

Company Registration No. 06970666 (England and Wales)

**PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P
HOLDINGS ENERGY (NO.3) LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

COMPANY INFORMATION

Directors	John Whittaker Steven Underwood A.C.A. John Schofield A.C.A. Myles Kitcher M.R.I.C.S.
Company number	06970666
Registered office	Venus Building 1 Old Park Lane Traffordcity Manchester United Kingdom M41 7HA
Auditor	Deloitte LLP Statutory Auditor Manchester United Kingdom
Bankers	Barclays Bank Plc

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

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PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) 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.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On 20 November 2020 the company changed its name by special resolution to Peel NRE Holdings Energy (No.3) Limited.

Principal activities

The principal activity of the company continued to be that of a holding company.

Going concern

Despite being in a net current liabilities position at year end the directors have concluded 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. Their considerations have taken into account the potential risks associated with the global Covid-19 pandemic. The group that the company is a part of moved quickly to mitigate the financial effects of the disruption caused by the pandemic, including a review of the capital spend and allocation, utilisation of Government initiatives and review of and reduction in overhead expenditure.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1.2 of the financial statements.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors

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

John Whittaker

Neil Lees A.C.I.S.

(Resigned 15 October 2020)

Steven Underwood A.C.A.

John Schofield A.C.A.

David Muir Miller

(Resigned 1 June 2020)

Myles Kitcher M.R.I.C.S.

(Appointed 1 February 2021)

Auditor

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

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) 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:

(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.

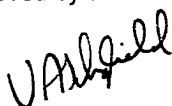
Principal Uncertainties

There are currently two significant risks affecting the company:

- the departure of the UK from the EU is the potential negative impact on the macroeconomic environment. This is as a result of the uncertainty surrounding Brexit arrangement and broader consumer confidence. More specifically the company is affected by changes in sentiment in the investment and occupier market in which it operates; and
- the outbreak of Covid-19 represents a risk to the company as the potential supply chain and macroeconomic impact is not yet understood.

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

Approved by the Board of Directors and signed on behalf of the Board



John Schofield A.C.A.

Director

26 November 2021

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Peel NRE Holdings Energy (No.3) Limited (formerly Peel L&P Holdings Energy (No.3) Limited) (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss 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; and
- the related notes 1 to 9.

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).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

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 material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

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. This description forms part of our auditor's report.

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR, employment law, health and safety and building regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax, IT and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identify the greatest potential for fraud in the following area, and our specific procedures performed to address it are as described below:

- recoverability of loans due from fellow group undertakings: We have assessed the accuracy of the balances 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 carrying value by: obtaining a copy of the latest financial information and cashflows for the debtors; reviewing the historical accuracy of management's cashflow forecasts by comparing actual results to the forecasts; and comparing the financial information and forecasts to our understanding of the 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. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



Elizabeth Benson BSc ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

26 November 2021

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Administrative expenses		(1,550,453)	(7,907,010)
Loss before interest and taxation		(1,550,453)	(7,907,010)
Interest receivable and similar income		94,934	165,450
Interest payable and similar expenses		(533,151)	(611,710)
Loss before taxation		(1,988,670)	(8,353,270)
Tax on loss		97,228	402,538
Loss for the financial year		(1,891,442)	(7,950,732)

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

BALANCE SHEET

AS AT 31 MARCH 2021

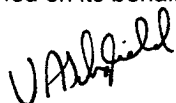
		2021	Restated, see note 3
	Note	£	2020
		£	£
Fixed assets			
Loans to group undertakings	3	1,411,553	716,119
Fixed Asset Investments	4	1	1
		<u>1,411,554</u>	<u>716,120</u>
Current assets			
Debtors	6	104,263	417,956
Cash at bank and in hand		72,619	1,638
		<u>176,882</u>	<u>419,594</u>
Creditors: amounts falling due within one year	7	(20,916,945)	(18,572,782)
Net current liabilities		<u>(20,740,063)</u>	<u>(18,153,188)</u>
Net liabilities		<u>(19,328,509)</u>	<u>(17,437,068)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		(19,328,510)	(17,437,069)
Shareholder's deficit		<u>(19,328,509)</u>	<u>(17,437,068)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The financial statements for Peel NRE Holdings Energy (No.3) Limited (formerly Peel L&P Holdings Energy (No.3) Limited), company number 06970666 were approved by the board of directors and authorised for issue on 26 November 2021

Signed on its behalf by:



John Schofield A.C.A.
Director

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Peel NRE Holdings Energy (No.3) Limited (formerly Peel L&P Holdings Energy (No.3) 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 06970666. 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 Section 1A of "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

Due to being in a net current liabilities position at the year end the directors have received confirmation that Peel NRE Developments (IOM) Limited (formerly Peel L&P Energy Projects (IOM) Limited) ("Peel"), the divisional holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future.

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 consolidated forecasts, the continuing availability of its facilities and its strategic and contingent plans. These forecasts show that sufficient resources remain available to the business for the next twelve months after taking account of reasonably possible changes in performance, including those arising from the global Covid-19 pandemic.

Key details of these are as follows:

Peel cashflow forecasts have been revised to reflect current 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 covenants currently operate with headroom and in the event of reductions in value there are mitigating actions that could be deployed to create headroom. These forecasts show that, even allowing for these downsides, for a period of 12 months from the signing of the accounts Peel has access to sufficient cash reserves, via support from its parent, and is in a strong position to withstand the potential impact. The directors are confident that Peel 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.

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Properties in the course of development or practically completed but not substantially let are included in the balance sheet at cost subject to provisions if the directors consider it prudent having regard to the prevailing market conditions. Cost includes interest and directly attributable overheads whilst the property is in the course of development.

Reclassifications between investment properties, other fixed assets and stocks are made at the lower of net book value and net realisable value.

Investment property sales are accounted for on the basis of unconditional exchange.

Depreciation is provided on all other fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Land and buildings Freehold

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at cost less provision for impairment. Cost represents the aggregate cash consideration, costs incurred and either the fair or the nominal value of shares issued.

At each reporting end date, the company reviews the carrying amounts of its fixed asset investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 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.

1.7 Financial assets and financial liabilities

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.

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

1.9 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Employees

There were no employees during the year apart from the directors (2020: none).

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3	Loans to group undertakings	2021	Restated 2020
		£	£
	Amounts owed by group undertakings	1,411,533	716,119

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 were not expected to be repaid within the twelve months from the balance sheet date.

Included above are the following amounts which carry interest at 1.5% above the base rate:

	2021	2020
	£	£
Amounts owed by group undertakings	1,411,533	716,119

The remainder of amounts owed by group undertakings carry no interest. 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.

4	Fixed asset investments	Shares in subsidiary undertakings
		£
	Cost	
	At 31 March 2020 & 31 march 2021	1
	Net book value	
	At 31 March 2020 & 31 march 2021	1

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Subsidiaries

These financial statements are separate company financial statements for Peel NRE Holdings Energy (No.3) Limited (formerly Peel L&P Holdings Energy (No.3) Limited).

The subsidiary undertakings as at 31 March 2021 all of which were wholly and indirectly owned, unless otherwise stated, were as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Peel NRE Developments Limited (formerly Peel NRE Wales Energy Limited)	England & Wales	100	100	Development of renewable energy projects

The subsidiary above incorporated in England and Wales has the registered office Venus Building, 1 Old Park Lane, Traffordcity, Manchester, M41 7HA.

6 Debtors

	2021 £	Restated 2020 £
Amounts due from group undertakings	97,228	402,539
Other debtors	7,035	15,417
	<u>104,263</u>	<u>417,956</u>

As per note 3, there has been a restatement of the classification of 31 March 2020 amounts owed by group undertakings to fixed assets to reflect their nature as long-term assets. These have historically been shown as current assets, however, these were not expected to be repaid within the twelve months from the balance sheet date.

All intercompany balances are repayable on demand. No interest is charged on amounts owed by subsidiary undertakings. Amounts owed by related parties in respect of trade balances are repayable on standard trade terms.

PEEL NRE HOLDINGS ENERGY (NO.3) LIMITED (FORMERLY PEEL L&P HOLDINGS ENERGY (NO.3) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	10,875	9,948
Amounts due to fellow group undertakings	20,817,174	18,562,725
Other creditors	88,169	-
Accruals and deferred income	727	109
	<u>20,916,945</u>	<u>18,572,782</u>

Included in amounts owed to group companies are £20,817,174 (2020: £18,562,725) which carry interest of 2.25% above LIBOR (2020: 2.25%) per annum charged on the outstanding loan balance. The remainder does not carry interest and the whole amount is repayable on demand.

8 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

The company has one class of ordinary shares which carries no right to fixed income.

9 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 NRE Developments (IOM) Limited (formerly Peel L&P Energy Projects (IOM) Limited).

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