
PEAC Holdings (UK) Limited

REPORT AND FINANCIAL STATEMENTS

**For the 16 month period from incorporation on
the 15th September 2015 to 31 December 2016**

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REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

CONTENTS	Page
Directors and other information	3
Strategic report	4
Directors' report	5 - 6
Statement of directors' responsibilities	7
Independent auditor's report	8 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 – 19

PEAC Holdings (UK) Limited

DIRECTORS AND OTHER INFORMATION

Directors J. Ashley (appointed 15 September 2015)
 J. Staadecker (appointed 15 September 2015)

Registered Office Devonshire House
 1 Mayfair Place
 London
 W1J 8AJ
 United Kingdom

Registered Number 09778266

Secretary P.J. Venner (appointed 24 March 2016)

Independent Auditor BDO LLP
 55 Baker Street
 London
 W1U 7EU
 United Kingdom

PEAC Holdings (UK) Limited

STRATEGIC REPORT

Principal Activity

PEAC Holdings (UK) Limited ("the Company") is a holding entity incorporated in England and Wales on the 15th September 2015.

The Company started trading on 1 January 2016 when it acquired the entire share of capital of PEAC (UK) Limited ("PEAC UK") from CIT Group Holdings (UK) Limited.

Review of the business and future development

The Company will continue to be the main holding entity for the investments in PEAC UK.

Results

For the period ended 31 December 2016, the Company recorded a loss of £9,230k driven by interest payable to related companies within the PEAC Group.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include investment risk, liquidity risk and interest rate risks. The directors have delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

Investment Risk

The Company has exposure to investment risks linked to the equity value of its subsidiary. The Company monitors the value of its investment in PEAC UK and the management shared by the two entities has a goal to increase shareholders value.

Liquidity Risk

The Company has exposure to liquidity risks which it manages by producing regular short and medium term cash flow projections and drawing on funds from its parent.

Interest Rate Risk

The Company's interest bearing liability are fixed rate loan received from other related companies of the PEAC Group.

Key performance indicators (KPI's)

In order to understand the development, performance and position of the business, the directors of the Company use the following KPI for its sole investment in PEAC (UK) Limited:

- Average portfolio yield: 10.0%
- Cost of funds: 3.02%
- Net Charge off rate: 0.59%
- Operating expense ratio: 4.87%

By order of the Board



J. Staadecker
Director

Date: 17th July 2017

DIRECTORS' REPORT

The Directors present their first report and the audited financial statements for the financial period from incorporation on 15 September 2015 to 31 December 2016.

Dividends

The Company paid no dividends during the period and the Directors do not recommend the payment of a final dividend in respect of this period.

For the financial period ended 31 December 2016 the Company made a loss after tax of £9,230k.

Going concern risk

The financial statements have been prepared on a going concern basis.

The ongoing liquidity of the Company is dependent on its ability to access funding and receive continued financial support from its Parent company.

In concluding that the going concern basis is appropriate for the Company for the period ended 31 December 2016 financial statements, the directors have taken various matters into account. Refer to Note 2.b to the financial statements.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), in force in the United Kingdom at 31 December 2016. At 31 December 2016 PEAC Holdings (UK) Limited was a wholly owned subsidiary of PEAC Holdings (Ireland) DAC, which is incorporated in the Republic of Ireland. The audited financial statements of PEAC Holdings (Ireland) DAC for the period ended 31 December 2016, drawn up in accordance with the EU Seventh Directive, include PEAC Holdings (UK) Limited.

Events after balance sheet date

There have been no significant event affecting the Company since the financial period end.

Directors and their interests

The names of the Directors who held office since incorporation to date are listed on page 3. All directors served for the entire period.

The Company is exempt from the requirement to report directors' interests on the grounds that the company was wholly owned by an overseas company.

Registered Office

The registered office is at Devonshire House, 1 Mayfair Place, London W1J 8AJ.

Qualifying third party and pension scheme indemnity provisions

At 31 December 2016, or at any time throughout the financial period preceding this date, there were no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions in place.

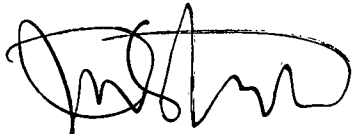
DIRECTORS' REPORT (continued)

Auditors and disclosure of information to auditors

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

(b) The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



J. Staadecker
Director

Registered No: 09778266

Date: 17th July 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and 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 Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)".

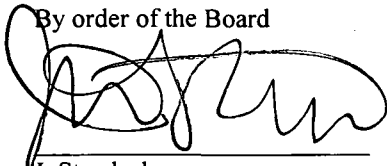
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- 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.

By order of the Board



J. Staadecker
Director

Date: 17th July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEAC HOLDINGS (UK) LIMITED

We have audited the financial statements of PEAC Holdings (UK) Limited for the financial period ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the financial period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEAC HOLDINGS (UK) LIMITED (continued)

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

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Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date 17/7/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PEAC Holdings (UK) Limited

STATEMENT OF COMPREHENSIVE INCOME For the 16 month period ended 31 December 2016

	Note	2016 £000's
Administration expenses	3	(10)
Operating loss		<u>(10)</u>
Interest payable and similar charges	4	(9,220)
Loss on ordinary activities before taxation		<u>(9,230)</u>
Tax on loss on ordinary activities	7	-
Loss for the financial period		<u>(9,230)</u>
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u><u>(9,230)</u></u>

As this is the first period in which financial statements are prepared, there are no comparative figures available.

The notes on pages 13 to 19 form an integral part of these financial statements.

PEAC Holdings (UK) Limited

				STATEMENT OF CHANGES IN EQUITY
Balance as at 15 September 2015	12	-	-	-
Total comprehensive income for the period		-	(9,230)	(9,230)
Share capital issued	12	8,149	-	8,149
Balance as at 31 December 2016	13	8,149	(9,230)	(1,081)

PEAC Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of compliance

The financial statements of PEAC Holdings (UK) Limited ("the Company") have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Companies Act 2006.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

In preparing these financial statements, the directors have made judgements in order to determine whether there are indicators of impairment of the company's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.h and 2.i.

b) Going concern

As at 31 December 2016, the Company had net liabilities of £1,081k and a loss for the financial period of £9,230k.

The Company's liabilities are with the parent company and other group undertakings. The parent company has confirmed its financial support to the Company.

An assessment of the Company's ability to continue as a going concern has been carried out and the Directors have concluded that the going concern basis of preparation is appropriate.

c) Exemptions for entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows as PEAC Holdings (Ireland) DAC, includes the company's cash flows in its own consolidated financial statements.

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

NOTES TO THE FINANCIAL STATEMENTS

d) Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income (SOCI).

e) Interest receivable and similar income and interest payable and similar charges

All income and expense is recognised on an accruals basis so as to match costs incurred with revenues earned irrespective of when payments are made or received.

f) Taxation

UK Corporation tax is provided on taxable profits/(losses) at the current tax rate.

Deferred tax is provided on 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 temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

g) Investments in subsidiaries

Investment in subsidiary companies is held at cost less accumulated impairment losses.

Acquisition expenses are treated as part of the cost of acquisition and include incremental costs such as professional fees paid to investment banks, accountants, legal advisers and other consultants. Such expenses exclude any other costs, or allocation of costs, that would still have been incurred had the acquisition not been entered into.

The carrying values of the investment in subsidiary undertakings are reviewed for impairment on an annual basis. To the extent that the carrying value is considered to be less than the recoverable amount, an impairment charge is reflected in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

h) Financial instruments

(i) Financial assets

Basic financial assets, including investments in subsidiaries, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in SOCI.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in SOCI.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i) Provisions and contingencies

(i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular, provision is not made for future operating losses.

PEAC Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

j) Consolidation

The company is exempt from the requirements to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and not about its group.

3. Administrative expenses

Administrative costs in the period include :

	2016 £ 000's
Professional fees	5
Foreign exchange losses	5
	<u>10</u>

4. Interest Payable and Similar Charges

Interest payable and similar charges include:

	2016 £ 000's
Interest on intercompany loans from parent company	5,119
Interest on intercompany loans from other group undertakings	4,101
	<u>9,220</u>

5. Directors' remuneration

No directors was paid any remuneration or compensation during the period.

6. Staff numbers and related costs

The Company has no employees.

PEAC Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

7. Taxation

a. Analysis of the tax charge in the period	2016
	£ 000's
Current tax:	
UK corporation tax on loss for the period	-
Total current tax	-
Deferred tax:	
Origination and reversal of timing differences	-
Total deferred tax	-
Tax on loss on ordinary activities	-
b. Factors affecting tax charge for the period	2016
	£ 000's
Reconciliation of current tax on profits on ordinary activities at the standard rate of corporation tax to the company's actual current tax charge is shown below	
Loss on ordinary activities before tax	(9,230)
Corporation tax in the UK of 20%	(1,846)
Effects of:	
Expenses not deductible for tax purposes	1,845
Deferred tax not recognized (note 10)	1
Current tax charge for period	-

c. Factors that may affect future tax charges

The Corporation Tax main rate will reduce to 19% for the years starting the 1 April 2017, 2018 and 2019 and at 17% for the year starting 1 April 2020.

8. Financial Assets

The Company's investments in the share capital of subsidiary undertakings comprised:

	2016
	£ 000's
Opening balance	-
Additions	110,077
At 31 December	110,077

The Company acquired 100% of the share capital of PEAC (UK) Limited effective 1 January 2016.

PEAC Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

9. Creditors: amounts falling due within one year

	2016 £ 000's
Amounts owed to other group undertakings	(45,768)
Amounts owed to parent company	(65,385)
Accruals for professional fees	(5)
	<u>(111,158)</u>

10. Deferred tax asset

Deferred taxation assets recognised in the accounts and the assets not recognised are as follows:

	2016 Recognised	2016 Unrecognised
	£'000's	£'000's
15 September 2015	-	-
Arising relating to the current period	-	1
At 31 December	<u>-</u>	<u>1</u>

The amount of the unprovided deferred tax asset at the balance sheet date in respect of losses and other deductions is £1k using a rate of 17%. The tax rate will reduce at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 17% for the year starting 1 April 2020. The Directors believe sufficient taxable profits to utilise the losses will arise in the future, but that there is currently insufficient evidence to support the recognition of a deferred tax asset as at 31 December 2016.

11. Financial instruments

The Company's financial instruments may be analysed as follows:

	2016 £ 000's
Financial assets	
Financial assets measured at amortised cost	<u>110,077</u>
Financial liabilities	
Financial liabilities measured at amortised cost	<u>(111,153)</u>

Financial assets measured at amortised cost comprise investments in subsidiaries.

Financial liabilities measured at amortised cost comprise intercompany loans.

12. Called up share capital

	2016
Allotted, called up and fully paid	
Ordinary Shares of £1 each	<u>8,149,179</u>

The Company was incorporated on 15 September 2015 with a share capital of £1. Since its incorporation, the Company has allotted, called up and fully paid additional 8,149,178 shares of £1 each.

PEAC Holdings (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

13. Reconciliation of movements in shareholders' funds

	2016 £ 000's
Loss for the financial period	(9,230)
Share capital issued	8,149
Net deduction to shareholders' funds	(1,081)
Opening shareholders' funds at inception	-
Closing shareholders' funds	(1,081)

14. Contingent liabilities and commitments

There were no contingent liabilities nor commitments at 31 December 2016.

15. Related party transactions

The company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

Details of the availability of the group financial statements are given in note 16.

16. Controlling party

The immediate and ultimate controlling party, is PEAC Holdings (Ireland) DAC, a company incorporated in the Republic of Ireland. Copies of its financial statements are available from Block 2, Blackrock Business Park, Carysfort Avenue, Blackrock, Co. Dublin.

17. Subsequent events

There have been no significant event affecting the Company since the financial period end.

18. Approval of financial statements

The financial statements were approved by the directors on 13 July 2017.