

Company Registration No. 06945809 (England and Wales)

PEEL FINANCE (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

PEEL FINANCE (UK) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 13
Profit and loss account	14
Balance sheet	15
Statement of changes in equity	16
Statement of cash flows	17
Notes to the financial statements	18 - 24

PEEL FINANCE (UK) LIMITED

COMPANY INFORMATION

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

PEEL FINANCE (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

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 10 and 11.

As shown in the profit and loss account, turnover for the year totalled £6.996m (2020: £9.592m). Pre-tax profits have decreased from £0.771m in the previous year to £0.487m in the current year.

Shareholder's funds increased by £0.394m from £6.716m at 31 March 2020 to £7.111m at 31 March 2021 due to the profit for the year.

No dividends were paid in the year (2020: £nil).

At 31 March 2021 the Company had net current assets of £7.111m (2020: £6.716m).

During the year, Eurobonds (listed in the Cayman Islands) totalling £21.326m were issued by the company to the holding company and £27.517m were redeemed, the balance at 31 March 2021 was £252.463m. These are included within the amounts due to fellow group undertakings.

Cash flow risk

The company has no 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. It was highlighted within the prior year financial statements that there was a risk of negative impacts as a result of the uncertainty surrounding transitional post Brexit arrangements and the on-going Covid-19 pandemic however no notable impact on the company has arisen to date. Refer to note 1.2 for further details.

The company continues to monitor the Brexit and Covid-19 situations closely.

PEEL FINANCE (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 and uncertainties 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 major risk items are as follows:

- economic cycles and potential impact of adverse changes in property values on the Group's ability to comply with its banking covenants in the future;
- the demand for commercial and residential property and the availability of funding from prospective buyers;
- the availability of suitable replacement finance as required; and
- the Group is party to interest rate changes linked to LIBOR and is at risk of relative changes.

On behalf of the board



Ruth Woodhead A.C.A
Director
30 September 2021

PEEL FINANCE (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and audited financial statements for the year ended 31 March 2021.

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.

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, 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 ("Finance Group"), the group's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future, for further details refer to note 1.2.

Accordingly, after making enquiries and taking all factors into account, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and non-statutory 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

Neil Lees A.C.I.S.

(Resigned 15 October 2020)

Ruth Woodhead A.C.A.

Results and dividends

The results for the year are set out on page 10.

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 (2020: £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 2021

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:

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

(c) 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
30 September 2021

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

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

Report on the audit of the financial statements

1. Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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

3. Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year is:</p> <ul style="list-style-type: none">• Recoverability of loans due from fellow group undertakings <p>Within this report, key audit matters are identified as follows:</p> <p>⊕ Similar level of risk</p>
Materiality	<p>The materiality that we used in the current year was £5.5m which was determined on the basis of 2% of current assets.</p>
Scoping	<p>Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.</p>
Significant changes in our approach	<p>There is no significant change to our approach in the current year.</p>

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, to provide support to the company to continue as a going concern and evaluated the Peel Group's commitment and willingness to honour the support provided. Through this work we evaluated the cash flow forecasts prepared by the directors considering downside sensitivity and financial obligations;
- We have obtained an understanding of the relevant controls around the going concern forecasting and considered the impact of Covid-19;
- Challenge of the assumptions used in the forecasts through performing sensitivity analysis around future profitability and cash inflows as well as around covenant headroom;
- Testing of clerical accuracy of those forecasts and an assessment of the historical accuracy of forecasts prepared by the directors through comparison to actual results; and
- An evaluation of 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.

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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

Key audit matter description

The company has intercompany loans receivable of £276.2m (2020: £281.7m). 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 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 directors note that the current COVID-19 pandemic has had a significant impact on the company, the Peel Group and the wider economy. The recoverability of the company's loans relies on the financial position and future prospects of respective group undertakings. The continued impact of COVID-19 in the year means uncertainty remains around the future prospects of these entities.

The directors have sought and received confirmation, through a letter of support, that the parent company and the wider Peel Group will provide the necessary support in the context of these uncertainties. The directors have also evaluated the ability of the Peel Group to provide this support, this evaluation includes:

- Reviewing the latest Peel Group cashflow forecasts as well as consideration of the various mitigating actions available to the Group; and
- Considering sensitivities to reflect downside scenarios including potential further reductions in asset valuations and the impact on loan to value covenants on debt facilities.

Based on the evaluation performed management have a reasonable expectation that the Peel Group can provide such support. 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 have assessed the accuracy of the balance by agreeing all intercompany loans receivable through to a corresponding creditor in the receiving group entity.

We have challenged the directors' judgement regarding the appropriateness of the

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

carrying value by:

- obtaining a copy of the latest financial information and forecasts for the debtors;
- reviewing the historical accuracy of management's forecasts by comparing the actual results to the forecasts;
- comparing the financial information and forecasts to our understanding of the group undertakings ; and
- assessing the ability and the willingness of the wider group to provide commitment and support to these group undertakings.

We have held discussions with management to understand the Peel Group ability and intention to provide support.

We have reviewed the going concern position of the wider group in light of the uncertainty which continues in respect of COVID-19. Procedures performed included assessing the assumptions used in the directors' assessment of the Peel Group as a going concern, assessing the accuracy and completeness of inputs into cash flow forecasts and assessing any available contradictory evidence.

We have also assessed the appropriateness of the loans due from fellow group undertakings financial statement disclosures.

Key observations

Based on the work performed we have concluded that loans due from 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:

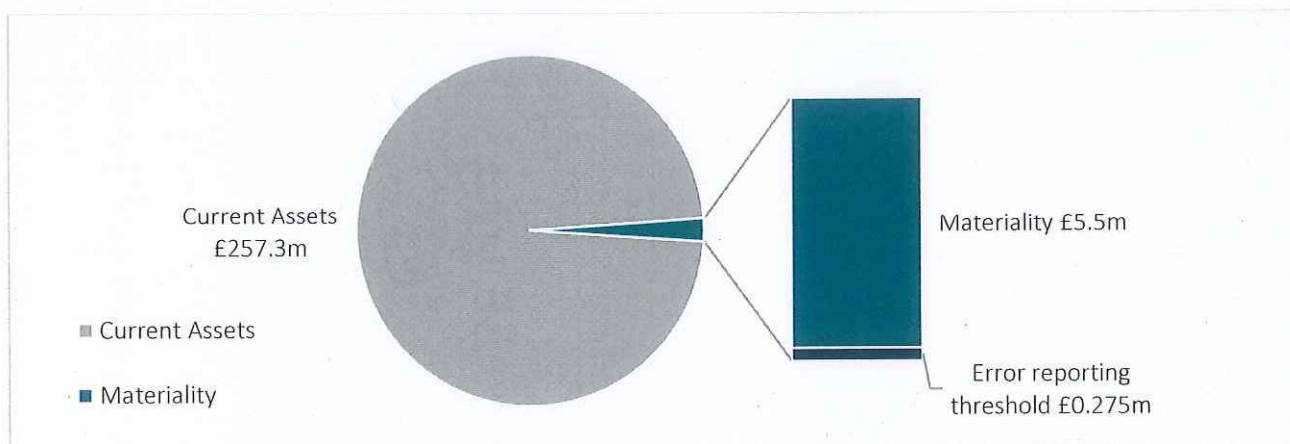
Materiality	£5.5m (2020: £5.6m)
Basis for determining materiality	2% of current assets (2020: 2% of current assets)

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

Rationale for the benchmark applied	Peel Finance (UK) Limited holds Eurobond (listed on the Cayman Stock Exchange). This loan is funding that allows Peel Finance (UK) Limited to provide loans to the rest of the Peel Group and hence the assets on the balance sheet relate to the intercompany loans. Therefore, current assets are determined to be the most reliable indicator of the entity's performance as net assets would be unduly small against the quantum of the balance sheet.
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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 2021 audit (2020: 70%). In determining performance materiality, we considered the following factors:

- Our risk assessment, including; our assessment of the company's overall control environment; the business processes; and the industry the entity operates in.
- 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 £0.275m (2020: £0.280m), 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.

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity 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 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.

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

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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. 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;
 - 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; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and IT 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.

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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. These included GDPR, employment law, health and safety and building regulations.

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.

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.

PEEL FINANCE (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT(CONTINUED)

TO THE MEMBERS OF PEEL FINANCE (UK) LIMITED

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.

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

30 September 2021

PEEL FINANCE (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	6,996,388	9,591,816
Cost of sales		(6,194,692)	(8,533,833)
Gross profit		801,696	1,057,983
Administrative expenses		(314,546)	(287,079)
Operating profit		487,150	770,904
Profit before taxation	4	487,150	770,904
Taxation	6	(92,559)	(95,202)
Profit for the financial year attributable to the equity shareholders of the company		394,591	675,702

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 2021

	Notes	2021 £	£	Restated* 2020 £	£
Fixed assets					
Amount due from fellow group under taking	7	276,218,943		281,696,255	
Current assets					
Debtors	9	32,278		32,010	
Cash at bank and in hand		781		4,733	
		33,059		36,743	
Creditors: amounts falling due within one year	10	(269,141,286)		(275,016,873)	
Net current liabilities		(269,108,227)		(274,980,130)	
Net Assets		7,110,716		6,716,125	
Capital and reserves					
Called up share capital	11	100,000		100,000	
Profit and loss reserves		7,010,716		6,616,125	
Total equity		7,110,716		6,716,125	

* Refer to Note 7 and 9 for further details.

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 30 September 2021 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 2021

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 April 2019	100,000	5,940,423	6,040,423
Profit and total comprehensive income for the year	-	675,702	675,702
Balance at 31 March 2020	100,000	6,616,125	6,716,125
Profit and total comprehensive income for the year	-	394,591	394,591
Balance at 31 March 2021	100,000	7,010,716	7,110,716

PEEL FINANCE (UK) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities	12		(3,953)		(480)
Net decrease in cash and cash equivalents			(3,953)		(480)
Cash and cash equivalents at beginning of year			4,733		5,213
Cash and cash equivalents at end of year			<u>781</u>		<u>4,733</u>

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 presented in pound sterling and 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, the directors acknowledge that the company is dependent on the liquidity of the Peel Group and have concluded that the company requires Group support.

As with previous years the directors have sought and received confirmation that Peel Finance Holdings (IOM) Limited, ("Peel Finance Holdings") the company's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future; the liquidity of Peel Finance Holdings 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 Group's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Key details of these are as follows:

Peel Group cash flow forecasts are updated on a regular basis to reflect current and future expectations of the impact of COVID-19 and management actions taken to date. Sensitivities have also been considered to reflect downside scenarios including potential further reductions in property valuations and the impact on loan to value covenants on debt facilities. These forecasts show that, even allowing for these downsides, for a period of 12 months from the signing of the accounts the Group has sufficient cash reserves to mitigate risks, and is in a strong position to withstand the potential impact. The directors are confident that the Group is well placed to manage its business risks satisfactorily despite the current uncertain economic outlook.

Taking all these factors into account, the directors have a reasonable expectation that the company 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 between LIBOR + 2.25% and 8%.

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 had no impairment been recognised.

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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. 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.

Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied, apart from those involving estimates which are dealt with separately below.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

Recoverability of debtors from subsidiary undertakings

There is significant level of judgement involved in determining the recoverability of receivables from subsidiary undertakings based on the financial position and future prospects of the subsidiaries undertakings. This takes into consideration a range of factors such as the trading performance and financial position of the subsidiary undertakings, which have seen significant impacts from Covid-19 since March 2020. Further details are included within notes 2 and 10 to the financial statements.

The directors do not consider there are any critical accounting judgements requiring disclosure beyond the accounting policies listed above.

3 Turnover

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

	2021	2020
	£	£
Turnover		
Interest received	6,996,388	9,591,816

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

	2021	2020
	£	£

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	5,000	4,500
Non-audit fees payable to the company's auditor - tax compliance	1,000	1,000

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

There were no employees during the year apart from the directors (2020: 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 (2020: same).

6 Tax on profit on ordinary activities	2021 £	2020 £
UK Current tax		
UK corporation tax on profits for the current year	92,559	95,202
Total tax charge	<u>92,559</u>	<u>95,202</u>

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

	2021 £	2020 £
Profit before taxation	<u>487,150</u>	<u>770,904</u>
UK corporation tax at 19.00% (2020: 19.00%)	<u>92,559</u>	<u>146,472</u>
Effects of:		
Transfer pricing adjustment re interest	-	(34,783)
Prior period adjustment	-	(16,487)
	<u>-</u>	<u>(51,270)</u>
Tax expense for the year	<u>92,559</u>	<u>95,202</u>

The standard rate of tax applied to reported profit on ordinary activities is 19.00% (2020: 19.00%).

The March 2021 Budget announced that the UK corporation tax rate will increase to 25.00% with effect from 1 April 2023. As this change has not yet been substantively enacted as at 31 March 2021, tax balances continue to be measured at a rate of 19.00%.

There is no deferred tax in either year.

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7 Fixed asset	2021 £	Restated 2020 £
Amount due from fellow group under taking	276,218,943	281,696,255

There has been a restatement of the classification of 31 March 2020 amounts owed by group undertakings from debtors to fixed assets to reflect their nature as long-term assets. These have historically been shown as current assets, however these loans were provided to meet the capital requirements of the borrowers and repayment is not expected in the near future. All intercompany balances are legally repayable on demand but the nature of the loans to group undertakings is long term assets which are not intended to be recalled within the next twelve months. Interest is charged on the loans at between LIBOR + 2.25% and 8%.

8 Financial instruments	Notes	2021 £	2020 £
Financial assets			
Measured at undiscounted amount receivable	7,9	276,251,221	281,728,265
Financial liabilities			
Measured at undiscounted amount payable	10	269,141,286	275,016,873

9 Debtors	2021 £	Restated 2020 £
Other debtors	32,278	32,010

There has been a restatement of the classification of 31 March 2020 amounts owed by group undertakings from debtors to fixed assets to reflect their nature as long-term assets. These have historically been shown as current assets, however these loans were provided to meet the capital requirements of the borrowers and repayment is not expected in the near future. All intercompany balances are legally repayable on demand but the nature of the loans to group undertakings is long term assets which are not intended to be recalled within the next twelve months. Interest is charged on the loans at between LIBOR + 2.25% and 8%.

PEEL FINANCE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	35,169	7,566
Amounts due to fellow group undertakings	269,106,117	275,009,307
	<u>269,141,286</u>	<u>275,016,873</u>

Amounts due to fellow group undertakings includes £252m (2020: £259m) in respect of listed Eurobonds issued to the parent company. These have a maturity date of 2025 however can be redeemed at any time. Interest is charged at a rate of 2% above LIBOR on £242m of this balance (2020: £259m). On the remaining £10m (2020: £nil) at a rate of 7.5% and a maturity date of 2031.

11 Share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid ordinary shares of £1 each	100,000	100,000

12 Cash generated from operations

	2021 £	2020 £
Operating profit	487,150	770,904
Movements in working capital:		
Decrease in debtors	5,477,044	45,051,911
Decrease in creditors	(5,967,786)	(45,823,295)
Cash absorbed by operations	<u>(3,593)</u>	<u>(480)</u>

13 Controlling Party

The ultimate holding company in the year ended 31 March 2021 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 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.