Road, Reigate, Surrey, RH2 7LD

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 12. Debt securities in issue

	Interest rate	Par value £m	Term (years)	Maturity date	2025 £m	2024 £m
MREL	3.5%	144.7	5	2024	–	145.3
<b>Total debt securities in issue</b>					–	145.3

Current	–	145.3
Non-Current	–	–

The MREL bond was issued on 26 July 2019 and had a term of 5 years, with a scheduled redemption date of July 2024.

The Company fully redeemed the remaining £144.7m of MREL-compliant debt in July 2024.

#### 13. Subordinated debt

	2025 £m	2024 £m
Amortised cost:		
Floating rate subordinated loans	–	191.9
Undated floating rate notes	–	45.6
<b>Total subordinated liabilities and notes</b>	–	237.5

Current	–	2.5
Non-Current	–	235.0

Subordinated debt comprised loan capital issued to Tesco PLC. All debt was fully repaid on 12 November 2024 following the sale of the banking business by TPF.

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 14. Shareholder's equity

	2025	2024
	£m	£m
Share capital	35.0	107.0
Share premium	315.2	963.2
Other equity instruments	–	150.0
Retained earnings	729.7	6.9
<b>Total shareholder's equity</b>	<b>1,079.9</b>	<b>1,227.1</b>

#### Share Capital

	2025		2024	
	Number	£m	Number	£m
<b>Authorised</b>				
Ordinary shares of 10p each	Unlimited		Unlimited	
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 10p each	350,000,000	35.0	107,000,000	107.0

#### Capital restructuring

Following the sale of the banking business TPF repaid £150.0m of regulatory capital instruments to the Company.

On 16 December 2024 the Company undertook a reduction in issued share capital of £40.5m, along with an associated partial cancellation of £364.5m of the share premium account as part of a wider capital restructuring within TPF Group. Furthermore, in order to facilitate the return of the final proceeds from the sale to the ultimate parent company, Tesco PLC, on 14 February 2025 the Company undertook a second reduction in issued share capital of £31.5m, along with an associated partial cancellation of £283.5m of the share premium account. Both of these steps resulted in an increase in distributable reserves within retained earnings by the same amount.

## TESCO PERSONAL FINANCE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 15. Related party transactions

##### Ultimate and immediate parent undertaking

The Company's immediate and ultimate parent undertaking and controlling party is Tesco PLC which is incorporated in England. The Financial Statements for Tesco PLC can be obtained from its registered office at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA.

##### Other transactions with related parties

The Company undertakes transactions with the Immediate Parent Company and its controlled entities. These transactions principally consist of funding transactions.

Transactions	2025 £m	2024 £m
<b>Immediate parent company</b>		
Interest expense	(12.8)	(19.9)
Dividends paid	–	(250.0)
Other equity instruments repaid	(150.0)	–
Subordinated debt repaid	(235.0)	–
<b>Controlled entities</b>		
Interest income	13.3	21.5
Dividend income	–	250.0

Balances owing to/from related parties are identified in notes 10 and 13.

#### 16. Events After the Reporting Date

##### Capital distribution

On 31 March 2025 the Board approved of the declaration of a distribution to Tesco PLC of £315.0m in relation to the final proceeds from the sale of the banking business. The payment of this distribution will be funded through an intercompany transaction and the receipt of funds from TPF.