

Company Registration No 06497115

PEEL L&P HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

YEAR ENDED 31 MARCH 2021

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PEEL L&P HOLDINGS (UK) LIMITED

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PEEL L&P HOLDINGS (UK) LIMITED

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**Directors, Principal Professional Advisers and Registered Office**

<b>Directors:</b>	John Whittaker Steven Underwood, A.C.A. John Schofield, A.C.A.
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<b>Registered Office and Head Office:</b>	Venus Building 1 Old Park Lane Traffordcity Manchester M41 7HA United Kingdom
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<b>Registered Number:</b>	06497115
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<b>Auditor:</b>	Deloitte LLP Statutory Auditor Manchester United Kingdom
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<b>Bankers:</b>	Lloyds Bank plc The Royal Bank of Scotland plc Barclays Bank plc HSBC plc Aviva Commercial Finance Limited Santander plc
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<b>Property Valuers:</b>	Jones Lang LaSalle Carter Jonas
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## PEEL L&P HOLDINGS (UK) LIMITED

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### Strategic Report *for the year ended 31 March 2021*

The directors submit their strategic report of the group for the year ended 31 March 2021.

#### Principal activities

The principal activities of the group are property investment, property development and trading.

#### Review of business, future developments and prospects

There were many factors that impacted the results of the group for the year ended 31 March 2021, the most obvious being Covid 19. However, at the onset of the pandemic the group acted early and decisively by reducing overhead and deferring expenditure wherever possible, and that coupled with the diverse property portfolio and good mix of tenants helped to mitigate the overall impact. Gross rental income did fall from £70.9m in 2020 to £66.6m in 2021 due the administration of some tenants, largely in the retail sector, and also due to some rental concessions offered to tenants to help them to continue to trade. Rental collection levels were maintained at over 80% throughout the financial year. An increase in trading property sales from £0.2m in 2020 to £13.9m in 2021 contributed to an increase in total turnover from £78.5m in 2020 to £88.4m in 2021.

Negative market sentiment in respect of retail continued during 2021 and the value of the retail park portfolio fell by £20.3m, after sales and transfers of assets from other parts of the Peel L & P Group Limited group of companies the value of the retail park portfolio was £341.6m at 31 March 2021. A revaluation of the retail park portfolio after the year end showed a small uplift in value which the group believes signals an improvement in market sentiment. Offset against this were positive revaluation gains of £22.1m seen across the land bank arising from certain one off planning gains, in addition to good progress being made in respect of planning for land captured by Places for Everyone (the former Greater Manchester Spatial Framework). The revaluation overall was a negative £5.3m for the year compared to a negative £11.5m in 2020. In addition there was also a write down of certain land held as stock amounting to £4.3m

In 2021 the group provided for potential future costs in respect of certain contracts and this incurred a charge of over £14m which is included within administration expenses.

During the year the group acquired and cancelled £51.4m of its own First Mortgage Debenture Stocks which will result in a significant saving in interest payments in future years. To fund this acquisition certain retail properties were sold which resulted in a profit on sale of over £7m and contributed to the overall profit on disposal of fixed assets of £17.6m for the year ended 31 March 2021.

Changes in the management structure of the wider Peel L & P Group Limited group of companies and the creation of a housebuilding company (Northstone) resulted in a strategic review being carried out of the investment property portfolio and certain land that was earmarked for disposal to Northstone or to other third parties was appropriated to stock. This resulted in capital losses being surrendered into the group which were not paid for and resulted in a tax credit of £31.9m compared to a tax charge of £3.1m in 2020.

The appropriation also resulted in the stock value to increase from £48.7m in 2020 to £215.9 in 2021.

Net assets at 31 March 2021 were £492.1m at 31 March 2021 compared to £502.8 at 31 March 2020 the movement largely relating to the loss for the year of £5.8m along with a foreign exchange loss of £5.7m

#### Peel L&P financial year April 2020 to March 2021— our review of an unprecedented year

This review is for the group of companies headed by Peel L&P Holdings (UK) Limited “Peel L&P”. The coronavirus global pandemic has dramatically affected people and communities and for business has created challenges unlike any experienced before. In spite of these challenges, our Peel L&P people embraced change and digital innovation, adopting new ways to communicate and collaborate. They did this with a sense of pride and determination to reach our goals, whilst supporting each other with a sympathetic view on balancing work / life pressures. The financial year began with everyone in lockdown. Our leadership team responded immediately, working together to rationalise and refocus in the face of an uncertain future. Our immediate priorities were to ensure that our people, our customers and our partners were supported, and that our business could continue to operate as effectively as possible whilst adopting government-led Covid-19 safety guidelines.

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### Supporting our communities in times of need

During the pandemic, Peel L&P responded to the crisis through the provision of land, property, services and support such as information technology support “IT support” and a human resource function “The People Team”.

Our wider group “Peel Group” is a group of companies headed by Peel Holdings Group Limited. Working alongside our Peel Group parent company, we liaised with Public Health England to explore the possible use of our properties as Covid-19 testing sites and NHS Nightingale hospitals. We supported the National Health Service “NHS” through our digital advertising hoardings and social media platforms, which were made available for the promotion of NHS messages. Free parking spaces were provided for NHS key workers at our retail parks. All our businesses and colleagues reviewed ways to offer support to the government, NHS, volunteer groups and local communities. Many volunteered their time to support the distribution of medical supplies and personal protective equipment “PPE”.

#### Leading a business in a pandemic

Steven Underwood, CEO of Peel L&P and The Peel Group, reflects on an unprecedented year.

“I was incredibly humbled by the commitment shown to Peel L&P by our people over the past year. They have been nothing short of magnificent. 2020 was an unprecedented year. A year like no other. Everybody made sacrifices to secure the future of our business – whether that was by working more flexibly to deal with competing demands of family and work whilst at home, through to salary reductions in the early months of the pandemic.”

“There was a real sense of solidarity across the business and an acknowledgment that the challenging times we were facing brought with them a different set of pressures, whether that be balancing work commitments with the demands of family life or dealing with feelings of isolation from homeworking, all set against a frightening and uncertain backdrop. I was confident that if we worked together, in a supportive and empathetic way, the business and our people would come through.”

“By May, still in lockdown, we were already planning for a post-pandemic world. The leadership team took a step back and analysed each area of the business, identifying changes that needed to be made, as well as focussing on opportunities for the future. By September, we were well advanced with a new five-year plan for the business, with clear objectives and clarity on how to deliver.”

“Reflecting on that time, I was increasingly confident that as a business, we would emerge stronger from the pandemic, having placed equal emphasis on supporting our people, our customers and our partners all whilst delivering our revised financial goals. As we ended the financial year, I was cautiously optimistic.”

“We now have a clear vision for the future, with some transformational projects in the pipeline, working with some of the best partners in the industry. For me, a few standout projects include the fantastic progress with Urban Splash to deliver much-needed homes at Wirral Waters. Our partnership with the Embassy charity and Capital & Centric in Castlefield, Manchester will help tackle homelessness and deliver wraparound care with a housing-led community of up to 40 modular homes. Our plans progressed for the Hulton Park estate in Bolton and the work of our Natural Resources and Energy business, Peel NRE Developments Limited, saw significant developments in the low carbon and circular economy sectors.”

“Whilst our people embraced new ways of working, plans for new workspaces at TraffordCity and MediaCity were rolled out to give our people the best spaces to come together and collaborate, as well as more initiatives to support their physical and mental wellbeing. The resilience and adaptability of our people has surpassed all of my expectations. I also take great confidence from the diversity of our portfolio. There will be many more challenges to face in the coming year, as we work with our partners to unlock and deliver the opportunities across our business.”

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### Realising possibility

The transformational value of our brand

Review by Ian Wilson, Director of Marketing & Communications

Peel L&P is an agile and ambitious regeneration business with a legacy of successful delivery and a clear strategy for long-term, sustainable growth. With its roots dating back to 1972, Peel L&P has generations of history, heritage and expertise in our DNA. Today we are responsible for some of the most transformational development projects in the UK. Owning and managing 12 million sq. ft of property and 20,000 acres of land and water, our holdings are concentrated in the north west of England, but we also own and manage significant assets throughout the UK, with a total portfolio value of £2.4 billion.

We acquire, own or manage land, property, water and airspace that offers a development or investment opportunity

*For which*

We consider the best possible use and impact for that specific environment

*Which provides*

Business, community and environmental opportunity

*That delivers*

A positive impact on peoples' lives for a long-term, sustainable business

Our specialist teams have a proven track record of delivering high quality projects across land, property, water and airspace. These include airports, hotels, waterways, media hubs, event spaces, leisure facilities, retail, workspace, residential development, industrial and logistical space, public realm, historic gardens and the renewable energy sector.

We believe that a prosperous future depends on our ability to harness nature, to create sustainable growth. We re-use, repurpose and re-energise natural resources to develop and maintain vital infrastructure across the UK. From wind power to waterways and waste to fuel solutions, we own and operate assets, manage resources and develop energy solutions to serve our communities and our partners.

Through market-leading solutions we support government and local authorities to reach their carbon reduction and waste management targets. We help businesses to achieve their commercial goals while managing the transition towards net-zero carbon. We engage local communities and support them in their ambition to thrive by re-energising regional economies.

As a part of The Peel Group, we are integral to a business that strives to make a positive impact on people's lives. We take great pride in the outcomes we achieve, the people we work with, the way we go about our business and the transformational projects we deliver. Our legacy matters.

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### Supporting our people

Review by Carrie Westwell, Director of People & Culture

Throughout the challenges of 2020 and 2021, the health and wellbeing of our people has been the top priority. We have focused on keeping teams connected, sharing information and supporting those struggling with their mental health due to the sudden and dramatic changes to everyday life we all experienced. We found ourselves dealing with a constantly shifting landscape and responding to *evolving government guidelines and Covid-19 restrictions*. Our support for our people ranged from providing guidance, information and keeping in touch with our furloughed workers, to the adjustment to working-from-home for the rest of our colleagues.

Finding new ways to support people became a priority too. Innovations have included 'Wellbeing Wednesday' online newsletters, training on resilience, managing and working remotely, promotions of access to mental health first aiders and updated mental health information. Virtual social events ranged from quizzes & afternoon tea to DJ sets, and video updates were streamed on business activity to keep our people informed and increase the visibility of the leadership team.

#### Future focus

As lockdown restrictions began to ease, our focus shifted to implementing sustainable ways of working that meet the needs of individuals and the business. Engagement sessions were rolled out to communicate our re-focused vision, and to show how our teams can play their part in the delivery of our revised business strategy. A new online appraisal helped to make sure all our people understand the importance of their contribution to our goals. We've also embraced a new agile approach to work with a framework which allows teams to make their own decisions on what approach to agile works for their business area to meet personal and business needs. Looking ahead, we're putting more effort into partnerships and collaborations with skills and education programmes in local communities, such as Bolton Muslim Girls' School and Bolton School Sixth Form students.

Our work also continues with the Greater Manchester Combined Authority and the Careers and Enterprise Company; we are a recognised Cornerstone Employer, supporting careers education across the region. We also became members of the Good Employment Charter promoting good employment practices including providing an inclusive workplace. 2021 also saw the roll out of our 'Next Gen' development programme, supporting the personal development and career aspirations of our early career professionals. The aim of the programme is to retain talent within the business, to ensure our heritage, skills and knowledge form part of a legacy for our next generation of managers and leaders.

#### Recognising success

Although Peel L & P Holdings (UK) Limited has no direct employees, staff costs are recharged from a fellow subsidiary undertaking Peel Group Management Limited which was recognised as a top regional and national employer in three of this year's Best Companies lists: we secured a place in the Top 100 Best Large Companies To Work For, the North West's Top 100 Companies To Work For, and placed third in the Top 5 UK-wide Property Sector Employers. We retained our two star accreditation, demonstrating outstanding levels of engagement with our people, and renewed our vision to improve on this position, setting a target for three star accreditation by 2025 and working in partnership with Investors in People going forward.

#### Our environmental, social and governance (ESG) agenda

Review by Jo Holden, Director of Sustainability

We are acutely aware that by aligning our purpose – realising possibility – to the long-term goals of society, we are most likely to create long-term sustainable value while driving positive outcomes for our business, the economy and the planet.

This approach provides the basis for a range of activities. We began in 2020 by establishing a Sustainability & ESG Board, to aid collaboration, reporting and shared learning across the business. The Board's first act was to undertake a Taskforce for Climate-related Financial Disclosure (TCFD) gap analysis, and a Climate Risk Assessment of 25 assets. This has enabled us to take significant steps towards understanding the climate resilience of our business.

We've also made great progress towards measuring what we put back into communities by creating a bespoke Social Value Framework that can be consistently applied to our major developments, and voluntarily embedded biodiversity net gain considerations into our major development proposals.

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### **Certification and verification**

Our energy management system has been re-certified to ISO 50001 standards for the third time, and we have committed the assets-in-scope to a Science Based Target of 68% reduction in carbon emissions intensity, and 25% reduction in energy use, by 2030.

We have eleven buildings within the Peel L & P Holdings (UK) Limited Group which are verified as Net Zero Carbon, against the UK Green Building Council's (UKGBC) definition, and we are proud to be part of a Group that has received the Silver Medal for our environmental and social performance from EcoVadis, the globally recognised sustainability assessment platform.

#### **Peel L&P on governance**

At Peel L&P we recognise the responsibility we hold as a leader in regeneration projects, and we understand that this responsibility starts with a governance structure that involves our executive and senior leadership teams. Our sustainability activities are reported quarterly by business unit to the Peel L&P sustainability board, which in turn reports quarterly to the executive leadership team board.

The Risk and Compliance Group keeps an overview on ESG-related issues across the whole business.

#### **Digital innovation**

Review by John Armitage, Director of IT

Our IT business strategy has evolved in response to the pandemic, fast-tracking our plans to move to a more cloud-based platform. The activation of our new IT strategy in 2020 focussed on three key areas.

#### **Agile approach to working**

Deploying systems and platforms that support work as an activity, not a location, encouraging greater collaboration. By providing communications platforms that are intuitive, that seamlessly integrate day-to-day activities and remove complexity, we have enabled our people to focus on what they do, rather than how they do it.

#### **Digital transformation**

Digital activities such as automation, workflow and a faster flow of information across the business is supporting a more agile and responsive approach to work, influencing how our people collaborate both virtually and physically. Digital transformation, empowered by the cloud, has enabled new and more efficient business approaches, saving time and cost.

#### **Cloud services**

Our strategic investment into enterprise cloud services has supported and enabled changes to every activity our people undertake. This has transformed the way our people collaborate and share information, and the benefits to the business are clear. We have seen increased productivity and have safeguarded business continuity by removing the risks posed by running a centralised inhouse platform of applications and services.

#### **Giving something back**

Peel L&P, in line with the overarching Peel Group Charity Strategy, works across charitable programmes in healthcare and medical research, culture and the environment, as well as engaging in social and sustainable activity for the public good. We pride ourselves on positively impacting people's lives, enhancing the physical and mental welfare of our communities, inspiring creativity, and helping to build a sustainable future for all.

Our giving covers a diverse range of causes, from small community groups to regional and national charities, predominantly operating in the north west of England. Through the gifting of funds, grants, use of land and property, media platforms, skills, resources and connections, we provide tangible benefits that positively impact the outcomes of our charitable partners.



## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### Charitable areas of focus

##### Healthcare and medical research

We support the advancement of people's physical and mental health, to relieve illness and poor health; we support and encourage research and innovation to ensure the latest advances in healthcare and treatment are available to all.

##### Welfare

We help to support the marginalised within our communities including tackling homelessness in our City region (Manchester), through the contribution of land, resource, connections and influence. We're working with partners to develop a housing-led community with wrap-around support to help re-integrate the vulnerable back into society.

##### Culture and Heritage

We aim to protect and enhance culture and heritage, educating and inspiring the next generation to appreciate and enjoy our natural world, and our diverse cultural and heritage assets.

##### The environment

We contribute, promote and educate for the benefit of the public, through the conservation, protection and improvement of the physical and natural environment. We're committed to supporting environmental and natural projects, increasing biodiversity in the region so the natural environment can be enjoyed by all.

##### Education and support for the young

We support the wellbeing, education and welfare of young people through partnerships with organisations which empower, inspire, build confidence and enrich the lives of those they support. We do this especially for the most vulnerable and complex children, young people and families affected by ill health, bereavement, financial hardship or disadvantage.

#### Spotlight on charity projects in 2020

##### Royal Horticultural Society "RHS" Garden Bridgewater

The Peel Group is a founding partner for the RHS Garden Bridgewater in Salford, and Peel L&P has supported its educational provision through capital contributions for the 'Peel Learning Garden'. Annual contributions to this educational resource have been committed, to help reach local schools, particularly those in deprived areas.

##### Embassy Village

In the year ended 31 March 2021, Peel L&P partnered with the charity and housing provider Embassy and the wider business community to tackle homelessness in Manchester by developing plans for 40 modular homes for vulnerable men. Peel L&P has committed to the free provision of land in Castlefield as well as consultancy and access to Peel L&P supplier networks. Branded 'Embassy Village', the project will be run by the charity Embassy and will provide wraparound support to help re-integrate people back into society.

##### Bolton Lads & Girls Club

Peel L&P is a platinum sponsor of Bolton Lads & Girls Club, enabling mental health support by funding the provision of a mental health worker for young people in Bolton. The charity offers universal open access, 7 days and nights a week, 51 weeks a year, reaching over 3,000 children and young people. They provide centre-based play and youth work, sport provision, arts and music programmes, dance and drama in addition to Young Leaders programmes, SEND programmes and projects which empower, inspire and build confidence and resilience.

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### **Operational review by Mark Whittaker:**

Executive Director of Property Investment & Management

Despite the impact of Covid-19 in the year ended 31 March 2021, our investment portfolio remained resilient. Overall occupancy and rent collection continued at rates of over 90 per cent, with limited exposure to the hardest-hit sectors: hospitality, leisure and non-essential retail.

We focused on maintaining close relationships with our customers, helping and supporting them in whichever way we could, including phased or deferred rent payments, while providing Covid-secure environments to enable them to continue to operate their businesses.

Valuations and yields across the different sectors have followed UK investment appetite; logistics, industrial and residential being the growth sectors, offices remaining stable, and retail remaining out of favour.

Towards the end of the financial year we completed a number of opportunistic investment sales as activity increased. At the same time we focused on various higher returning opportunities in the investment market, such as the acquisition of Barton Square at TraffordCity, Manchester which completed shortly after the year end.

Our Estates team manages a land portfolio of 12,000 acres, providing £1.46 million per year in rent across 3,245 active agreements. During the year, rental income remained resilient and the team concentrated on regularising appropriate land tenancies, while bringing forward new initiatives including alternative land use, such as country parks, biodiversity, glamping and dog walking.

The Bridgewater Canal reported a successful year with a profit of over £1.1 million, exceeding the previous year's results. Our strategy is to continue to grow the popularity of the canal and its customer base, through additional moorings, technology modernisation and alternative uses (such as paddle boarding), while further enhancing its excellent natural and sustainability benefits.

#### **Operational review by Stephen Wild:**

Executive Director of Strategic Investment & Growth

GatewayEast is our newly-branded emerging strategic destination in Doncaster on 11 million sq. ft of land surrounding Doncaster Sheffield Airport. A major milestone for this scheme was reached in 2020, when we secured 3.5 million sq. ft of consented space for advanced manufacturing and logistics use. This is receiving vigorous market interest as a location for innovation in clean technologies. Peel L&P is progressing significant proposals for an innovation district in Bolton, a scheme which will complement existing Peel Group landholdings in the area.

## Strategic Report *continued*

### Review of business, future developments and prospects *continued*

#### Operational review by Myles Kitcher:

Executive Director of Property Investment & Management

2020 saw three core Peel L&P business areas – environment, energy and water, all consolidated into Peel NRE, our new natural resources and energy brand.

Significant progress has been made across the business, focusing on developments in the low carbon and circular economy sectors:

The Covanta scheme at Protos completed; construction has commenced on the £300 million energy-from-waste plant and the 124MW private grid export facility.

Preliminary works commenced on the Protos Powerhouse Energy project – taking unrecyclable plastic to produce hydrogen - which is expected to enter full construction later in 2021 with the second project in Glasgow to follow closely behind.

We completed the disposal of the Southmoor energy-from-waste facility.

Our Mersey Heat district heating project in Liverpool was bolstered by the acquisition of the Ener-Vate business, onboarding a skilled and experienced team to advance the NRE position in the growing low carbon heating sector; the first connections will be completed at Liverpool Waters in 2021. Significant progress also being made in Glasgow in the creation of a low carbon energy hub.

Despite lockdown, our materials management business gathered momentum in 2020, with valuable imports to the Protos and Port Salford sites, and investment into the Port Salford soil washing plant which will see further commissioning in 2022. Our water business achieved business plan objectives and delivered new connections on the Manchester Ship Canal, the Bridgewater Canal, and the River Medway in Kent.

#### Operational review by James Whittaker:

Executive Director of Development

Significant activity across all Peel L&P waterfront destinations continued during 2020. We facilitated the construction of over 884 new homes alongside the creation of public realm and open space; investment into these schemes amounts to over £179 million and has supported and created thousands of local jobs.

Our team started on-site at Wirral Waters, constructing 'Hythe', the first Grade A sustainable office building. Also at Wirral Waters, our joint venture with Urban Splash continued to progress, building the first phase of modular housing and we completed construction at Calder Park in Wakefield of a new office complex for Highways England.

At Liverpool Waters, the Secretary of State approved plans for a new Everton FC stadium at Bramley-Moore Dock, which provides an opportunity to regenerate the northern part of Liverpool city centre. This will include public realm projects to open up the historic waterfront in areas not currently accessible to the public.

Also at Liverpool Waters, construction work continued on the new Isle of Man ferry terminal which will complete in 2021, providing further infrastructure improvements to the city. In TraffordCity, Manchester, a detailed planning application for a Wavegarden surfing facility was submitted, whilst the construction of a Therme Health and Wellbeing Spa resort was deferred to 2022.

At Manchester Waters, X1 Developments completed their second residential tower, close to Pomona Island Metrolink station. Construction of a third tower is due to start in September 2022. Glenbrook also completed their build-to rent development at Cornbrook, and a reserved matters planning application was submitted for a hotel and serviced apartments development in July 2021.

At Chatham Waters in Kent, X1 completed their 199-apartment scheme, and our build-to-rent development for Long Harbour progressed to a subsequent completion in July 2021. Detailed planning applications were progressed and have since been submitted for an affordable housing scheme, in partnership with Legal & General Affordable Housing and Montpellier for an elderly living care facility providing a range of tenures.

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## PEEL L&P HOLDINGS (UK) LIMITED

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### Strategic Report *continued*

#### Review of business, future developments and prospects *continued*

##### Operational review by James Whittaker *continued*

At Glasgow Waters, we have submitted a masterplan for approval that will see 1,100 homes, plus a hotel and leisure facilities realised for this prominent riverside location. Final phases of our residential development at Beith Street in Glasgow are expected on-site in 2022 for 420 homes for the rental market and 48 homes for sale. In Renfrew, long-term proposals to redevelop an industrial area into riverside living continues to progress, with a detailed planning application for the first phase expected to be lodged in late 2021.

Whilst in Greenock, James Watt Dock Marina continues to flourish and major infrastructure works to open the remainder of the site are planned for late 2021. In Ardrossan, we sold our interest in the North Shore site to allow North Ayrshire Council to advance proposals for a major school relocation and community hub.

##### Operational review by Phil Wilson

###### Executive Director of Land, Communities

Our Land and Communities team continued to promote planning on its landholdings and completed land sales throughout 2020, despite the pandemic. The planning system remains a challenge, with under-resourcing, delayed plans and local politics influencing decisions, all exacerbated by issues around Covid-19.

Several schemes are within the green belt, which remains sensitive locally and nationally. The government's proposed reforms remain unclear, potentially presenting opportunities as well as risks. As with all schemes, we approach these sites in a sensitive manner, looking at ways of balancing development with access to new open spaces, enhancements and biodiversity together with the necessary infrastructure to sustain.

We have had planning successes as well as refusals, and we have appealed where we believe there remains a good chance of success. Despite this, the demand for new housing and industrial land has remained strong, and we have seen increasing sales and land prices.

##### Key performance indicators

The following key performance indicators, most of which can be derived directly from the financial statements, are used by the directors monthly to review the performance of the business:

	2021	2020	Movement	Movement
	£'000	£'000	£'000	%
Annualised rent roll *	65,232	69,668	(3,722)	(5.3)
Turnover	88,430	78,493	9,937	12.7
Deficit on revaluation of investment properties	5,254	11,468	(6,214)	(54.2)
Operating profit	9,054	29,165	(20,111)	(68.9)
Profit on disposal of fixed assets	17,583	9,549	8,034	84.1
Net interest expense	63,835	67,304	(3,469)	(5.2)
Net loss for the year	5,753	28,414	(22,661)	(79.8)
Cash receipts from investment property sales	122,148	69,109	53,039	76.7
Financial investment **	49,885	51,385	(1,500)	(2.9)
Unpaid sales invoices over 30 days old ***	6,315	15,585	(9,270)	(59.5)
Net debt	818,078	865,275	(47,197)	(5.5)
Overall loan to value	63.2%	56.9%		6.3%
Shareholder's funds	492,086	502,848	(10,762)	(2.1)

\* Annualised rent is the gross property rent receivable on a cash basis as at the reporting date.

\*\* Financial investment includes all capital investment in investment property, other fixed assets and stock.

\*\*\* Includes balances with group entities.

## Strategic Report *continued*

### Principal risks and uncertainties

The principal aim of the group is to maximise long-term returns whilst minimising risks. Responsibility for management of each key risk is clearly identified and delegated by the directors to specific senior staff within the group. The group's activities expose it to a number of financial risks including credit risk, interest rate risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes. The directors consider the following to be the major items of risk affecting the group:

- economic cycles, including impact on tenant covenant quality;
- interest rates and their impact on property values;
- 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;
- a small proportion of variable rate debt is not fixed via interest rate swaps, leaving the group with exposure to interest rate fluctuations (see note 23);
- as part of normal trading operations, the group invests cash on short-term deposit with certain major UK banks. The group is therefore exposed to the risk of a decline in the credit worthiness of one or more of those banks. The group mitigates its exposure to this risk by monitoring closely the economic environment and by ensuring that cash amounts are at all times invested with more than one bank; and
- government policy may change causing potential planning applications to be rejected. The group mitigates this risk by constantly assessing changes of policies in the forthcoming 12 months.

The COVID-19 pandemic has had a severe, but temporary, adverse impact on the risks of the business. The directors consider the following to be the major items of risk affecting the group, each one then explained in further detail:

- government policy;
- human resource function;
- economic cycles;
- adverse changes in property value;
- the demand for commercial and residential property;
- interest rate fluctuations; and
- environmental impact and climate change.

#### *Government policy*

Policy changes due to the onset of COVID-19 have created a very high risk. Government restrictions on movement had a severe adverse effect across the business. This caused the increased risks across the other categories of risk, and each one is dealt with below. The restrictions on movement have now eased significantly and it is anticipated that the impact on other risk categories will also lessen over time. Whilst we cannot rule out further government restrictions in future, we believe the group has sufficient measures in place to minimise the effects on our operations.

Government policy may change causing potential planning applications to be rejected. The group mitigates this risk by constantly assessing changes of policies in the forthcoming 12 months.

## Strategic Report *continued*

### *Human resource function*

All employees have adapted to remote working, but capacity and productivity were adversely affected by working from home policy and closure of schools.

There was no widespread illness across the group, but contingency plans were, and still are, in place, should this occur in future. Maintaining internal communication and connectivity is more challenging in a permanent working from home environment.

These risks have been mitigated as follows:

- measures implemented to facilitate home working and maintain connectivity with internal colleagues and external stakeholders;
- maintenance of internal connectivity and communication. All divisions hosted regular weekly meetings via Microsoft Teams, which has now become the primary tool of communication across the group;
- increased frequency of senior management meetings. Regular communications to all employees via email and business-wide update calls;
- workstreams prioritised and, where necessary, reallocated to accommodate staff childcare obligations. A plan was worked up to ensure cover for members of the senior management team in the event of illness;
- mental health first-aiders reach out to every employee on a one-to-one basis;
- IT department are on high alert for cyber-attacks. Communications to employees to remain vigilant at all times;
- COVID-19 testing kits available within the office, and all employees are encouraged to take regular tests in order to protect themselves and their colleagues when working in the office;
- permanently increased cleaning schedules and activities within all offices, to reduce the risk of spreading infection; and
- the recent introduction of a permanent agile working policy means that all employees will only be required to work from home for part of each week, and therefore the whole group is now able to work in the most effective and productive way possible.

### *Economic cycles, including impact on tenant covenant quality*

The directors believe the COVID-19 pandemic has had a severe, but temporary, economic effect. It is being mitigated by the group's strong relationships with tenants, a proactive engagement with them, coupled with a large and diversified portfolio.

The pandemic did impact certain assets classes, in particular the group's outlet malls which remained closed during much of the year ended 31 March 2021. However ongoing tenant discussions and renegotiations of certain leases has enabled the majority of tenants to remain trading.

Market sentiment did adversely impact the valuation of the retail park portfolio but these assets are convenience-led, remained largely open throughout the year ended 31 March 2021 and rental collection remained high. The office and industrial assets the group owns held their values during the year ended 31 March 2021 and the percentage of rent collection was high.

Given the performance of the group during the year ended 31 March 2021, the directors are of the opinion that the risk of impact of the COVID-19 pandemic on future performance is significantly less than it was at the start of the pandemic.

### *Potential impact of adverse changes in property values on the group's ability to comply with its banking covenants in the future*

The availability of capital may be constrained over the coming months and, as a result, cash flow could be uncertain and be put under pressure if sales of property are deferred and rental collection worsens.

To mitigate this risk, cash flow is monitored and managed very carefully and the following actions are available to the group should this happen:

- use of the government's Coronavirus Job Retention Scheme. This was used during the year ended 31 March 2021, but is no longer being used;
- a short-term temporary pay cut of between 10% for lower paid staff and 40% for higher paid staff, was implemented for a short period during the year ended 31 March 2021, but all pay has returned to previous levels;
- careful control and monitoring of the group's overheads and restriction of spend, where practical;
- a temporary pause on uncommitted capital expenditure; and
- close liaison between the finance department and all divisions on receipts and expenditure, meaning real-time updates to cash flow.

The uncertainties above have increased the estimation uncertainty over the fair value of the investment property.

This risk is also mitigated by a large multi-asset portfolio.

## Strategic Report *continued*

### *The demand for commercial and residential property and the availability of funding for prospective buyers*

Due to COVID-19, there was a downturn in commercial, retail and residential property markets, although industrial and logistics markets have fared better than other sectors. Valuations are consequently adversely affected and this is considered to be a very high risk. It is being mitigated by active management of the investment property portfolio, proactive engagement of tenants and discussions with lenders in respect of loan to value covenants and potential waivers.

Under normal conditions this risk is mitigated by long leases.

### *Exposure to interest rate fluctuations.*

To mitigate this, virtually all the borrowing is either fixed rate or covered by an interest rate swap.

### *Environmental impact and climate change*

The group aims for its projects to have a positive environmental impact, and the challenge is to “future-proof” projects in terms of energy usage and the move to zero carbon. The group has appointed a sustainability officer and environmental consultants to facilitate this process.

## **Future risks and uncertainties**

As during the previous year, the Board continues to consider the impact of Brexit, the final details of which are not entirely certain. On the basis the group is predominantly UK based, the main risk is considered to be the potential negative impact on the macroeconomic environment as a result of the continuing uncertainty around transitional and post Brexit arrangements. Potential areas which could be impacted include property valuations and interest rates. These will be closely monitored, and the directors believe the group is well positioned to mitigate these risks should they materialise.

The impact of the ongoing COVID-19 pandemic is anticipated to affect the economy and operations for some time to come although, as detailed above, the directors believe that the risks are largely mitigated.

## **Section 172 Companies Act 2006**

The group of companies headed by Peel L&P Holdings (UK) Limited “Peel L&P” has a set of core values which provide a framework for the group to demonstrate how the Board of Directors makes decisions for the long term success of the group and also how it ensures compliance with requirements of S172 of the Companies Act 2006. The core values are:

- Long term vision
- Long term investment
- Excellence in delivery
- Regeneration delivering sustainable growth
- Leaving a lasting social legacy
- Adding value for all our stakeholders

These values form the basis of the decision-making progress. Details are as follows:

### *Core value 1 - Long term vision*

The Board annually approves a budget and monitors its implementation throughout the year using detailed reports on operating and financial performance. This includes monitoring Loan to Value ratio, Income to Interest requirement and restrictions to the use of cash. Acceptable levels are required by the debt covenants. These are certified and reported to the lenders quarterly. They are carefully monitored, and preventative action is taken before there is a breach. For example, in the year to 31 March 2021 assets were transferred between companies within Peel L&P to ensure the required Loan to Value ratio was not exceeded.

Peel L&P is recharged employment costs by another company in the wider Peel group “the group”, a group of companies headed by Peel Holdings Group Limited. A long term vision can only be achieved with the best possible relationship with employees by engaging them. Regular meetings are held involving directors, managers and supervisory staff to convey information about the business. During the year, the group has provided training for employees at all levels through a structured programme of courses, seminars and workshops.

The policy of the group is to ensure, in so far as it is able to do so, the health, safety and welfare of everyone engaged in or affected by its activities.

## Strategic Report *continued*

### Section 172 Companies Act 2006 *continued*

#### *Core value 1 - Long term vision continued*

In 2014 the annual employee survey was launched. Employees are invited to leave strictly confidential answers to a series of questions. The feedback is crucial and provides the human resources function 'The People Team' with valuable information about employees' working life. It is how The People Team can achieve our their vision "To provide outstanding human resource service to enable business performance and support our people".

Notable achievements so far are:

- Communications Steering group formed with employees from across the group looking at ways to improve internal communication
- Communication of group news via 'The Brew Round' a monthly newsletter delivered via e mail which also includes interviews.
- Appraisal process launched to align business and personal objectives.

The People Team responded to the onset of COVID-19 with:

- Regular communication of how government restrictions are to be interpreted in the group
- Regular reinforcement of the wellbeing message to reach out to the resources on the Extranet, the Employee Assistance Programme (a 24 hour telephone counselling service), The People Team and the Mental Health First Aiders.
- The Homeworking survey in May 2020.
- In January 2021, the launch of the Wellbeing survey to provide insight on how staff have been impacted and any suggestions for ways to support other staff.

At the initial onset of COVID-19, the Board decided the priority was to preserve as many jobs as possible whilst making the cutbacks required to ensure the continuation of the group. Whilst acknowledging the adverse effect on two stakeholder groups, employees and suppliers, the difficult decision was made to:

- place certain staff on the government's Coronavirus Job Retention Scheme;
- implement a pay cut of between 10% for lower paid staff and 40% for higher paid staff;
- carry out a review of and reduction of overheads across the group; and
- initiate a temporary pause on uncommitted capital expenditure.

#### *Core value 2 - Long term investment*

The group's corporate social responsibility structure includes three pillars of sustainability: economic investment, environmental responsibility and communities.

The work of Peel L&P brings these pillars to life by delivering its promise for social and environmental responsibility and sensible, sustainable commercial actions. It acts for good: investing in the buildings, the communities and the environments in which it works and behaving with integrity to build on its legacy.

The group devotes its energy to accomplishing great things; not for their own sake, or the group's but for those who come after. That is today, tomorrow and for generations to come. The ambitions are for a more prosperous, sustainable future for all; where people and places are matched with the opportunity to be the very best they can be.

The group's five-year sustainability plan, launched in 2019, aims to meet the current needs of the business and stakeholders whilst keeping ahead of key trends to ensure future-proof activities. Peel L&P is often the facilitator, with an indirect impact on sustainability, and its ambitions can only be achieved by working together with partners to keep pace with key future trends.



## Strategic Report *continued*

### Section 172 Companies Act 2006 *continued*

#### *Core value 3 - Excellence in delivery*

The Peel legacy matters. It takes great pride in the outcomes we achieve, the people it works with, the way it goes about its business and the transformational projects it delivers.

The directors take the reputation of the group seriously and this is not limited to only operational and financial performance. The Board has committed to having a workforce that more accurately reflects society. To achieve this, the following group policies were published and also placed on the group's extranet:

Anti-corruption and bribery,  
Anti-slavery and human trafficking,

Equal opportunities and  
Dignity at work

All employees were required to take an online course on the following topics, including the requirement to pass an examination on the subject satisfactorily:

Modern slavery and  
Equality and diversity

#### *Core value 4 - Regeneration delivering sustainable growth*

The United Nations Sustainable Development Goals (SDGs), otherwise known as the Global Goals, were launched in 2015 and underpin Peel L&P's ambition to embed sustainability into its placemaking activities. Peel supports the principles of the 17 SDGs and has started to look at how it can play its part in contributing to them. The group has prioritised the four that are most relevant to its business activities and recognise that none could be achieved without working in partnership with its stakeholders:

##### 1. Ensure sustainable consumption and production patterns

This refers to sustainable use of natural resources, reduction of waste and sustainable business practices. Peel L&P has extensive opportunities to integrate sustainable practices into its day-to-day business activities. This can be through the way it operates its buildings, such as using the ISO 50001 energy management system to help it identify and implement energy saving measures, the services it provide to customers in terms of recycling and waste management, sustainable procurement and its own office sustainability, and how it manages the public realm under its stewardship, maintaining safe, healthy, green environments for people to live and work in.

##### 2. Make cities and human settlements inclusive, safe, resilient and sustainable

This means high quality, safe and accessible housing, green spaces and public realm; inclusive and sustainable urbanisation; protecting and safeguarding cultural and natural heritage. The group's specialist teams have a proven track record in delivering high-quality, legacy projects across land, property, water and air. This includes hotels, waterways, media hubs, event spaces, leisure facilities, retail, workspaces, residential development, industrial and logistical space, public realm, historic gardens and renewable energy, including electric vehicle charging and plastic recycling.

##### 3. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

This is economic growth, safe working environments and sustainable tourism. Peel L&P will create new training, employment and local business opportunities through its regeneration activities. As a social investor, it works with its partners to develop the skills of local people and create job opportunities that benefit the local economy. It creates sustainable destinations and homes where people and businesses can grow, offering the ability for communities to prosper and thrive. It gets involved; pledging significant funding within communities every year and partnering with local organisations and educational establishments wherever it works.

## PEEL L&P HOLDINGS (UK) LIMITED

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### Strategic Report *continued*

#### Section 172 Companies Act 2006 *continued*

##### *Core value 4 - Regeneration delivering sustainable growth continued*

4. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, halt and reverse land degradation and promote biodiversity net gain

This means conservation, restoration, sustainable use of terrestrial and inland freshwater ecosystems and the enhancement of natural habitats and biodiversity. The group is committed to help communities to connect with nature. It understands the innate connection between humans and nature and know that access to parks, woodland, water and open space is fundamental in assuring the long-term health, wellbeing and productivity of any community. Through the land portfolio and development activities it has the opportunity to create high quality, functional new environments. It strives to put back more into the environment for people and wildlife – a net gain – to help ecosystems and communities prosper.

##### *Core value 5 - Leaving a lasting social legacy*

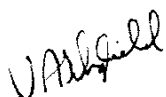
A Community Environment Fund (CEF) has been set up. As part of the Atlantic Gateway development, Peel has suggested a voluntary 1% contribution of a project's overall cost to form a fund to establish environmental projects to benefit the whole community. In line with the Port Salford development Peel has contributed to the Western Gateway Infrastructure Project. The fund will contribute to local engagement and a lasting community and environmental legacy.

##### *Core value 6 - Adding value for all our stakeholders*

- Suppliers: in the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment.
- Customers: the group's marketing is carried out by Perfect Fit Media. This media owner also owns and operates the entire environment rather than simply the media space, so the portfolio also includes the option to create bespoke, interactive installations and community-specific activation.
- Members: the group only has one shareholder, Peel L&P Group Limited (formerly Peel Holdings Land and Property Group Limited) whose group policy is to maximise net asset value growth. A means of achieving this is investment in the areas of the economy which are growing. Examples of this are the hydrogen economy and the national net zero agenda. Peel L&P decided to create a new business, Peel NRE, launched in January 2021. It consists of resource and energy hubs, developing a cluster of low carbon energy generation.

The Board will continue to review and challenge how the group can improve engagement with its employees and stakeholders.

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



**John Schofield, A.C.A.**  
Director

30 September 2021

## Report of the Directors *for the year ended 31 March 2021*

The directors submit their annual report together with the audited financial statements of the group 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 development of the business and principal 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 report of directors.

### **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. A key focus of the assessment is the management of liquidity and compliance with borrowing facilities for the period of 12 months from the signing of the accounts and a review of the group's cash flows, liquidity position and borrowing facilities has been undertaken.

In light of the current COVID-19 pandemic, which has had an impact on the group and the wider economy, strategic plans have been revised to reflect the effect and estimated impact on the group and management's actions implemented in response. At this stage, as we see a phased easing of restrictions, it cannot be known with any certainty the time it will take for the macro-economic climate and our markets to recover.

Whilst the underlying base forecasts prepared by management do show that the business could continue to operate within its facilities for the period under review, support is available from the parent company should there be a deterioration in the economy and pressure put on certain bank covenants over the course of the next 12 months.

The directors have received confirmation that Peel L&P Group Limited, ("Peel L&P 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. The Peel L&P Group may also rely upon the support of its parent company Peel Holdings Group Limited ("Peel Group") and the directors have satisfied themselves that such support is available if called upon as explained more fully in note 1.

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**

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)

John Schofield, A.C.A.

Ruth Woodhead, A.C.A. (resigned 18 January 2021)

### **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.

### **Engagement with suppliers, customers and others**

Included in the strategic report's section 172 statement is information relating to engagement with suppliers, customers and others 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 report of the directors.

## Report of the Directors *continued*

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

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the directors. The group does not use derivative financial instruments for speculative purposes.

### **Financial market rate risk**

The group's activities expose it to the financial risk of changes in interest rates. The group uses interest rate contract swaps to hedge this exposure.

The group's exposure to foreign currency risk is minimal.

### **Credit risk**

The group's principal financial assets are other debtors. The most significant part of this is restricted cash held on behalf of the group under covenants. The credit risk on these funds is limited because the banks have high credit ratings by international credit rating agencies.

Trade debtors as presented in the notes to the Balance Sheet are net of provisions for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

### **Liquidity risk**

To maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mixture of long-term and short-term debt finance with an emphasis on working with joint venture partners.

### **Streamlined energy and carbon reporting**

The UK government's Streamlined Energy and Carbon Reporting (SECR) policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. Peel L&P Holdings (UK) Limited meet SECR qualification criteria in the UK.

Peel L&P Holdings (UK) Limited have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1 April 2020 to 31 March 2021. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from gas, electricity, company fleet and grey fleet in the UK. The GHG Protocol Corporate Accounting & Reporting Standard and UK Government's GHG Conversion Factors for Company Reporting have been used as part of carbon emissions calculation.

The results show that Peel L&P Holdings (UK) Limited total energy use and total gross Green House Gas (GHG) emissions amounted to 58,082,573 kWh and 14,776 tonnes of CO<sub>2</sub>e respectively in the 2020/2021 financial year in the UK.

Peel L&P Holdings (UK) Limited have chosen 'Tonnes of CO<sub>2</sub>e per million turnover and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2020/2021 was 167.09 tCO<sub>2</sub>e/£m compared to 71.59 tCO<sub>2</sub>e/£m in 2019/2020.

# Report of the Directors *continued*

## Streamlined energy and carbon reporting *continued*

Type of Emissions	Activity	kWh	tCO <sub>2</sub> e	% of Total
Direct (Scope 1)	Natural Gas	14,254,590.9	2,621.0	17.74%
	Company Fleet	1,265,272.4	229.5	1.55%
		15,519,863.3	2,850.5	19.29%
Indirect (Scope 2)	Electricity	42,525,156.0	9,914.3	67.10%
		42,525,156.0	9,914.3	67.10%
Indirect Other (Scope 3)	Grey Fleet	37,553.3	8.7	0.06%
	Electricity (T&D)	Not applicable	117.8	0.80%
	Well-to-Tank All Scopes	Not applicable	1,884.7	12.76%
		37,553.3	2,011.2	13.62
	Total Energy Use			58,082,573kWh
	Total Gross Emissions			14,776 tCO <sub>2</sub> e
	Renewable Electricity			nil tCO <sub>2</sub> e
	Total Net Emissions			14,776 tCO <sub>2</sub> e
	Tonnes of Gross			167.09 CO <sub>2</sub> e per £m

Despite the pandemic, Peel L&P Holdings (UK) Limited continues to drive energy efficiency and carbon savings opportunities throughout the business, demonstrated by a further six buildings being verified as Net Zero Carbon against the UK Green Building Council's definition in the UK as well as reverifying our ten existing buildings.

We have recertified to ISO 50001:2018 Energy Management System for the seventh year in a row and in 2020 launched our Paris Agreement-aligned Science-Based Target (SBT) - to reduce our emissions intensity by 68% and our energy use by 25% per square metre in our offices by 1st April 2030 compared to the Best Practice Real Estate Energy Benchmark 2019 or, if a benchmark is not available, by comparison to the building's own 2019-2020 energy use. For assets outside the scope of the SBT, we remain committed to reducing our absolute or activity-related energy use by 15% by 2024 cumulatively from a 2018 baseline.

During 2020-21 Peel L&P Holdings (UK) Limited has:

- Recertified to ISO 50001:2018 with no nonconformities
- Saved 8.7 million kWh energy
- Saved 2,059 tonnes of CO<sub>2</sub>
- Completed 24 energy saving opportunities across our portfolio, including 10 further annual reductions over the 2-week Christmas break:
  - BMS modification to comply with best practice and REHVA guidance for building operation through the pandemic,
  - enhanced control over internal and external lighting as well as replacing faulty equipment with energy efficient alternatives,
  - retrofitting existing systems with energy efficient technology, such as variable speed drives (VSDs) on Air Handling Units.

PEEL L&P HOLDINGS (UK) LIMITED

Report of the Directors *continued*

**Streamlined energy and carbon reporting** *continued*

In addition, we have undertaken a Climate Risk Assessment study of 25 assets to understand the actions we need to take to reduce carbon emissions and make our portfolio more climate resilient as part of our future plans.

The company completed energy efficiency measures across the portfolio however additional meters have been added to the scope for the 2020/2021 financial year resulting in a significant usage increase. This was caused by a delay in the meters coming online and the availability of the data due to technical issues with the supplier which resulted in some asset consumptions being unavailable for 2019-20 SECR submission. Now resolved we have included these consumptions for 2020-21. Below are the results comparing 2020/2021 with 2019/2020:

Type of Emissions	Units	2020/2021	2019/2020	Year on year change
Direct (Scope 1)	(kwh)	15,519,863.3	8,561,505.3	81.27%
	(tCO2e)	2,850.5	1,616.0	76.39%
Indirect (Scope 2)	(kwh)	42,525,156.0	11,808,176.7	260.13%
	(tCO2e)	9,914.3	3,018.2	228.48%
Indirect Other (Scope 3)	(kwh)	37,553.3	45,556.3	(17.57)%
	(tCO2e)	2,011.2	985.1	104.14%
Total Energy Use	(kwh)	58,082,572.6	20,415,238.3	184.51%
Total Gross Emissions	(tCO2e)	14,776.0	5,619.3	162.96%
Renewable Electricity	(tCO2e)	nil	nil	Not applicable
Total Net Emissions	(tCO2e)	14,776.0	5,619.5	162.94%
Tonnes of Gross	(CO2e per tonne)	167.09	71.59	133.40%

## Report of the Directors *continued*

### **Dividends**

The directors do not recommend the payment of a final dividend (2020: same).

### **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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

### **Political and charitable contributions**

During the financial year, contributions by the group for charitable purposes totalled £71,008 (2020: £34,404). The group made no political contributions during the financial year (2020: same).

### **Auditor and the disclosure of information to the auditor**

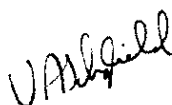
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 section 418 of the Companies Act 2006.

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

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



**John Schofield, A.C.A.**

*Director*

30 September 2021

## Independent Auditor's Report to the members of Peel L&P Holdings (UK) Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Peel L&P Holdings (UK) Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's 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 group profit and loss account;
- the group statement of comprehensive income;
- the group and company balance sheets;
- the group and company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group and the parent 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 group's and parent 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.



## Independent Auditor's Report to the members of Peel L&P Holdings (UK) Limited *continued*

### **Other information**

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

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

We have nothing to report in this regard.

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent Auditor's Report to the members of Peel L&P Holdings (UK) Limited *continued*

### **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 group's industry and its control environment, and reviewed the group'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 group 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, valuations, 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 identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- valuation of investment property: We challenge the principal assumptions used to derive the open market value through a number of procedures. These include the review of equivalent yields against market rates, challenge of methodology by RICS certified internal and external experts, substantive testing of committed rent receivable and the assessment of disposals against fair values held.

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.

## Independent Auditor's Report to the members of Peel L&P Holdings (UK) Limited *continued*

### Report on other legal and regulatory requirements

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

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### Use of our report

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



Rachel Argyle (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom  
30 September 2021

PEEL L&P HOLDINGS (UK) LIMITED

Group Profit and Loss Account *for the year ended 31 March 2021*

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	3	88,430	78,493
Cost of sales	3	(31,290)	(18,239)
<b>Gross profit</b>		57,140	60,254
Goodwill amortisation	3	-	(340)
Deficit on revaluation of investment properties	3	(5,254)	(11,468)
Revaluation of listed investments	3	-	49
Impairment of stock properties	3	(4,298)	(529)
Administrative expenses	3	(40,844)	(24,899)
Other operating income	3	2,310	6,098
<b>Operating profit</b>		9,054	29,165
Share of joint venture operating (losses)/profit	13(a)	(457)	3,311
Profit on disposal of fixed assets	4	17,583	9,549
<b>Profit before interest and taxation</b>		26,180	42,025
Net interest payable and similar expenses	5	(63,835)	(67,304)
<b>Loss before taxation</b>	6	(37,655)	(25,279)
Tax on loss	7	31,902	(3,135)
<b>Loss after taxation</b>		(5,753)	(28,414)
Non-controlling interests	25	-	(278)
<b>Loss for the financial year</b>		(5,753)	(28,692)

All the above results derive from continuing activities.

PEEL L&P HOLDINGS (UK) LIMITED

Group Statement of Comprehensive Income *for the year ended 31 March 2021*

		2021 £'000	2020 £'000
Loss for the financial year		(5,753)	(28,692)
Unrealised net surplus/(deficit) on revaluation of operational buildings	12	1,119	(659)
Deferred tax relating to revaluation of operational buildings	21	(442)	(201)
Foreign exchange (losses)/gains		(5,686)	2,242
<b>Other comprehensive (expense)/income</b>		<b>(5,009)</b>	<b>1,382</b>
<b>Total comprehensive expense for the year</b>		<b>(10,762)</b>	<b>(27,310)</b>
Loss for the year attributable to:			
Non-controlling interest	25	-	(278)
Equity shareholders of the company		(5,753)	(28,414)
		(5,753)	(28,692)
Total comprehensive expense for the year attributable to:			
Non-controlling interest	25	-	(278)
Equity shareholders of the company		(10,762)	(27,032)
		(10,762)	(27,310)

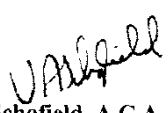
PEEL L&P HOLDINGS (UK) LIMITED

Group and Company Balance Sheets *as at 31 March 2021*

		Group	Group	Parent Company	Parent Company
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Fixed assets</b>					
Goodwill	10	-	-	-	-
Tangible assets					
Investment properties	11	1,241,176	1,500,466	-	-
Other fixed assets	12	75,615	68,314	-	-
Investments	13	11,944	11,839	778,803	779,453
Loans to group undertakings	14	-	-	105,395	40,503
		1,328,735	1,580,619	884,198	819,956
<b>Current assets</b>					
Stocks	15	215,854	48,672	-	-
Debtors	16	64,508	38,538	3,219	3,106
Cash at bank and in hand	17	19,224	35,887	379	115
		299,586	123,097	3,598	3,221
<b>Creditors: amounts falling due within one year</b>	18	(256,671)	(232,834)	(366,196)	(303,372)
<b>Net current assets/(liabilities)</b>		42,915	(109,737)	(362,598)	(300,151)
<b>Total assets less current liabilities</b>		1,371,650	1,470,882	521,600	519,805
<b>Creditors: amounts falling due after more than one year</b>	19	(813,178)	(887,080)	(2,043)	(3,076)
<b>Provisions for liabilities</b>	21	(66,389)	(80,957)	-	-
<b>Net assets</b>		492,083	502,845	519,557	516,729
<b>Capital and reserves</b>					
Called up share capital	24	406,260	406,260	406,260	406,260
Share premium account		525,258	525,258	525,258	525,258
Revaluation reserve	24	15,150	15,572	-	-
Merger reserve	24	25,939	25,939	-	-
Negative goodwill reserve	24	82,026	85,659	-	-
Other reserves	24	2,550	2,550	-	-
Profit and loss account		(565,097)	(558,390)	(411,961)	(414,789)
<b>Shareholder's funds</b>		492,086	502,848	519,557	516,729
<b>Non-controlling interests</b>	25	(3)	(3)	-	-
<b>Total capital employed</b>		492,083	502,845	519,557	516,729

The profit for the financial year dealt with in the financial statements of the parent company was £2,828,000 (2020: loss £65,367,000).

The financial statements of Peel L&P Holdings (UK) Limited, company number 06497115, were approved by the directors and authorised for issue on 30 September 2021.

  
**John Schofield, A.C.A.**  
 Director

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

PEEL L&P HOLDINGS (UK) LIMITED

Group Statement of Changes in Equity *for the year ended 31 March 2021*

	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Merger reserve £'000	Negative goodwill reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 April 2019	406,260	525,258	17,434	25,939	87,330	2,550	(534,613)	530,158
Loss for the financial year	-	-	-	-	-	-	(28,692)	(28,692)
Unrealised net deficit on revaluation of operational buildings	-	-	(659)	-	-	-	-	(659)
Deferred tax relating to revaluation of operational buildings	-	-	(201)	-	-	-	-	(201)
Foreign exchange gains	-	-	-	-	-	-	2,242	2,242
Other comprehensive (expense)/ income	-	-	(860)	-	-	-	2,242	1,382
Total comprehensive expense	-	-	(860)	-	-	-	(26,450)	(27,310)
Transfer of excess depreciation charge	-	-	(1,002)	-	-	-	1,002	-
Realisation of negative goodwill	-	-	-	-	(1,671)	-	1,671	-
At 31 March 2020	406,260	525,258	15,572	25,939	85,659	2,550	(558,390)	502,848
Loss for the financial year							(5,753)	(5,753)
Unrealised net surplus on revaluation of operational buildings (note 12)	-	-	1,119	-	-	-	-	1,119
Deferred tax relating to revaluation of operational buildings (note 21)	-	-	(442)	-	-	-	-	(442)
Foreign exchange losses							(5,686)	(5,686)
Other comprehensive income/(expense)	-	-	677	-	-	-	(5,686)	(5,009)
Total comprehensive income/(expense)	-	-	677	-	-	-	(11,439)	(10,762)
Transfer of excess depreciation charge	-	-	(1,099)	-	-	-	1,099	-
Realisation of negative goodwill	-	-	-	-	(3,633)	-	3,633	-
At 31 March 2021	406,260	525,258	15,150	25,939	82,026	2,550	(565,097)	492,086

PEEL L&P HOLDINGS (UK) LIMITED

Company Statement of Changes in Equity *for the year ended 31 March 2021*

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2019	406,260	525,258	(349,422)	582,096
Loss and other comprehensive expense for the financial year	-	-	(65,367)	(65,367)
Total comprehensive expense for the financial year	-	-	(65,367)	(65,367)
At 31 March 2020	406,260	525,258	(414,789)	516,729
Loss and other comprehensive expense for the financial year	-	-	2,828	(13,719)
Total comprehensive expense for the financial year	-	-	2,828	(13,719)
At 31 March 2021	406,260	525,258	(411,961)	503,010



PEEL L&P HOLDINGS (UK) LIMITED

Group Cash Flow Statement *for the year ended 31 March 2021*

	Note	2021 £'000	2020 £'000
<b>Net cash flows from operating activities</b>	26	(6,839)	14,495
<b>Cash flows from investing activities</b>			
Payments to acquire investment properties		(10,497)	(20,904)
Receipts from sales of investment properties		122,148	69,109
Payments to acquire other fixed assets		(694)	(5,166)
Receipts from sales of other fixed assets		-	45
Receipts (net of fees) from sale of subsidiary		5,113	-
Fees paid for sale of fellow subsidiary		-	(1,000)
Receipts from sale of joint venture		911	-
Dividends received from joint ventures		-	1,479
Interest received		195	1,106
<b>Net cash flow from investing activities</b>		117,176	44,669
<b>Cash flows from financing activities</b>			
Interest paid		(58,690)	(61,857)
Loans to joint venture		(1,790)	(2,327)
Repayment of loans to joint ventures		300	-
Movements in restricted cash		2,154	26,743
Loans drawn down		36,253	10,918
Loans repaid		(101,958)	(40,388)
Sale and leaseback drawn down		-	3,234
Payments under finance leases		(1,217)	(1,063)
<b>Net cash flows from financing activities</b>		(124,948)	(64,740)
<b>Decrease in cash in the year</b>		(14,611)	(5,576)
Cash at beginning of year		24,590	27,132
Reclassification of overdraft to loan		-	2,997
Effect of foreign exchange rate changes		(269)	37
<b>Cash at end of year</b>		9,710	24,590
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank		14,066	28,575
Overdrafts		(4,356)	(3,985)
		9,710	24,590
Restricted cash		5,158	7,312
<b>Total cash</b>		14,868	31,902

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

## Notes to the Financial Statements

### 1. Accounting policies

The principal accounting policies are summarised below. The policies have been applied consistently throughout the year and the preceding year. The principal activities and operations of the group and its subsidiaries are set out in the strategic report on pages 3 to 17.

#### Company information

Peel L&P Holdings (UK) Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006 and is registered in England & Wales with company registration number 06497115. The registered office is Venus Building, 1 Old Park Lane, TraffordCity, Manchester, M41 7HA.

#### Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and fair value of swaps, and in accordance with Financial Reporting Standard 102 (FRS102) issued by the Financial Reporting Council, other than in respect of group reconstruction accounting in the circumstances referred to below.

The functional currency of the company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. The financial statements are rounded to the nearest £'000.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate company financial statements in relation to disclosures surrounding financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

In October 2020 an amendment was issued by the FRC and has been early adopted by the Peel group. The amendment applies to temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic. Any reduction in lease payments affects only payments originally due on or before 30 June 2021.

#### Going concern

These financial statements are prepared on the basis that the group 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 group, as well as taking into account available borrowing facilities and associated covenants.

In light of the current COVID-19 pandemic, which has had a significant impact on the group and the wider economy, strategic plans have been revised to reflect the effect and estimated impact on the group and managements actions implemented in response. At this stage, although we are starting to see a phased easing of restrictions on movement, it cannot be known with any certainty how long and to what extent restrictions will remain in place, or the time it will take for the macro-economic climate and our markets to recover. Since the onset a number of management actions have been taken to adapt the group including a review of capital spend and allocation, utilisation of Government initiatives and review of and reduction in overhead expenditure. Whilst the immediate focus is on the short-term liquidity, the longer-term impact of COVID-19 is also being considered.

In recent years, economic conditions have created a number of uncertainties in the sectors in which the group operates, with regard to future market valuation movements and levels of activity, and COVID-19 has created heightened risks with the potential to severely but, to a large extent, temporarily impact the group's liquidity. Details of risks and uncertainties are included on pages 10 to 12 of the Strategic Report and the group has a good track record of managing such risks and uncertainties.

As detailed in Note 20 the group had £818m (2020: £865m) of net debt as at 31 March 2021 which is provided through a variety of secured and unsecured facilities. Gross debt totals £837m (2020: £901m).

A revised forecast was prepared to reflect the impact of COVID-19 and actions taken as set out above with a persisting downturn in activity during 2021 and a medium-term recovery of the economy thereafter. Furthermore, a sensitised forecast was produced that had a number of severe but plausible downsides reflected. These downsides included:

- reduced overhead and discretionary expenditure;
- a material reduction in rents collected over the majority of the going concern assessment period; and
- a reduction in property valuations and the associated impact on loan to value covenants.

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### **Going concern** *continued*

Whilst the underlying base forecasts prepared by management do show that the business could continue to operate within its facilities for the period under review, support is available from their parent company should property values deteriorate over the course of the next 12 months.

The directors have received confirmation that Peel L&P Group Limited ("Peel L&P 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.

The directors of Peel L&P Group have also received confirmation from the directors of its parent company Peel Holdings Group Limited ("Peel Group") that it 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 both the Peel L&P Group and 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 both the Peel L&P Group and the Peel Group forecasts, the continuing availability of their facilities and their strategic and contingent plans. Key details of these are as follows:

The Peel Group and Peel L&P Group cash flow 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 the groups have sufficient cash reserves 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.

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### **Group financial statements**

The group financial statements consolidate the financial statements of the parent company and its subsidiary undertakings made up to 31 March each year.

The financial statements have been prepared using merger accounting principles (applicable for group reconstructions) set out in FRS 102 Section 19, in order to meet the overriding requirement under applicable law for financial statements to present a true and fair view.

Certain previous transactions did not meet one of the conditions for merger accounting under applicable law, which was applicable to the relevant UK subsidiaries namely that the fair value of any non-equity consideration must not exceed 10% of the nominal value of equity shares issued. However, the directors consider that the alternative approach of acquisition accounting, with the restatement of separable assets and liabilities to fair values, and inclusion of post-reorganisation results only, would not give a true and fair view of the group's results and financial position. The substance of the transaction was not the acquisition of a business but a group reconstruction. Therefore the ordinary shareholders of Peel L&P Holdings (UK) Limited have the same proportionate interest in the group as they had previously held. The directors consider that it is not practicable to quantify the effect of this departure from the applicable law.

Under merger accounting the results of the subsidiaries are combined from the beginning of the comparative financial year before the merger occurred. Profit and loss account and balance sheet comparatives are restated on a combined basis and adjustments are made to achieve consistency of accounting policies.

The directors have adopted the basis of preparation set out above because they consider that it is necessary in order to give a true and fair view of the results of the group for the year ended 31 March 2021.

All other subsidiaries are consolidated under acquisition accounting principles. Results of subsidiary undertakings acquired or disposed of during the year are included from the date of acquisition or to the date of disposal (to the extent of group ownership).

All other joint ventures are accounted for using the equity method. Investments in joint ventures are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss and other comprehensive income of the joint venture.

The separable net assets of subsidiary undertakings and joint ventures acquired are included in the group financial statements at their fair value to the group at the date of acquisition including provisions and liabilities taken into consideration in assessing the fair value of the business acquired.

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account for the parent company is not presented.

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### **Goodwill**

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets of subsidiary undertakings or businesses acquired. Goodwill is amortised through the profit and loss account in equal instalments over its useful economic life of five years. Provision is made for any impairment.

Negative goodwill represents the excess of the fair value of the separable net assets acquired over the consideration paid. The negative goodwill arose as a result of the acquisition of Peel Holdings group during the year ended 31 March 2005 and has been credited to a negative goodwill reserve. This is in line with previous UK GAAP and on transition to FRS 102 in 2016, previous business combinations were not revised in line with transition rules. However this treatment is not in accordance with FRS 102 Section 19 which requires that negative goodwill should be presented as a negative balance immediately below the Goodwill heading on the balance sheet. Since the negative goodwill relates to investment properties which are neither depreciated nor held for resale, the negative goodwill could remain on the balance sheet as a negative asset indefinitely. The directors consider that the treatment required by FRS 102 Section 19 would not show a true and fair view, as it would not properly reflect the particular transaction or correctly state the net assets of the group. The treatment adopted is not inconsistent with the requirements of the Companies Act 2006. In the event of the disposal of relevant assets, this negative goodwill is transferred to the profit and loss reserve in the period in which the related assets acquired are disposed of.

#### **Investment properties**

Investment properties are measured at fair value annually with any change recognised in the profit and loss account.

Investment property sales are recognised upon unconditional exchange.

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

#### **Other fixed assets**

Other fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. 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:

- Operational buildings included in tangible fixed assets are depreciated at rates varying between 1% and 4% per annum.
- Plant and vehicles are depreciated by equal annual instalments over their expected useful lives at rates varying between 4% and 33% per annum.

Individual freehold and leasehold properties other than investment properties are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

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

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### **Fixed asset investments**

Investments in non-derivative instruments that are the equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit and loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the company financial statements 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.

In the group financial statements investments in and loans to joint ventures are accounted for using the equity method.

#### **Stocks**

Stocks are stated at the lower of cost to the group and net realisable value. Net realisable value represents the anticipated disposal proceeds less any associated costs.

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

#### **Cash and cash equivalents**

Cash at bank and in hand 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.

#### **Taxation**

Current tax is provided at amounts expected to be paid 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.

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### Foreign currencies

The results of overseas subsidiary undertakings are translated to sterling at the average rate of exchange ruling during the period. Assets and liabilities denominated in foreign currencies are translated to sterling at exchange rates ruling at the balance sheet date. Differences arising on the translation of the opening net assets and results of overseas subsidiary undertakings are accounted for in other comprehensive income and accumulated equity. All other exchange differences are accounted for through the profit and loss account.

#### Turnover

The turnover of the group has been derived from its principal activities and is stated net of VAT.

Property rental income from investment property and environment and resource assets are accounted for on an accruals basis and are recognised on a straight-line basis over the lease term. Rental premiums are spread evenly over the lease term.

Utility services income and other income are recognised on the accruals basis as the services are provided.

Trading property sales are accounted for on a legal completion basis.

#### Leased assets - group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### Leased assets – group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

In October 2020 an amendment was issued by the FRC and has been adopted. The amendment applies to temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic. Any reduction in lease payments affects only payments originally due on or before 30 June 2021.

#### Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Grants receivable in respect of investment properties are credited directly to the cost of the asset. This treatment has been adopted in order to show a true and fair view as, in the opinion of the directors, it is not appropriate to treat grants on investment properties as deferred income. Investment properties are not depreciated and accordingly no basis exists on which to recognise the release of deferred income to the profit and loss account.

## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### **Bank borrowings**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance expenses, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

#### **Finance expenses**

Interest directly attributable to both investment and trading properties in the course of development and other fixed assets is included in the cost thereof. Interest is capitalised on a simple interest basis without allowing for any tax relief thereon.

Issue costs associated with borrowings are charged to the profit and loss account over the term of the borrowings and represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowing where the maturity date of issue is less than 12 months are included in accrued charges within current liabilities. For all borrowings accrued finance expenses and issue costs are included in the carrying value of those borrowings.

#### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance expense in profit or loss in the period in which it arises.

#### **Financial instruments**

##### **(i) Derivative financial instruments**

The group uses derivative financial instruments to reduce exposure to interest rate risk. The group does not hold derivative financial instruments for speculative purposes. Derivatives are initially recognised at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss account immediately in the year in which they arise.

##### **(ii) Financial assets and financial liabilities**

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its 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 and loss, which are initially measured at fair value (which is normally the transaction price excluding the costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance 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.



## Notes to the Financial Statements *continued*

### 1. Accounting policies *continued*

#### Financial instruments *continued*

##### (ii) Financial assets and financial liabilities *continued*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit and 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 significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

#### 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.

#### Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique.

#### Exceptional items

Exceptional items are significant non-recurring items excluded from management's assessment of profit because by their nature they could distort the group's underlying quality of earnings. These are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day-to-day basis.

## Notes to the Financial Statements *continued*

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

*In the application of the group's accounting policies, 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 group's accounting policies**

The directors do not consider there to be any critical accounting judgements that must be applied other than those that include an element of uncertainty.

#### **Key sources of estimation uncertainty**

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

##### **Investment properties and other fixed assets**

A key source of estimation and uncertainty relates to the valuation of investment properties and other fixed assets, where a valuation is obtained annually, as at 31 March, either by professionally qualified external valuers, or by the group's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. Property valuations are one of the principal uncertainties of the group.

The value of investment properties at 31 March 2021 is £1,241m (2020: £1,500m). The value of operating buildings at 31 March 2021 is £72m (2020: £65m). The key assumptions can be found in notes 11 and 12.

##### **Fair value of derivative financial instruments**

The fair value of derivative financial instruments is calculated using a discounted cash flow approach and using inputs based on observable market data. Where material, the credit risk associated with the derivatives is reflected in its calculation methodology. Judgement is used to determine whether the credit risk associated with the derivatives has changed materially over time based on market transactions and prices and, where this is the case, the credit factor is adjusted in the valuation calculation. The carrying value of derivative financial instruments is £12m (2020: £15m). The key assumptions can be found in note 23.

Notes to the Financial Statements *continued*

**3. Analysis of turnover and operating profit**

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
<b>Turnover</b>		
Gross rental income from investment property	66,589	70,887
Trading property sales	13,944	164
Rent premium income	1,657	227
Environment and resource development income	3,143	3,130
Waterways and utility income	855	1,615
Other	2,242	2,470
	<b>88,430</b>	<b>78,493</b>
<b>Cost of sales</b>	<b>(31,290)</b>	<b>(18,239)</b>
<b>Gross profit</b>	<b>57,140</b>	<b>60,254</b>
Administrative expenses	(40,844)	(24,899)
Impairment of stock properties	(4,298)	(529)
Goodwill amortisation	-	(340)
Deficit on revaluation of investment properties	(5,254)	(11,468)
Revaluation of listed investments	-	49
Other operating income	2,310	6,098
<b>Group operating profit</b>	<b>9,054</b>	<b>29,165</b>
Share of operating profit of joint venture companies	(457)	3,311
<b>Operating profit</b> (including group's share of joint ventures' operating profit)	<b>8,597</b>	<b>32,476</b>

With the exception of rental income of £3,426,000 (2020: £4,867,000) arising overseas (Bermuda and the Bahamas), all of the group's turnover during the financial year arose in the United Kingdom.

**4. Profit on disposal of fixed assets**

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Investment properties	12,495	10,504
Other fixed assets	-	45
Fixed assets investments	5,113	(1,000)
Joint ventures	(25)	-
	<b>17,583</b>	<b>9,549</b>

The effect of the profit on disposal of fixed assets on the amount charged to the profit and loss account for taxation was £32,673,000 (2020: £7,323,000). However, this is offset by trading losses.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

5. Net interest payable and similar expenses

	Group 2021 £'000	Group 2020 £'000
Interest payable and similar expenses:		
On bank loans and overdrafts	27,423	28,943
Amortisation of loan fees	1,742	1,687
On first mortgage debenture stock	28,832	30,380
Other interest	3,486	716
On amounts owed to group undertakings	4,476	4,036
Share of joint venture interest payable	227	401
Finance lease interest	158	149
	66,344	66,312
Interest receivable and similar income:		
On bank and other deposits	-	(6)
Other interest	(519)	(485)
Share of joint venture interest receivable	-	(38)
	65,825	65,783
Net exchange difference on foreign currency	781	(615)
Movement in fair value of interest rate swaps (note 23)	(2,771)	2,136
Net interest payable and similar expenses	63,835	67,304

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**6. Loss before taxation**

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Loss before taxation is stated after charging/(crediting):		
Deficit on revaluation of investment properties (note 11)	5,254	11,468
Depreciation of other fixed assets - owned assets (note 12)	2,562	2,455
Impairment of stock properties (note 15)	4,298	529
Revaluation of listed investments (note 13(b))	-	(49)
Foreign exchange losses/(gains)	781	(615)
Goodwill amortisation	-	340
Profit on disposal of fixed assets (note 4)	(17,583)	(9,549)
Share of operating loss/(profit) of joint venture companies	457	(3,311)
Change in lease payments arising from rent concessions occurring as a direct consequence of the COVID-19 pandemic	2,631	-

Auditor's remuneration was borne by Peel L&P Group Management Limited and not recharged (2020: same) as follows:

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Fees payable to the company's auditor and its associates for services to the group</b>		
The audit of the company financial statements pursuant to legislation	6	5
The audit of the company's subsidiaries financial statements pursuant to legislation	348	290
<b>Total audit fees</b>	<b>354</b>	<b>295</b>
Tax compliance services	19	22
Other taxation advisory services	37	57
Other services	23	24
<b>Total non-audit fees</b>	<b>89</b>	<b>103</b>

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**7. Tax on loss**

	Group 2021 £'000	Group 2020 £'000
Current tax:		
Group relief	2,060	(29)
Adjustment in respect of prior years	1,151	(222)
Total current tax charge/(credit)	3,211	(251)
Deferred tax:		
Origination and reversal of timing differences	(35,153)	(5,081)
Rate change	-	8,423
Total deferred tax (note 21)	(35,153)	3,342
Share of joint ventures' tax	40	44
Total tax on loss	(31,902)	3,135

Reconciliation of total tax (credit)/charge:

Tax on loss at standard UK corporation tax rate of 19% (2020: 19%)	(7,154)	(4,803)
Expenses not deductible for tax purposes	5,010	656
Non-taxable/(non-deductible) revaluation of investments	117	(9)
Group losses not paid for	(33,497)	(3,506)
Rate difference on overseas profits	(38)	(894)
Adjustments in respect of prior years	3,648	(658)
Share of joint ventures	56	(516)
Deferred tax effect of changes in statutory tax rates	-	8,423
Unrecognised movement on deferred tax in relation to investment property	11,531	4,384
Unrecognised movement on deferred tax in relation to losses	(11,575)	58
Total tax (credit)/charge	(31,902)	3,135

The standard rate of tax applied to the reported profits is 19% (2020: 19%).

**8. Particulars of staff**

The group and the company have no employees other than the directors (2020: same) and no key management personnel other than the directors.

**9. Directors' remuneration**

The remuneration of directors of the company was as follows:

	2021 £'000	2020 £'000
Emoluments	172	171
Company contributions to personal pension scheme	9	9
Total	181	180

The number of directors participating in the company's money purchase pension scheme is nil (2020: same).

The majority of directors of the company were remunerated by Peel Group Management Limited and Peel L&P 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.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**10. Goodwill**

	<b>Group Goodwill £'000</b>
<b>Cost:</b>	
At 1 April 2020 and 31 March 2021	2,741
<b>Amortisation:</b>	
At 1 April 2020	2,741
Amortised in the year	-
At 31 March 2021	2,741
<b>Net Book Value:</b>	
At 31 March 2021	-
At 31 March 2020	-

**11. Investment properties**

	<b>Freehold £'000</b>	<b>Group Long leasehold £'000</b>	<b>Total £'000</b>
<b>Valuation:</b>			
At 1 April 2020	1,454,062	46,404	1,500,466
Additions	7,231	-	7,231
Disposals	(102,173)	(10,725)	(112,898)
Lease incentives	1,808	201	2,009
Reclassification to stock	(179,551)	-	(179,551)
Intercompany transfer	35,100	-	35,100
Revaluations	(2,800)	(2,454)	(5,254)
Exchange adjustments	(5,863)	(64)	(5,927)
At 31 March 2021	1,207,814	33,362	1,241,176
<b>Professional Valuation:</b>			
March 2021 – External	624,997	15,475	640,472
March 2021 – Directors	582,817	17,887	600,704
	1,207,814	33,362	1,241,176

The historical cost to the group of all investment properties is £920,511,000 (2020: £1,056,044,000).

After later consideration of the method used to identify historical cost, the prior year amounts have been re-stated.

**Capitalised interest**

Investment properties include capitalised interest in aggregate amounting to £2,758,000 (2020: £2,758,000).

## Notes to the Financial Statements *continued*

### 11. Investment properties *continued*

#### Valuations

52% (2020: 55%) of the investment property portfolio was professionally valued by external Royal Institution of Chartered Surveyors valuers and the remainder was professionally valued by the group's own Royal Institution of Chartered Surveyors qualified staff.

The valuations were undertaken in accordance with "Red Book Principles" and were conducted on the basis of Market Value. The investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and, if any, reversionary income streams. The capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. All of the valuers hold professional qualifications and have many years of relevant experience in valuing these types of assets.

55% of the investment property portfolio was professionally valued by Jones Lang LaSalle, RICS qualified property consultants, using the investment approach.

3% of the investment property portfolio was professionally valued by Carter Jonas, RICS qualified property consultants, also using the investment approach. The methodology involves calculating the present value of the future rent and royalty income using a discount rate which reflects current economic and market indicators and any specific factors relevant to each site. The assets are classified as specialist property with minimal evidence of comparable transactions therefore the valuers have discounted the valuation to reflect this. The valuers are qualified chartered surveyors who have considerable specialist expertise in valuing this type of asset.

Professional Royal Institution of Chartered Surveyors valuers carried out total valuations as follows:

	2021	2020
	£'000	£'000
Jones Lang LaSalle	600,345	783,286
Carter Jonas	40,127	37,860
	640,472	821,146

Property rental income earned in the year is set out in note 3 and no contingent rents have been recognised as income in the current or prior year.

There are no contractual obligations for repairs and maintenance or health and safety.

#### Restrictions

Included in the portfolio are investment properties valued at £1,186,937,000 (2020: £1,437,158,000) for which proceeds of disposal are subject to restrictions under the banking facilities. The cash is only released when there is sufficient loan to value headroom.



Notes to the Financial Statements *continued*

**12. Other fixed assets**

	Operational buildings £'000	Group Plant and vehicles £'000	Total £'000
<b>Cost or valuation:</b>			
At 1 April 2020	69,417	4,938	74,355
Additions	7,679	1,416	9,095
Revaluations	(922)	-	(922)
Foreign exchange adjustments	-	(502)	(502)
At 31 March 2021	76,174	5,852	82,026
<b>Depreciation:</b>			
At 1 April 2020	4,387	1,654	6,041
Charge for the financial year	2,043	519	2,562
Revaluations	(2,041)	-	(2,041)
Foreign exchange adjustments	-	(151)	(151)
At 31 March 2021	4,389	2,022	6,411
<b>Net Book Value:</b>			
At 31 March 2021	71,785	3,830	75,615
At 31 March 2020	65,030	3,284	68,314

The historical cost to the group of operational buildings is £56,635,000 (2020: £49,458,000).

All other fixed assets other than operational buildings at 31 March 2021 are held at depreciated historical cost to the group.

At 31 March 2021 operational buildings are all freehold.

**Valuations**

Some of the group's operational buildings were externally valued at 31 March 2021 comprising 39% of the portfolio (2020: 44%) and remainder were professionally valued using the group's own Royal Institution of Chartered Surveyors qualified staff.

The valuations were undertaken in accordance with "Red Book Principles" and were conducted on the basis of Market Value. The operational buildings are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and, if any, reversionary income streams. The capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. All of the valuers hold professional qualifications and have many years of relevant experience in valuing these types of assets.

39% of the operational buildings portfolio was professionally valued by Jones Lang LaSalle, RICS qualified property consultants, using the investment approach. The methodology involves calculating the present value of the future rent and royalty income using a discount rate which reflects current economic and market indicators and any specific factors relevant to each site. The assets are classified as specialist property with minimal evidence of comparable transactions therefore the valuers have discounted the valuation to reflect this. The valuers are qualified chartered surveyors who have considerable specialist expertise in valuing this type of asset.

PEEL L&P HOLDINGS (UK) LIMITED

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Notes to the Financial Statements *continued*

**12. Other fixed assets** *continued*

**Valuations** *continued*

An operational wind farm forming 4% of the operational buildings portfolio has been professionally valued by Carter Jonas, RICS qualified property consultants and wind surveyors, at 31 March 2021 on the basis of the open market value. The value has been calculated using the Discounted Cash Flow method as per Section 4.6 of the RICS guidance note on the valuation of renewable energy schemes. The valuation has been based on the remaining 12 years and 9 months term of the leasehold interest and takes into account a forecast of the annual energy generation yield and the current and forecast selling price for renewable energy registered for Renewable Obligation Certificates.

Professional Royal Institution of Chartered Surveyors valuers carried out total valuations as follows:

	2021	2020
	£'000	£'000
Jones Lang LaSalle	25,150	25,270
Carter Jonas	3,225	3,470
	<u>28,375</u>	<u>28,740</u>

Notes to the Financial Statements *continued*

**13. Investments**

Investments comprise:

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>Parent Company 2021 £'000</b>	<b>Parent Company 2020 £'000</b>
Joint ventures	11,944	11,790	787	1,087
Fixed asset investments	-	49	778,016	778,366
	<b>11,944</b>	<b>11,839</b>	<b>778,803</b>	<b>779,453</b>

**(a) Joint ventures**

	<b>Group £'000</b>
<b>Carrying value before impairment</b>	
At 1 April 2020	13,357
Net new loans	1,812
Share of operating result for the year	(457)
Disposal of joint venture	(845)
Loan account of joint venture disposed	(89)
Share of interest payable for the year	(227)
Share of tax for the year	(40)
At 31 March 2021	<b>13,511</b>
<b>Impairment:</b>	
At 1 April 2020 and at 31 March 2021	1,567
<b>Net carrying value:</b>	
At 31 March 2021	<b>11,944</b>
At 31 March 2020	<b>11,790</b>

Disposal above represents the disposal on 1 July 2020 by the group of its 50% interest in Ardrossan North Shore LLP for £911,000, net of selling fees.

Investment in joint ventures represents:

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Group share of net assets	2,852	4,421
Amounts owed by joint ventures	9,092	7,369
	<b>11,944</b>	<b>11,790</b>

A detailed analysis of the group's share of the results of joint ventures is not provided as they are not material to the group.

Interest is charged on amounts owed by joint ventures at fixed rates varying from 6% to 7%, and at LIBOR plus 2% to 10%.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**13. Investments** *continued*

**(b) Fixed asset investments**

**Group**

	Listed investments £'000
<b>Cost:</b>	
At 1 April 2020	49
Disposal	(49)
At 31 March 2021	-
<b>Net Book Value:</b>	
At 31 March 2021	-
At 31 March 2020	49

Listed investments represent investments in debenture mortgage bond stock. They are measured at fair value through profit and loss.

**Parent company**

	Shares in subsidiary undertakings £'000	Loans to Joint ventures £'000	Total £'000
<b>Cost:</b>			
At 1 April 2020	1,135,974	1,087	1,137,061
Repaid in the year	-	(300)	(300)
At 31 March 2021	1,135,974	787	1,136,761
<b>Impairment:</b>			
At 1 April 2020	357,608	-	357,608
In the year	350	-	350
At 31 March 2021	357,958	-	357,958
<b>Net Book Value:</b>			
At 31 March 2021	778,016	787	778,803
At 31 March 2020	778,366	1,087	779,453

Impairment arises as investments in subsidiaries are written down to the net book value of the underlying company.

**Disposal of subsidiary undertaking**

On 19 August 2020 the group sold its 100% interest in the ordinary share capital of Southmoor Energy Centre Limited for £5,113,000, net of selling fees. Southmoor Energy Centre Limited had generated neither profits nor losses since its incorporation and had neither assets nor liabilities.

## Notes to the Financial Statements *continued*

### 13. Investments *continued*

#### (b) Fixed asset investments *continued*

##### Subsidiary undertakings and joint ventures

Details of investments of the group and all its subsidiary undertakings and joint ventures are given below.

##### Subsidiary undertakings

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

Incorporated	Company	Principal Activities
Bahamas	Beaumont (Bahamas) Limited	Property investment
Bermuda	New Windsor Hotel Company Limited *	Holding company
Spain	Peel Developments Espana S.L.	Property development and investment
England & Wales	Peel L&P Overseas Limited	Holding company
England & Wales	Peel Holdings (Land and Property) Limited **	Holding company
England & Wales	Peel Land and Property Investments plc	Property investment
England & Wales	Peel L&P Land (Intermediate) Limited	Property investment
England & Wales	Peel L&P Investments (North) Limited	Property investment
England & Wales	Peel L&P Developments Limited	Property investment
England & Wales	Peel L&P (Ports) Limited	Property investment
England & Wales	Princes Dock Development Company Limited	Property investment
Scotland	Clydeport Properties Limited	Property development and investment
England & Wales	Peel L&P Investments (Intermediate) Limited**	Property investment
England & Wales	Peel South East Limited	Property investment
England & Wales	Protos Developments Limited	Property development
England & Wales	The Bridgewater Canal Company Limited	Operation and management of canals
England & Wales	Peel NRE Limited (formerly Peel L&P Environmental Limited)	Waste and mineral asset management
England & Wales	Peel L&P Investments No.1 Limited	Holding company
England & Wales	Peel L&P Property (Investments) Limited	Property investment
England & Wales	Peel L&P Investment Properties Limited	Operation of an outlet mall
England & Wales	Port Salford Holdings Limited **	Property development
England & Wales	Peel Land and Property Holdings Limited	Holding company
England & Wales	Peel L&P Limited	Holding company
England & Wales	Peel L&P Investments (U.K.) Limited	Holding company
England & Wales	Peel L&P Investments Holdings Limited	Holding company
Scotland	Peel L&P Assets Limited	Dormant company
England & Wales	Peel L&P Property Holdings Limited	Holding company

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

13. Investments *continued*

(b) Fixed asset investments *continued*

Subsidiary undertakings *continued*

Incorporated	Company	Principal Activities
England & Wales	Peel L&P Property Limited	Holding company
England & Wales	Peel L&P Mineral Resources Limited	Dormant
England & Wales	Peel L&P Trading and Development Limited (formerly Bridgewater Remediation Limited)	Dormant
England & Wales	Peel L&P Investments No. 2 Limited	Holding company
England & Wales	Peel L&P Investment Properties Holdings Limited	Property investment and development
England & Wales	Peel L&P Land Holdings Limited	Holding company
England & Wales	Peel L&P Property Intermediate Limited	Property investment and holding company
England & Wales	Astermill Limited	Dormant company
England & Wales	Barwent Developments Limited	Dormant company
England & Wales	Beaumont Properties Limited	Dormant company
England & Wales	Haxden Properties Limited	Dormant company
England & Wales	The Beaumont Property Trust Limited	Dormant company
England & Wales	Harmont Investment Company Limited	Dormant company
England & Wales	London Shop (Bishops Stortford) Limited	Dormant company
England & Wales	London Shop (Stockport) Limited	Dormant company
England & Wales	Cannorth Property Investments Limited	Dormant company
Scotland	Clydeport Terminal Limited	Dormant company
England & Wales	Corinium Properties Limited	Dormant company
England & Wales	Flaskranch Limited	Dormant company
England & Wales	Knight & (Co Services) Limited	Dormant company
England & Wales	London Shop (Crosby) Limited	Dormant company
England & Wales	Londrock Finance Company Limited	Dormant company
England & Wales	MSC (Waste) Limited	Dormant company
England & Wales	Peel L&P (Anglia) Limited	Dormant company
England & Wales	Peel L&P Investments (Anglia) Limited	Dormant company
England & Wales	Peel L&P Housing (Anglia) Limited	Dormant company
England & Wales	Trafford Palazzo Limited (formerly Peel L&P Homes (Anglia) Limited)	Dormant company
England & Wales	Peel L&P Commercial (S.E.) Limited	Dormant company
England & Wales	Peel L&P Farms Limited	Dormant company
England & Wales	Peel L&P Homes Limited	Dormant company
England & Wales	Peel L&P Land Limited	Dormant company
England & Wales	Peel L&P North East Limited	Dormant company
England & Wales	Peel L&P (No.2) Limited	Dormant company
England & Wales	Peel L&P Developments (N.E.) Limited	Dormant company

Notes to the Financial Statements *continued*

13. Investments *continued*

(b) Fixed asset investments *continued*

Subsidiary undertakings *continued*

Incorporated	Company	Principal Activities
England & Wales	Sheffield Heliport Limited	Dormant company
England & Wales	South Yorkshire Emergency Services Centre Limited	Dormant company
England & Wales	Peel L&P North West Limited	Dormant company
England & Wales	Peel L&P Commercial (N.W.) Limited	Dormant company
England & Wales	Peel L&P Developments (N.W.) Limited	Dormant company
England & Wales	Toll House Motors Limited	Dormant company
England & Wales	Peel L&P Securities (N.W.) Limited	Dormant company
England & Wales	Peel L&P Properties (S.E.) Limited	Dormant company
England & Wales	Peel L&P Securities (S.E.) Limited	Dormant company
England & Wales	Peel L&P South West Limited	Dormant company
England & Wales	Peel L&P Commercial (S.W.) Limited	Dormant company
England & Wales	Peel L&P Developments (S.W.) Limited	Dormant company
England & Wales	Peel L&P Investments (S.W.) Limited	Dormant company
England & Wales	Peel L&P Properties (S.W.) Limited	Dormant company
England & Wales	Hartlebury Trading Estate Limited	Dormant company
England & Wales	Earlbroom Limited	Dormant company
England & Wales	MediaCity Studios Limited	Dormant company
England & Wales	Sudbrook Trading Estate Limited	Dormant company
England & Wales	Princes Dock Development Company No.5 Limited	Dormant company
England & Wales	Rio De Janeiro Land, Mortgage and Investments Agency Company Limited	Dormant company
England & Wales	The Quay (Flexible Office Space) Limited**	Dormant company
England & Wales	Peel L&P Holdings (Overseas) Limited**	Holding company
Bermuda	Washington Properties (Bermuda) Limited	Property investment
England & Wales	Blundell's Wood Management Company Limited	Management of service charges
England & Wales	Hilton Lane Management Company Limited	Management of service charges
England & Wales	Imagine Park Management Company Limited	Management of service charges
England & Wales	Peel Airports (Liverpool) Limited	Property investment
England & Wales	Principal Management Company Limited	Dormant
England & Wales	Rossfield Park Management Company Limited	Management of service charges
England & Wales	The Bridgewater Centre Management Company Limited	Management of service charges
England & Wales	Port Salford Land Limited	Property development
England & Wales	Wirral Waters Land No. 1 Limited	Property development
Scotland	Peel Land and Property (Greenock Harbours) Limited	Property trading and rental
England & Wales	Mediacity:UK Limited	Dormant
England & Wales	Peel L&P Investments and Property Limited**	Property investment
England & Wales	Port Salford Developments No 1 Limited	Property development

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

13. Investments *continued*

(b) Fixed asset investments *continued*

Subsidiary undertakings *continued*

Incorporated	Company	Principal Activities
England & Wales	Wirral Waters Holdings No.1 Limited **	Holding company
England & Wales	Peel L&P Investments (South) Limited	Dormant
England & Wales	Peel L&P Investments (N.W.) Limited	Dormant
England & Wales	Peel L&P Properties (N.W.) Limited	Dormant
England & Wales	Peel L&P Securities (S.W.) Limited	Dormant
England & Wales	Port Salford Developments (Rhenus) Limited	Project management
Scotland	Glasgow Harbour Limited	Property investment and development
Scotland	Glasgow Harbour Management Limited	Property investment and development
Scotland	Glasgow Harbour (Byron Street) Limited	Property investment and development
Scotland	Glasgow Harbour Developments Limited	Property investment and development
England & Wales	Seaforth Wind Farm Limited	Operation of wind farm
England & Wales	Middle Warehouse Residential Limited **	Dormant
England & Wales	East Float Quay Management Limited	Dormant
England & Wales	Garrett Lane Management Company Limited	Management of service charges
England & Wales	Vicars Hall Management Company Limited	Dormant
England & Wales	Worsley Meadow Management Company Limited	Management of service charges
England & Wales	Worsley Woodland Grange Management Company Limited	Management of service charges
England & Wales	Peel L&P Pet Products Limited	Dormant
England & Wales	Peel L&P Holdings Energy (No.2) Limited	Dormant
England & Wales	Peel L&P Energy (No.2) Limited	Dormant
England & Wales	Peel L&P (Ports No.3) Limited	Property investment
Scotland	Clydemore Properties Limited	Dormant
England & Wales	Peel L&P Properties (MSC) Limited	Dormant
England & Wales	Peel L&P Red City Holdings Limited	Dormant
England & Wales	Peel L&P Legacy (Wirral Waters) Limited**	Property development
England & Wales	Simpson Grove Boothstown Management Company Limited	Dormant
England & Wales	Peel Partnerships Wirral Waters Limited	Construction
England & Wales	Pemberton Commercial Management Company Limited	Dormant



Notes to the Financial Statements *continued*

**13. Investments** *continued*

**(b) Fixed asset investments** *continued*

**Subsidiary undertakings** *continued*

<b>Incorporated</b>	<b>Company</b>	<b>Principal Activities</b>
England & Wales	Protos Finance Limited **	Provision of finance
England & Wales	Peel L&P Developments (U.K.) Limited	Holding company
England & Wales	Ship Canal Enterprises Limited	Dormant
Scotland	Clydeside Investment Properties Limited	Dormant
England & Wales	Glasgow Harbour Properties Limited	Dormant
England & Wales	The Saddlery Investments Limited	Dormant
England & Wales	Protos Plastics to Hydrogen No.1 Limited **	Dormant
England & Wales	Peel L&P (I Topco) Limited**	Dormant
England & Wales	Peel Land and Property (Liverpool) Limited	Dormant
England & Wales	Peel Airports Property Limited	Dormant
Isle of Man	Largs Limited	Dormant
England & Wales	Mersey Docks Property Holdings Limited	Dormant
England & Wales	Mersey Docks Property Investments Limited	Dormant
Northern Ireland	Princes Dock Development Company No.4 Limited	Dormant
England & Wales	Princes Dock Office No.8 Limited	Dormant
England & Wales	Princes Dock Office No. 9 Limited	Dormant
England & Wales	Princes Dock Office No.12 Limited	Dormant
England & Wales	Princes Dock Hotel Limited	Dormant
England & Wales	Woodside Business Park Limited	Dormant
England & Wales	Mersey Docks Property Developments Limited	Dormant
England & Wales	Peel L&P Holdings (CL) Limited	Dormant
England & Wales	Peel L&P Investments (CL) Limited	Dormant
England & Wales	Manchester Heliport Limited	Dormant
England & Wales	Reddington Finance Limited	Dormant
England & Wales	Reddington Holdings Limited	Dormant
England & Wales	Ayrshire Power Limited	Dormant
England & Wales	Peel L&P Scout Moor Services Limited	Dormant
England & Wales	Peel L&P Wind Farms (Asfordby) Limited	Dormant

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

13. Investments *continued*

(b) Fixed asset investments *continued*

Subsidiary undertakings *continued*

<b>Incorporated</b>	<b>Company</b>	<b>Principal Activities</b>
England & Wales	Peel L&P Wind Farms (Plenmeller) Limited	Dormant
England & Wales	Peel L&P Wind Farms (Projects) Limited	Dormant
England & Wales	Peel L&P Wind Farms (Seaforth) Limited	Dormant
England & Wales	South Clyde Energy Centre Limited	Dormant
Scotland	Arma Developments Limited	Dormant
Scotland	Glasgow Harbour Investments Limited	Dormant
England & Wales	Peel L&P Living Investments Holdings Limited	Dormant
England & Wales	Peel L&P Living Investments (No.2) Limited	Dormant
England & Wales	Peel L&P Living Investments No.1 Limited	Dormant
England & Wales	Peel L&P Environmental Management (UK) Limited	Dormant
England & Wales	Peel L&P Holdings (Glasgow Harbour) Limited	Dormant
England & Wales	Peel L&P Investments (Leisure) Limited	Dormant
England & Wales	Protos Grid Limited	Investment company
England & Wales	Protos II Limited	Investment company
England & Wales	Peel NRE Energy (Barton) Limited	Renewable energy development
England & Wales	Peel NRE Wind Farms (FIT) Limited	Wind farm development
England & Wales	Protos Finance 2 Limited **	Provision of finance
England & Wales	Wirral Waters Finance Limited **	Provision of finance
England & Wales	Peel L&P Gas and Oil Holdings Limited	Holding company
England & Wales	Peel L&P Gas and Oil (Services) Limited	Exploration development
England & Wales	Peel L&P Gas and Oil (Investments) Limited	Holding company
England & Wales	Peel L&P Gas and Oil Limited	Development services
England & Wales	Moorland Wind Holdings Limited	Holding company
England & Wales	Scout Moor Wind Farm Expansion Limited	Wind farm development
Scotland	Clydeport Longhaugh A Limited	Dormant
Scotland	Clydeport Longhaugh B Limited	Dormant
Scotland	Clydeport Longhaugh C Limited	Dormant
England & Wales	Peel L&P Telecommunications Limited	Dormant
England & Wales	Peel L&P Holdings (Telecommunications) Limited	Dormant
England & Wales	Peel L&P Telecommunications (Holdings) Limited	Dormant
England & Wales	North Clyde Recycling Centre Limited	Dormant
England & Wales	Peel L&P Investments Environmental UK Limited	Dormant
England & Wales	Peel L&P Holdings (Environmental) Limited	Dormant
England & Wales	Peel L&P Environmental Holdings Limited	Dormant
England & Wales	Peel L&P Environmental Protos Limited	Dormant
England & Wales	Peel L&P Holdings (Living Investments) Limited	Dormant
England & Wales	Ionica Limited	Dormant

\* 80% owned

\*\* directly owned.

## Notes to the Financial Statements *continued*

### 13. Investments *continued*

#### (b) Fixed asset investments *continued*

##### Joint Ventures

The joint ventures as at 31 March 2021 were as follows:

Incorporated	Company	Group Shareholding	Type of Shareholding	Principal activities
England & Wales	Peel Lamp Properties Limited	50%	Ordinary B	Dormant company
Scotland	James Watt Dock LLP	50%		Property development and investment
England & Wales	Liverpool Airport Property Holdings Limited **	50%	Ordinary A	Holding company
England & Wales	Liverpool Airport Property (Intermediate) Limited	50%	Ordinary	Holding company
England & Wales	Liverpool Airport Property Limited	50%	Ordinary	Holding company
England & Wales	Liverpool Airport Hotel Limited	50%	Ordinary	Property management
England & Wales	USP WW Limited	50%	Ordinary P	Property development
England & Wales	TFGM Peel Wharfside 1 LLP	50%		Property development
England & Wales	TFGM Peel Wharfside 2 LLP	50%		Property development
England & Wales	Protos 33 Limited	50%	Ordinary	Property development

All subsidiaries and joint ventures have a year end of 31 March.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**13. Investments** *continued*

**(b) Fixed asset investments** *continued*

**Audit exemption**

The subsidiary undertakings also consolidated at 31 March 2021, all of which were indirectly and wholly owned, unless otherwise stated, and claimed exemption from audit under section 479A Companies Act 2006, were as follows:

Incorporated	Company	Company Number	Principal Activities
England & Wales	NW Hydrogen Alliance Limited	11330273	Engineering Consulting
England & Wales	Peel Property (Partnerships) Limited**	06474584	Property investment
England & Wales	Manchester Ship Canal Developments Limited	02181411	Property development
England & Wales	Manchester Ship Canal Developments Advent Limited	04443848	Property development
England & Wales	MSCD Advent Management Limited	06916662	Property development and management
Scotland	Peel Land and Property (Ardrossan) Limited	SC371334	Holding company
Scotland	Peel Land and Property (James Watt Dock) Limited	SC337879	Holding company
England & Wales	Peel L&P Property (No.2) Limited	05060256	Holding company
England & Wales	Ayrshire Power Holdings Limited	06516547	Holding company

\*\* directly owned.

All the subsidiaries and joint ventures above incorporated in England and Wales have the registered office Venus Building, 1 Old Park Lane, Traffordcity, Manchester, M41 7HA.

All the subsidiaries and joint ventures above incorporated in Scotland have the registered office 16 Robertson Street, Glasgow, G2 8DS.

All the subsidiaries above incorporated in Northern Ireland have the registered office 40 Linenhall Street, Belfast, BT2 8BA.

All the subsidiaries above incorporated in Bermuda have the registered office Victoria Place, 31 Victoria Street, Hamilton, HM10, Bermuda.

All the subsidiaries above incorporated in Bahamas have the registered office 4 George Street, Mareva House, Nassau, New Providence, Bahamas.

All the subsidiaries above incorporated in Spain have the registered office Calle Serrano 1, Planta 4, 28008, Madrid, Spain.

All the subsidiaries above incorporated in the Isle of Man have the registered office Billown Mansion, Ballasalla, Malew, IM9 3DL, Isle of Man.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**14. Loans to group undertakings**

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2021</b>	<b>2020</b>	<b>Company</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>2021</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
Amounts owed by subsidiary undertakings	-	-	105,395	40,503

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:

	<b>Group</b>	<b>Group</b>	<b>Parent</b>	<b>Parent</b>
	<b>2021</b>	<b>2020</b>	<b>Company</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>	<b>2021</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
Amounts owed by subsidiary undertakings	-	-	105,395	39,496

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.

**15. Stocks**

	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Land held for development	215,854	48,672

The replacement cost of the above stock is estimated to be £222,438,000 (2020: £55,154,000).

Stock impairment in the year (note 6) was caused by a decrease in value on the general market.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**16. Debtors**

	Group	Group	Parent Company	Parent Company
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	18,078	14,753	211	13
Amounts owed by subsidiary undertakings	-	-	1,092	2,917
Amounts owed by fellow group undertakings	1,787	656	-	-
Amounts owed by related parties	296	1,167	-	-
Development deposits and prepaid costs	7,651	6,033	-	-
Other debtors	32,625	9,102	15	16
Prepayments and accrued income	4,071	6,827	1,901	160
	64,508	38,538	3,219	3,106

Trade debtors are presented net of provisions for impairment of £345,000 (2020: £968,000).

As per note 14, 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.

**17. Cash at bank and in hand**

	Group	Group	Parent Company	Parent Company
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Unrestricted cash	14,066	28,575	379	115
Restricted cash	5,158	7,312	-	-
	19,224	35,887	379	115

**Restricted cash**

£5,158,000 (2020: £4,223,000) of restricted cash arises due to interest or capital payment guarantees under the group's banking facilities.

£nil (2020: £3,089,000) relates to proceeds of property sales and is restricted under the terms of security arrangements under the group's banking facilities.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**18. Creditors:** amounts falling due within one year

		Group	Group	Parent	Parent
	Note	2021	2020	Company	Company
		£'000	£'000	2021	2020
				£'000	£'000
Unsecured bank loans and overdrafts		4,356	3,985	-	-
Secured bank loans		3,477	3,271	-	-
Secured other loans		26,998	20,000	-	-
Unsecured other loans		278	556	-	-
Finance leases	20(b)	1,033	1,059	1,033	1,059
Debt falling due within one year		36,142	28,871	1,033	1,059
Trade creditors		8,876	8,479	34	20
Development costs to site completion		4,929	9,618	-	-
Amounts owed to subsidiary undertakings		-	-	362,309	300,793
Amounts owed to fellow group undertakings		143,896	136,219	-	-
Amounts owed to related parties		58	-	-	-
Other taxes and social security		6	1	-	-
Government grants		86	86	-	-
Other creditors		21,852	13,699	255	300
Accruals		25,647	18,320	2,565	1,200
Deferred income		15,179	17,541	-	-
		256,671	232,834	366,196	303,372

Details of security, interest rates and repayment dates on the above borrowings are disclosed in note 20.

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

	Group	Group	Parent	Parent
	2021	2020	Company	Company
	£'000	£'000	2021	2020
			£'000	£'000
Amounts owed to group undertakings	140,183	135,826	362,065	300,788

The remainder of amounts owed to group undertakings carry no interest and the whole amount is repayable on demand.

Government grants represent amounts received towards infrastructure in an investment property construction.

**19. Creditors:** amounts falling due after more than one year

		Group	Group	Parent	Parent
	Note	2021	2020	Company	Company
		£'000	£'000	2021	2020
				£'000	£'000
First Mortgage Debenture Stocks		325,958	380,459	-	-
Secured bank loans		471,060	481,652	-	-
Unsecured bank loans		1,980	2,997	-	-
Secured other loans		119	4,107	-	-
Finance leases	20(b)	2,043	3,076	2,043	3,076
Debt falling due after more than one year		801,160	872,291	2,043	3,076
Derivative financial instruments	23	12,018	14,789	-	-
		813,178	887,080	2,043	3,076

Details of security interest rates and repayment dates on the above borrowings are disclosed in note 20.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

20. Group debt

(a) Analysis of group net debt

	Group 2021 £'000	Group 2020 £'000
Creditors: amounts falling due within one year	36,142	28,871
Creditors: amounts falling due after more than one year	801,160	872,291
Gross debt	837,302	901,162
Cash at bank and in hand	(19,224)	(35,887)
<b>Group net debt</b>	<b>818,078</b>	<b>865,275</b>

(b) Analysis of gross debt

Finance leases

	Group 2021 £'000	Group 2020 £'000	Parent Company 2021 £'000	Parent Company 2020 £'000
<b>Finance leases due:</b>				
Within 1 year	1,033	1,059	1,033	1,059
1–2 years	1,041	1,033	1,041	1,033
2–5 years	1,002	1,927	1,002	1,927
After 5 years	-	116	-	116
	<b>3,076</b>	<b>4,135</b>	<b>3,076</b>	<b>4,135</b>

The above amounts represent the both the minimum lease payments and the fair value of minimum lease payments.

Other debt

	Group 2021 £'000	Group 2020 £'000
<b>Overdrafts, bank and other loans due:</b>		
Within 1 year	35,109	27,812
1–2 years	5,276	10,245
2–5 years	271,757	278,264
	<b>312,142</b>	<b>316,321</b>
After five years – by instalments	25,995	30,117
After five years – not by instalments	496,089	550,589
	<b>834,226</b>	<b>897,027</b>
<b>Total gross debt</b>	<b>837,302</b>	<b>901,162</b>



Notes to the Financial Statements *continued***20. Group debt** *continued***(b) Analysis of gross debt** *continued***Analysis of group loans**

	Interest rate	Maturing	Secured/ unsecured	Carrying value 2021 £'000	Carrying value 2020 £'000
First Mortgage Debenture Stock	10.0%	2026	Secured	116,600	122,777
First Mortgage Debenture Stock	8.375%	2040	Secured	209,358	257,682
Revolving credit facility of £300m	LIBOR plus margin	2023	Secured	260,050	267,471
Bilateral loan	6.40%	2031	Secured	178,355	180,864
Bilateral loan	4.66%	2031	Secured	36,132	36,588
Non-bank loan	EC Reference rate plus margin	2021	Secured	11,000	11,000
Non-bank loan	LIBOR plus margin 3.5%	2023	Secured	180	-
Non-bank loan	EC Reference rate plus margin	2021	Secured	-	2,500
Non-bank loan	Interest- free	2021	Unsecured	278	556
Non-bank loan	3.02%	2021	Secured	3,500	6,500
Non-bank loan	EC Reference rate plus margin	2021	Secured	12,437	4,107
Bank loan	0%	2022	Unsecured	1,980	2,997
<b>Total group loans</b>				<b>829,870</b>	<b>893,042</b>
Finance leases				3,076	4,135
Overdrafts				4,356	3,985
<b>Gross debt, above</b>				<b>837,302</b>	<b>901,162</b>

The above secured debt is secured by fixed legal charges on certain freehold and leasehold investment properties of certain subsidiary undertakings.

With regard to the role of financial instruments, the group's objective continues to be to maintain sufficient facilities to meet its financial requirements at the lowest achievable cost and at minimum risk. The Treasury function within the group is controlled centrally in accordance with prudent procedures approved by the directors.

The group's net borrowings at 31 March 2021 of £818m (2020: £865m) produced a gearing ratio of net debt to shareholders' funds at 162% (2020: 169%).

During the year, the group continued to comply with all of its borrowing covenants. The principal covenants relate to net worth, loan to value, income cover and interest cover, all of which were satisfied at the financial year end. At 31 March 2021 the group had unused bank facilities of £16.5m (2020: £17.0m).

The present market value of the group's debenture stocks as at 31 March 2021 shows a post-tax "mark to market" value of £13.7m deficit under book value (2020: excess over £88.8m).

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

20. Group debt *continued*

(c) Analysis of movement in group net debt

	1 April 2020 £'000	Cash flow £'000	Non-cash adjustments £'000	Reclass £'000	31 March 2021 £'000
Cash at bank	28,575	(14,240)	(269)	-	14,066
Restricted cash	7,312	(2,154)	-	-	5,158
	35,887	(16,394)	(269)	-	19,224
Overdrafts	(3,985)	(371)	-	-	(4,356)
Total cash	31,902	(16,765)	(269)	-	14,868
Debt due within one year (excluding overdrafts)	(24,886)	10,387	(342)	(16,945)	(31,786)
Debt due after more than one year	(872,291)	56,535	(2,349)	16,945	(801,160)
<b>Net debt</b>	<b>(865,275)</b>	<b>50,157</b>	<b>(2,960)</b>	<b>-</b>	<b>(818,078)</b>

Non-cash adjustments are amortised loan arrangement fees and new finance leases.

21. Provisions for liabilities

	Deferred Taxation £'000	Legal Claim £'000	Electricity dispute £'000	Rent concessions £'000	Maintenance costs £'000	Group Total £'000
At 1 April 2020	78,569	2,388	-	-	-	80,957
Profit and loss account	(35,153)	1,612	3,000	2,631	12,900	(15,010)
Movements in other comprehensive income	442	-	-	-	-	442
<b>At 31 March 2021</b>	<b>43,858</b>	<b>4,000</b>	<b>3,000</b>	<b>2,631</b>	<b>12,900</b>	<b>66,389</b>

The provision for legal claim represents an amount which is expected to be paid in respect of utilities costs. It is not possible to predict when the court case will be settled and payment will become due.

It is not possible to predict when the dispute relating to the late supply of electricity will be settled and payment will become due.

The rent concessions provision arises from the onset of COVID 19. The concessions are temporary and as such are expected to reverse as the economy returns to normal.

The provision for maintenance costs represents future maintenance costs of certain infrastructure.

Provision is made for deferred taxation at a rate of 19% (2020: 19%), the amount provided being:

	Group 2021 £'000	Group 2020 £'000
Capitalised land remediation relief	771	1,151
Capitalised interest	3,215	3,215
Interest rate swaps	(2,283)	(2,810)
Revalued investment properties	67,971	85,766
Revalued operational assets	3,642	3,200
Fixed asset timing differences	9,518	7,061
Short term timing differences	(743)	(3)
<b>Losses</b>	<b>(38,233)</b>	<b>(19,011)</b>
	<b>43,858</b>	<b>78,569</b>

Notes to the Financial Statements *continued***21. Provisions for liabilities** *continued*

There is an unrecognised deferred tax asset relating to tax losses of £1,600,000 (2020: £1,464,000). Deferred tax has not been recognised because future profits against which it would reverse cannot be forecast with sufficient certainty.

The March 2021 Budget announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. As this change has not yet been substantively enacted as at 31 March 2021, deferred tax balances continue to be measured at a rate of 19%. If the amended tax rate had been used, the deferred tax liability would have been £13,850,000 higher.

During the year commencing 1 April 2021, the net reversal of deferred tax liabilities is expected to decrease the corporation tax charge for the year by £14,164,000. This is due to the availability of group losses to offset the realisation of contingent gains provided on investment properties. There is no expiry date on timing differences, unused tax losses or tax credits.

**22. Operating leases****Operating lease receivables**

The total future amounts receivable by the group under non-cancellable operating leases are as follows:

	2021 £'000	2020 £'000
Receipts due within:		
1 year	56,749	57,754
1 – 5 years	173,114	179,693
Over 5 years	2,281,124	1,856,499
	2,510,987	2,093,946

**23. Derivative financial instruments**

	Current		Non-current	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Derivatives that are designed and effective as hedging instruments carried at fair value				

**Liabilities**

Interest rate swaps measured at fair value	-	-	12,018	14,789
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Interest rate swaps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

**Interest rate swap contracts designated as hedges of variable interest rate risk of recognised financial liabilities**

Outstanding receive floating pay Fixed contracts	Average contract fixed Interest rate		Notional principal value		Fair value	
	2021	2020	2021	2020	2021	2020
	%	%	£'000	£'000	£'000	£'000
2 to 5 years	2.29	2.29	225,000	225,000	(12,018)	(14,789)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. The group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts are effective hedges of variable interest rate risk of the group's floating rate borrowings. The cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

A gain of £2.8m (2020: loss £2.1m) was recognised in the profit and loss account on movements in the value of swaps in the year.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**24. Called up share capital and reserves**

	<b>Group and Parent Company</b>	
	<b>Number</b>	<b>£'000</b>
<b>Allotted and fully paid</b>		
<b>Equity share capital</b>		
Ordinary shares of £1 each:		
At 1 April 2020 and at 31 March 2021	406,259,707	406,260

The group and company's reserves are as follows:

The revaluation reserve is in relation to the revaluation of operational buildings which takes place annually. It represents the accumulated annual transfers of the surplus, or deficit which reverses a previous surplus, on revaluation.

The negative goodwill reserve represents the difference between the acquisition cost and the net book value of assets acquired.

The merger reserve represents the difference between cost of investment and net assets of subsidiaries acquired and accounted for under merger accounting principles.

The other reserves are a capital redemption reserve.

**25. Non-controlling interests**

	<b>Equity</b>	<b>Group Non-equity</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 April 2020 and at 31 March 2021	1	(4)	(3)

**26. Note to the group cash flow statement**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of operating profit to cash generated by operations</b>		
Group operating profit	9,054	29,165
Non-cash adjustments:		
Revaluation surplus on investment properties	5,254	11,468
Revaluation of investments	-	(49)
Creation less amortisation of lease incentives	(2,009)	(1,904)
Depreciation of other fixed assets	2,562	2,455
Amounts written off stock	4,298	529
Goodwill amortisation	-	340
Increase in provisions	20,143	875
Operating cash flow before movement in working capital	39,302	42,879
Movement in stocks	8,071	(972)
Movement in debtors	(24,981)	6,435
Movement in creditors	(29,231)	(33,847)
Net cash flows from operating activities	(6,839)	14,495

Notes to the Financial Statements *continued*

**27. Capital commitments**

**(a) Committed by the group**

	<b>Group 2021 £'000</b>	<b>Group 2020 £'000</b>
Capital expenditure contracted for but not provided for in these financial statements	17,992	36,119

**(b) Committed by joint ventures**

	<b>Joint ventures 2021 £'000</b>	<b>Joint ventures 2020 £'000</b>
Capital expenditure contracted for but not provided for in these financial statements	1,630	1,630

**(b) Group share of amount committed by joint ventures**

	<b>Group share 2021 £'000</b>	<b>Group share 2020 £'000</b>
Capital expenditure contracted for but not provided for in these financial statements	815	815

**28. Contingent liabilities**

- (a) As at 31 March 2021, the group's banks had provided road bonds and guarantees amounting to £2.9m (2020: £2.1m).
- (b) As at 31 March 2021 subsidiary company Peel Holdings (Land and Property) Limited had guaranteed a £5.0m (2020: £5.0m) loan made available to 50% owned associated company James Watt Dock LLP. The loan balance at 31 March 2021 was £3.3 m (2020: £3.0m).
- (c) As at 31 March 2021 subsidiary company Peel L&P (Ports) Limited had guaranteed a £nil (2020: £2.0m) loan made available to 50% owned associated company Ardrossan North Shore LLP. The loan balance at 31 March 2020 was £0.9 and was repaid on disposal of the joint venture in the year.
- (d) As at 31 March 2021 Peel L&P Holdings (UK) Limited had guaranteed a £nil (2020: £2.4m) contract for advertising space for fellow subsidiary Peel Advertising Limited.
- (e) As at 31 March 2021 Peel L&P Holdings (UK) Limited had guaranteed a £9.5m (2020: £5.5m) loan made available to fellow subsidiary Mersey Heat Limited.
- (f) As at 31 March 2021 Peel L&P Holdings (UK) Limited had guaranteed rental obligations of £5.0m (2020: £5.0m) for fellow subsidiary Eventcity 2021 Limited.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

**29. Related party transactions**

(a) During the year the group made loans/(was repaid loans) to/(from) its joint ventures as follows:

	Balance at 1 April 2020 £'000	Movement in the year £'000	Balance at 31 March 2021 £'000
Peel Lamp Properties Limited	146	-	146
James Watt Dock LLP	3,041	220	3,261
Ardrossan North Shore LLP	91	(91)	-
Liverpool Airport Property Holdings Limited	1,338	(300)	1,038
USP WW Limited	428	1,894	2,322
TFGM Peel Wharfside 1 LLP	2,000	-	2,000
TFGM Peel Wharfside 2 LLP	325	-	325
<b>Total joint venture loans</b>	<b>7,369</b>	<b>1,723</b>	<b>9,092</b>

The loan balances are included in investments.

(b) During the year to 31 March 2021, companies within Peel L&P Holdings (UK) Limited group have provided services to related parties as follows:

Related party	Transaction	Relationship	Transactions in the year ended 31 March 2021 £'000	Balance at 31 March 2021 £'000	Transactions in the year ended 31 March 2020 £'000	Balance at 31 March 2020 £'000
Cammell Laird Shiprepairers and Shipbuilders Limited	Lease of land	Fellow subsidiary	3,400	-	3,005	-
PS50 Unit Trust	Services	See below i	-	-	311	-
Companies in the Peel Ports Holdings (CI) Limited group of companies	Services	See below ii	1,366	106	2,469	1,161
Companies in the Leep Utilities Topco Limited group of companies.	Services	See below iii	157	190	2,500	6
Companies in the Northstone Developments Holdings Limited group of companies	Sale of land	See below iv	2,000	-	-	-
Tokenhouse Investments Limited Staff Retirement Benefit Plan	Sale of investment property	See below v	3,225	-	-	-
<b>Total</b>			<b>10,148</b>	<b>296</b>	<b>8,285</b>	<b>1,167</b>

- (i) Fellow associated company Peel Logistics Limited Partnership (Jersey) 2017 owns 16% of PS50 Unit Trust, a special purpose vehicle.
- (ii) Peel Ports Holdings (CI) Limited is owned 37.575% by a group associate.
- (iii) Leep Utilities Topco Limited is owned 50% by a group associate.
- (iv) Northstone Developments Holdings Limited is owned 90% by a group associate.
- (v) The principal employer of Tokenhouse Investments Limited Staff Retirement Benefit Plan is under common control with the group.

## PEEL L&P HOLDINGS (UK) LIMITED

### Notes to the Financial Statements *continued*

#### 29. Related party transactions *continued*

(c) During the year to 31 March 2021, companies within Peel L&P Holdings (UK) Limited group have received services from related parties as follows:

Related party	Transaction	Relationship	Transactions in the year ended 31 March 2021 £'000	Balance at 31 March 2021 £'000	Transactions in the year ended 31 March 2020 £'000	Balance at 31 March 2020 £'000
Companies in the Peel Ports Holdings (CI) Limited group of companies	Services	See above ii	346	58	-	-

#### 30. Ultimate parent company

The ultimate parent company in the period to 31 March 2021 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by The Billown 1997 settlement, the ultimate controlling party.

The immediate parent company is Peel L&P Group Limited, a company incorporated in the Isle of Man.

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

The smallest group of companies of which the company is a member, that produces consolidated accounts, is Peel L&P Holdings (UK) Limited, a company incorporated in England & Wales. Its registered office is Venus Building, 1 Old Park Lane, TraffordCity, Manchester, United Kingdom, M41 7HA.