

Company registration number 06945809 (England and Wales)

**PEEL FINANCE (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2022**

# PEEL FINANCE (UK) LIMITED

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# PEEL FINANCE (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	John Whittaker Steven Underwood A.C.A. Ruth Woodhead A.C.A. John Peter Whittaker
<b>Company number</b>	06945809
<b>Registered office</b>	Venus Building 1 Old Park Lane Traffordcity Manchester United Kingdom M41 7HA
<b>Auditor</b>	Deloitte LLP Statutory Auditor Manchester United Kingdom
<b>Bankers</b>	The Royal Bank of Scotland plc

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# PEEL FINANCE (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present the strategic report for the year ended 31 March 2022.

#### **Principal activity and review of the business**

The principal activity of the company is the lending of money within the Peel Holdings Group Limited group of companies.

The Company's results and financial position are set out in the profit and loss account and balance sheet on page 14 and 15.

As shown in the profit and loss account, turnover for the year totalled £8.037m (2021: £6.996m). Pre-tax profits have increased from £0.487m in the previous year to £0.646m in the current year.

Shareholder's funds increased by £0.523m from £7.111m at 31 March 2021 to £7.634m at 31 March 2022 due to the profit for the year.

No dividends were paid in the year (2021: £nil).

At 31 March 2022 the Company had net assets of £7.634m (2021: £7.111m).

During the year, Eurobonds (listed in the Cayman Islands) totalling £87.346m were issued by the company to the holding company and £24.171m were redeemed, the balance at 31 March 2022 was £315.639m. These are included within the amounts due to fellow group undertakings.

#### **Key performance indicators**

There are no key performance indicators for the company given the principal activity is that of an intercompany lender.

#### **Financial risk management objectives and policies**

The company's activities expose it to a number of financial risks including cashflows risk, credit risk and liquidity risk.

#### **Cash flow risk**

The company has no direct exposure to either foreign currency risk or interest rate risk.

#### **Credit risk**

The company's principal financial assets are group loans which are risk-free in the context of this group.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company can rely on appropriate funding from the group it belongs to.

#### **Future developments**

The company will continue in its role as intercompany lender within the Peel Holdings Group.

# PEEL FINANCE (UK) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### Principal risks and uncertainties

The directors consider the principal risk of the company to be that the companies within the wider Peel group, to which Peel Finance (UK) Limited provides lending service, are unable to repay their debts as they fall due. As such, the risks of the company are deemed to be consistent with those of the companies to whom funding is provided. However such risks are mitigated by support provided to the company and to the companies to whom money is lent by the Group. The directors consider the following to be the major items of risk affecting the company:

- economic cycles, including impact on customers and tenant covenant quality;
- fluctuations in interest rates including their impact on asset values and variable rate debt facilities;
- potential impact of adverse changes in asset values and net income on the ability to comply with its banking covenants;
- demand for commercial and residential property and the availability of funding for prospective buyers;
- environmental, social and governance requirements of authorities and stakeholders;
- availability of suitable replacement finance as required; and
- creditworthiness of the Group's multiple counterparty banks in the UK, Isle of Man and Channel Islands, with whom cash reserves are placed in the ordinary course of trading.

The conflict which continues following the Russian invasion of Ukraine towards the end of the financial year has contributed to significant macro-economic volatility and uncertainty with high levels of inflation and increasing interest rates currently being experienced. The impact is being closely monitored and the directors believe that the Company is well positioned to manage any risks and short-term market volatility.

On behalf of the board



**Ruth Woodhead A.C.A.**

**Director**

**27 September 2022**

# PEEL FINANCE (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and audited financial statements for the year ended 31 March 2022.

#### **Matters included in the strategic report**

In accordance with s414(C) (11) of the Companies Act, included in the strategic report is information relating to the future developments and review of the business risks and uncertainties which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a directors' report.

The company policy on risk management can be found in the strategic report.

#### **Going concern**

In assessing going concern the directors consider the group's business activities, together with factors that are likely to affect its future development and position. The directors of the company note that the majority of the company's liabilities are intercompany transactions are with fellow Peel Group subsidiaries.

In light of the nature of the business as a finance company for the Peel Group as well as it having net current liabilities at the year end, the directors acknowledge that the company is dependent on the liquidity of the Peel Group and have concluded that the company requires Group support.

The directors have concluded, after making enquiries and along with the confirmation from its parent company that it will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

#### **Directors**

Except where stated, the directors who held office during the financial year and thereafter are:

John Whittaker

Steven Underwood A.C.A.

Ruth Woodhead A.C.A.

John Peter Whittaker

(Appointed 15 March 2022)

#### **Results and dividends**

The results for the year are set out on page 14.

The financial risk and business review is stated in the strategic report set out on page 1.

The directors do not recommend payment of a dividend (2021: £nil).

#### **Auditor**

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# PEEL FINANCE (UK) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

### **Statement of disclosure to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) they 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 company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the board and signed on behalf of the board.



**Ruth Woodhead A.C.A.**

**Director**

**27 September 2022**

**PEEL FINANCE (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED**

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Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Peel Finance (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. 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 as applied to listed entities, 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.



**PEEL FINANCE (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED**

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### 3. Summary of our audit approach

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**Key audit matters** The key audit matter that we identified in the current year is:

- Recoverability of loans due from fellow group undertakings

Within this report, key audit matters are identified as follows:

 Similar level of risk

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**Materiality** The materiality that we used in the current year was £6.5m which was determined on the basis of 2% of total assets.

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**Scoping** Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

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**Significant changes in our approach** There is no significant change to our approach in the current year.

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### 4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the ability of Peel Finance Holdings (IOM) Limited, the company's holding company, and the Peel Holdings Group to provide support to the company if needed to continue as a going concern and evaluating their commitment and willingness to honour the support. Through this work we evaluated the Peel Holdings Group's cash flow forecasts prepared by the directors considering downside sensitivity and financial obligations;
- Obtaining an understanding of the relevant controls around the going concern forecasting;
- Challenging the assumptions used in the cash flow forecasts through performing sensitivity analyses around future profitability and cash inflows as well as around covenant headroom;
- Testing the clerical accuracy of those forecasts and assessing the historical accuracy of forecasts prepared by the directors through comparison to actual results; and
- Evaluating the appropriateness of the going concern disclosures in the financial statements.

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.

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# PEEL FINANCE (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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#### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### 5.1. Recoverability of loans due from fellow group undertakings

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###### Key audit matter description

The company has intercompany loans receivable of £323.0m (2021: £276.2m). There is a level of judgment involved in determining the recoverability of these assets, based on the financial position and future prospects of respective group undertakings. This takes into consideration a range of factors such as the trading performance of the group undertakings and support available from the wider group to these entities where required. Given the level of judgement and the quantitative significance of this balance in the context of the financial statements as a whole, this is therefore a key audit matter.

The recoverability of the company's loans due from fellow group undertakings relies on the financial position and future prospects of the respective group undertakings. The legacy impact of COVID-19, the situation in Ukraine and the resulting global macroeconomic environment all lead to uncertainty around the future prospects of these group undertakings.

Further details are included within the strategic report on pages 1 to 2.

###### How the scope of our audit responded to the key audit matter

We obtained an understanding of the relevant controls related to the recoverability of loans due from fellow group undertakings.

We challenged the directors' judgement regarding the appropriateness of the carrying value by:

- assessing the financial position and liquidity of the individual entities and any resulting indicators of impairment of amounts receivable;
- evaluating management's own assessment of recoverability and the means by which entities would be able to repay amounts owed if called;
- considering the appropriateness of such means as well as past practice and evidence of historical repayments from similar group undertakings; and
- assessing the wider Peel Holdings Group forecasts and trading performance in order to consider the ability of group entities to provide support where required.

We also assessed the appropriateness of the relevant disclosures.

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# PEEL FINANCE (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

#### Key observations

Based on the work performed we have concluded that loans due from fellow group undertakings are appropriately stated and the disclosure in respect of these assets is appropriate.

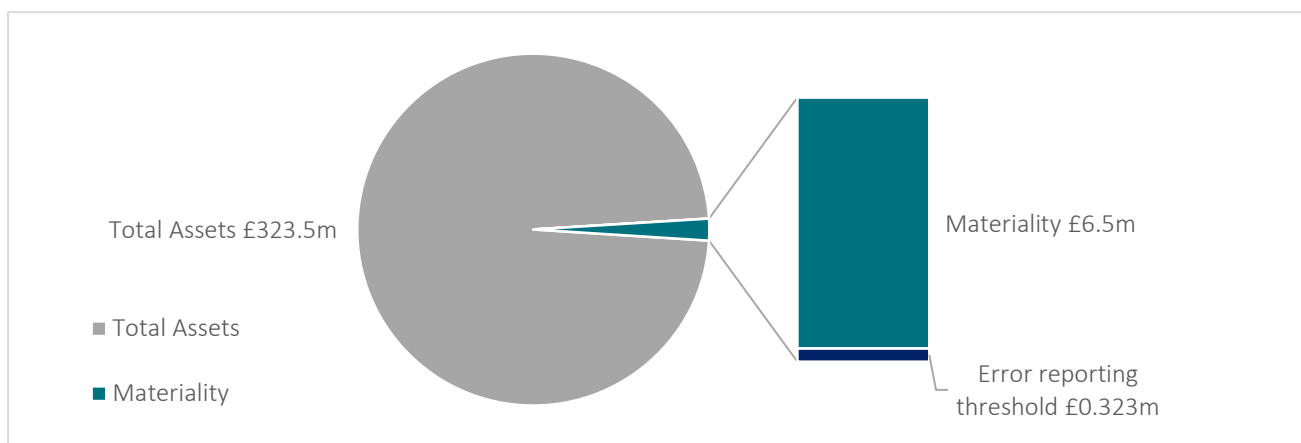
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Materiality</b>	£6.5m (2021: £5.5m)
<b>Basis for determining materiality</b>	2% of total assets (2021: 2% of total assets)
<b>Rationale for the benchmark applied</b>	We determined materiality based on total assets as this is the key metric used by the Peel Group and other relevant stakeholders in assessing the company's financial performance.



# PEEL FINANCE (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2022 audit (2021: 70%). In determining performance materiality, we considered the following factors:

- a. Our risk assessment, including our assessment of the company's overall control environment; the business processes; and the industry the company operates in.
- b. Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

#### 6.3. Error reporting threshold

We agreed with the directors that we would report to them all audit differences in excess of £0.323m (2021: £0.275m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### 7. An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### 8. 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.

**PEEL FINANCE (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED**

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## 9. 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.

## 10. 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.

## 11. 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.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

# PEEL FINANCE (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the recoverability of loans due from fellow group undertakings. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that 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.

#### **11.2. Audit response to risks identified**

As a result of performing the above, we identified the recoverability of loans due from fellow group undertakings as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the directors and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**PEEL FINANCE (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED**

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Report on other legal and regulatory requirements

12. 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.

13. Matters on which we are required to report by exception

**13.1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

**13.2. Directors' remuneration**

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

# PEEL FINANCE (UK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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#### 14. 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.



Elizabeth Benson BSc ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom  
27 September 2022



# PEEL FINANCE (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	2021 £
Turnover	3	8,037,246	6,996,388
Cost of sales		(7,047,377)	(6,194,692)
<b>Gross profit</b>		989,869	801,696
Administrative expenses		(344,320)	(314,546)
<b>Operating profit</b>		645,549	487,150
<b>Profit before taxation</b>	4	645,549	487,150
Taxation	6	(122,654)	(92,559)
<b>Profit for the financial year</b>		522,895	394,591

All of the above results derive from continuing operations.

There were no other gains or losses than as presented in the above profit and loss account, and accordingly, no separate statement of comprehensive income is presented.

# PEEL FINANCE (UK) LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Amount due from fellow group undertaking	7		323,014,484		276,218,943
<b>Current assets</b>					
Debtors	9	447,199		32,278	
Cash at bank and in hand		2,073		781	
		<u>449,272</u>		<u>33,059</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(315,830,145)</u>		<u>(269,141,286)</u>	
<b>Net current liabilities</b>			<u>(315,380,873)</u>		<u>(269,108,227)</u>
<b>Total assets less current liabilities</b>			<u>7,633,611</u>		<u>7,110,716</u>
<b>Capital and reserves</b>					
Called up share capital	11		100,000		100,000
Profit and loss reserves			<u>7,533,611</u>		<u>7,010,716</u>
<b>Total equity</b>			<u>7,633,611</u>		<u>7,110,716</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2022 and are signed on its behalf by:



Ruth Woodhead A.C.A.

Director

Company Registration No. 06945809

**PEEL FINANCE (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2020</b>	100,000	6,616,125	6,716,125
Profit and total comprehensive income for the year	-	394,591	394,591
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	100,000	7,010,716	7,110,716
Profit and total comprehensive income for the year	-	522,895	522,895
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	<u>100,000</u>	<u>7,533,611</u>	<u>7,633,611</u>

# PEEL FINANCE (UK) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	2022 £	£	2021 £	£
Cash flows from operating activities	12		1,292		(3,952)
Net increase/(decrease) in cash and cash equivalents			1,292		(3,952)
Cash and cash equivalents at beginning of year			781		4,733
Cash and cash equivalents at end of year			<u>2,073</u>		<u>781</u>

# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Company information

Peel Finance (UK) Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales with company registration number 06945809. The registered office is Venus Building, 1 Old Park Lane, Traffordcity, Manchester, United Kingdom, M41 7HA.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention the principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements are prepared on the basis that the company is a going concern. In forming its opinion as to going concern, the directors prepare cash flow forecasts based upon their assumptions with particular consideration to the key risks and uncertainties for the company. The directors of the company note that the majority of the company’s liabilities are intercompany transactions are with fellow Peel Group subsidiaries.

In light of the nature of the business as a finance company for the Peel Group as well as it having net current liabilities at the year end, the directors acknowledge that the company is dependent on the liquidity of the Peel Group and have concluded that the company requires Group support.

The directors have received confirmation that Peel Finance Holdings (IOM) Limited, the divisional holding company, will continue to provide the necessary level of support to enable the company to continue to operate for the foreseeable future; the liquidity of Peel Finance Holdings (IOM) Limited is dependent on the liquidity of the wider Peel Group.

In considering the ability of Peel Group to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel Groups forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account, the directors have a reasonable expectation that the Peel Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.3 Turnover

Turnover represents group interest receivable which is charged on the loans at LIBOR + 2.25% up to 31 December 2021 and SONIA + 2.25% thereafter or a fixed rate of 8%.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.5 Financial assets

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, it is considered whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### 1.6 Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying amount value

##### 1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### 1.8 Taxation

Current 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. No judgements have been made and the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider there to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 3 Turnover

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
<b>Turnover</b>		
Interest received	8,037,246	6,996,388

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

#### 4 Profit before taxation

2022	2021
£	£

Profit before taxation for the year is stated after charging:

Fees payable to the company's auditor for the audit of the company's financial statements	10,000	5,000
Non-audit fees payable to the company's auditor - tax compliance	1,000	1,000

#### 5 Employees

There were no employees during the year apart from the directors (2021: none).

The directors of the company were remunerated by Peel Group Management Limited for their services to the group as a whole; it is not practicable to allocate their remuneration between their services to group companies (2021: same).

#### 6 Tax on profit on ordinary activities

2022	2021
£	£

##### UK Current tax

UK corporation tax on profits for the current year	122,654	92,559
Total tax charge	122,654	92,559

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2022	2021
	£	£
Profit before taxation	645,549	487,150
UK corporation tax at 19.00% (2021: 19.00%)	122,654	92,559
Effects of:		
Tax expense for the year	122,654	92,559



# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 6 Tax on profit on ordinary activities (continued)

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2021: 19.00%).

The March 2021 Budget announced that the UK corporation tax rate will increase to 25.00% with effect from 1 April 2023. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%.

There is no deferred tax in either year.

#### 7 Fixed asset

	2022 £	2021 £
Amount due from fellow group undertakings	323,014,484	276,218,943

All intercompany balances are legally repayable on demand but the nature of the loans to group undertakings are long term assets which are not intended to be recalled within the next twelve months. Interest is charged on the loans at SONIA / LIBOR + 2.25% or a fixed rate of 8%.

#### 8 Financial instruments

	Notes	2022 £	2021 £
<b>Financial assets</b>			
Measured at undiscounted amount receivable	7,9	323,461,683	276,251,221
<b>Financial liabilities</b>			
Measured at undiscounted amount payable	10	315,830,145	269,141,286

#### 9 Debtors

	2022 £	2021 £
Amounts due from fellow group undertakings	426,922	-
Other debtors	20,277	32,278
	447,199	32,278

All intercompany balances are legally repayable on demand. Interest is charged on the loans SONIA + 2.25%.

# PEEL FINANCE (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals	41,120	35,169
Amounts due to fellow group undertakings	315,789,025	269,106,117
	<u>315,830,145</u>	<u>269,141,286</u>

Amounts owed to fellow group undertakings include £315.639m (2021: £252.463m) in respect of listed Eurobonds issued to the parent company. £315.638m (2021: £242.063m) have a maturity date of 2025, however, can be redeemed at any time, with interest is charged at a rate of SONIA + 2.00% and £0.001m (2021: £10.400m) have a maturity date of 2031 with interest charged at a rate of 7.5%.

#### 11 Share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
ordinary shares of £1 each	100,000	100,000

#### 12 Cash generated from operations

	2022 £	2021 £
Profit for the financial year	522,895	394,591
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(47,210,462)	5,477,044
Increase/(decrease) in creditors	46,688,859	(5,875,587)
<b>Cash generated from/(absorbed by) operations</b>	<u>1,292</u>	<u>(3,952)</u>

#### 13 Ultimate controlling party

The ultimate holding company in the year ended 31 March 2022 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the Billown 1997 Settlement.

The immediate parent company is Peel Holdings Finance Limited, a company incorporated in the Isle of Man.

The largest group of companies, of which the company is a member, that produces consolidated financial statements is Peel Holdings Group Limited, a company incorporated in the Isle of Man. The registered office is Billown Mansion, Ballasalla, Malew, IM9 3DL, Isle of Man.

The smallest group of companies, of which the company is a member, that produces consolidated financial statements, is Peel Holdings (IOM) Limited, a company incorporated in the Isle of Man. The registered office is Billown Mansion, Ballasalla, Malew, IM9 3DL, Isle of Man.