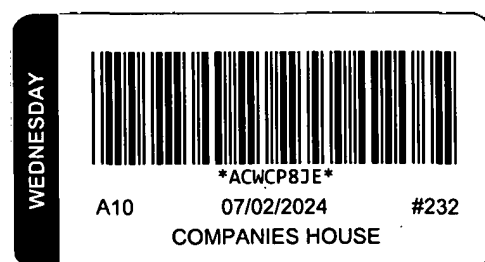


**PEAC (UK) Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2023**



## **PEAC (UK) Limited**

### **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

<b>CONTENTS</b>	<b>Page</b>
Directors and other information	3
Strategic report	4
Directors' report	7
Statement of the directors' responsibilities	10
Independent auditor's report	11
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Notes to the financial statements	18

## **PEAC (UK) Limited**

### **DIRECTORS AND OTHER INFORMATION**

<b>Directors</b>	J. Ashley A. Bromfield J. Staadecker M. Bousaba A. Hartis T. Lyle (resigned 27 January 2023) S. Bolton (appointed 10 February 2023) J. Jacobs (appointed 23 February 2023)
<b>Registered Office</b>	Inspired Easthampstead Road Bracknell RG12 1YQ
<b>Registered Number</b>	03088213
<b>Secretary</b>	P. Venner
<b>Independent Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
<b>Bankers</b>	Barclays Bank PLC Broadgate Leicestershire LE87 2BB United Kingdom  Bank of America Merrill Lynch Limited 2 King Edward Street EC1A 1HQ London United Kingdom

## **PEAC (UK) Limited**

### **STRATEGIC REPORT**

#### **Principal Activity**

PEAC (UK) Limited ("the Company") is a leading provider of asset finance servicing a customer base comprising small and medium sized businesses (SMEs) located throughout the United Kingdom. The Company does not provide finance to overseas customers.

The Company works directly with equipment manufacturers, distributors, partners, and dealers (collectively "vendors") and also via brokers and intermediaries to deliver products which comprise hire purchase, operating lease, finance lease and block discounting. These vendor and broker relationships are typically supported by a traditional program or by referral agreements that have varying degrees of integration regarding support of the financial transaction.

#### **Review of business and future developments**

During the year ended 30 June 2023, the Company wrote a similar volume of new business as in the prior year. Profit before tax remained flat year on year. As in the prior year, new business volumes were impacted to some extent by continuing supplier stock issues.

Looking to the future, the Company is actively looking at new product lines and business sectors with a focus on the opportunities presented by green financing. To support business development, a highly experienced sales team is employed to drive business growth and develop both existing and new relationships with businesses throughout the United Kingdom.

#### **Results**

For the year ended 30 June 2023, the Company recorded a profit before tax of £31,141k (2022: £31,570k), and a profit after tax of £ 29,227k (2022: £31,941k).

#### **Lease earnings**

Lease earnings in the current year were marginally lower at £25,053k compared to the prior year of £25,811, driven by end of lease behaviour.

#### **Interest payable and similar charges**

The interest payable and similar charges increased by 5,135k, reflecting the increase in the amount owing to other group companies and to third party lenders.

#### **Administrative Expenses**

Administrative expenses for the year ended 30 June 2023 were down by £466k to £8,325k (2022: £8,791k).

#### **Interest receivable and similar income**

Interest receivable increased by £8,587k reflecting an increase in amounts owed by parent PEAC Holdings (UK) Ltd.

#### **Fair Value Movement of Derivative Instruments**

The fair value of the SWAP derivative instruments resulted in a gain of £9,646k in the current year as a result of a favourable movement in the mark to market adjustment (2022: gain of £13,837k) following the increased interest rates.

#### **Funding through securitisation facility**

The Company's sources of financing for its portfolio and new originations are through a combination of funds from its parent, PEAC Holdings (UK) Limited, and from Bank of America Merrill Lynch through a securitized loan facility entered by PEAC Receivables I D.A.C., the special purpose vehicle set up as part of the securitisation programme. In December 2019, a second special purpose vehicle, PEAC Receivables II D.A.C., was incorporated as part of the funding changes.

## **PEAC (UK) Limited**

### **STRATEGIC REPORT (continued)**

#### **Operating environment**

The Company operates and services a portfolio of customers based within the United Kingdom. The Company does not provide finance to overseas customers. The United Kingdom economy continues to recover slowly from the Covid-19 pandemic. All businesses are currently facing the challenge of increased interest rates, high inflation and record energy prices. The Company has suitable risk mitigation strategies in place to deal with movements in interest rates, as explained in the following section. High inflation and increased energy costs have not had a noticeable impact on the Company as it does require much in the way of physical inputs to provide its core financing services. Whilst the costs of providing office space have increased in the current year due to higher energy and associated costs, this has not had a material impact as the company is profitable and well capitalised.

Further afield, the Directors continue to monitor impacts of the war in Ukraine on the wider global economy, but to date the conflict has had no impact on the Company's operating environment or operating model. The war has not had any direct impact on demand for services, nor has it caused any material issues around supply chain and availability of assets on which finance is provided.

High interest rates have, naturally, driven an increase in the rate of interest charged by the company to its customers as higher borrowing costs result in higher lending rates. This is the same for all lenders. Against a backdrop of increased lending rates, the Company has continued to write significant new business and maintain profitability year on year. The current operating environment is challenging and the Directors are pleased with the resilience of the business over the last year and the continued profitability as illustrated in these financial statements.

#### **Principal risks and uncertainties**

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

#### ***Credit Risk***

The Company performs ongoing credit evaluations of its customers and evaluates past-due payment status in its determination of the need for specific customer allowances on its accounts receivable.

#### ***Foreign Exchange Risk***

The Company has exposure to foreign exchange risk as a result of a number of euro denominated operating expenses and borrowings. Movements in the euro/sterling exchange rates may cause an increase or reduction in the Company's overhead base. The Company monitors the level of foreign exchange risk on an ongoing basis.

#### ***Residual Value***

The Company has finance lease contracts which have residual values on completion of contract term. These residual values are monitored and reviewed on an ongoing basis by the "End of Lease" team.

#### ***Liquidity Risk***

The Company has exposure to liquidity risks which it manages by producing regular short and medium term cash flow projections, maintaining minimum cash balances, and utilising its conduit financing facility and drawing on funds from its parent.

#### ***Interest Rate Risk***

The largest of the Company's interest bearing liability is a floating rate loan. The Company has entered into swap agreements to manage the risk associated to the movement of the interest rate. The Company monitors the level of interest rate risk on an ongoing basis.

**PEAC (UK) Limited****STRATEGIC REPORT (continued)****Key performance indicators (KPI's)**

In order to understand the development, performance and position of the business the directors of the company use the followings key performance indicators ("KPIs"):

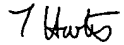
- Present value of minimum lease, hire purchase and loan payments receivable
- Change in bad debt provisions and write offs
- Profit before tax

	<b>2023</b>	<b>2022</b>
Present value of min. lease, hire purchase and loan payments receivable*	<b>£241.3m</b>	£252.5m
Change in bad debt provisions and write offs	<b>£0.7m</b>	£1.4m
Profit before tax	<b>£31.1m</b>	£31.6m

\*As restated, see note 27

The company generated £31.1m of profit before tax in the year ended to 30 June 2023 with a Present value of minimum lease and loan payments of £241.3m. The Directors note that the change in bad debt provisions and write-offs was lower than in the prior year. Overall the Directors are pleased within the performance of the Company during the year and are focused on growing new business volumes in the future as described in this report.

By order of the Board:

DocuSigned by:  
  
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**A. Hartis**

Director

Company Registered No: 03088213

Date: 31 January 2024

## **PEAC (UK) Limited**

### **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of PEAC (UK) Limited ("the Company") for the year ended 30 June 2023.

#### **Dividends**

The Company paid no interim dividends during the year and the Directors do not recommend the payment of a final dividend in respect of the year ended 30 June 2023 (year ended 30 June 2022: nil).

For the year ended 30 June 2023 the Company made a profit after tax of £29,227k (year ended 30 June 2022: £31,941k).

#### **Going concern risk**

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

The ongoing liquidity of the Company is dependent on its rental payment streams, satisfying the eligibility criteria for conduit financing of receivables.

The Directors have considered the impact of recent economic and other events on the business. They have concluded that these events have no material impact on the financial statements for the year ending 30 June 2023.

The Company operates and services a portfolio of customers based within the United Kingdom. The Company does not provide finance to overseas customers. The United Kingdom economy continues to recover slowly from the Covid-19 pandemic. All businesses are currently facing the challenge of increased interest rates, high inflation and record energy prices. The Company has suitable risk mitigation strategies in place to deal with movements in interest rates, as explained in the strategic report. High inflation and increased energy costs have not had a noticeable impact on the Company as it does require much in the way of physical inputs to provide its core financing services. Whilst the costs of providing office space have increased in the current year due to higher energy and associated costs, this has not had a material impact as the company is profitable and well capitalised. The Directors are of the opinion that none of these factors have a material impact on their going concern assessment.

Further afield, the Directors continue to monitor impacts of the war in Ukraine on the wider global economy, but to date the conflict has had no impact on the Company's operating environment or operating model. The war has not had any direct impact on demand for services, nor has it caused any material issues around supply chain and availability of assets on which finance is provided. They expect this to remain the case in the future, with no impact on the going concern assessment.

High interest rates have, naturally, driven an increase in the rate of interest charged by the company to its customers as higher borrowing costs result in higher lending rates. This is the same for all lenders. *Against a backdrop of increased lending rates, the Company has continued to write significant new business and maintain profitability year on year.* Whilst the current operating environment has been challenging, the Directors are pleased with the resilience of the business over the last year and the continued profitability as illustrated in these financial statements. They expect this to continue in the future whilst rates remain high. Suitable consideration of the impact of higher rates has been made in the company's forecasts which have been used as part of the going concern assessment.

The Directors are monitoring the situation and are prepared to take such actions as are necessary to mitigate any significant impact on the business.

In concluding that the going concern basis is appropriate for the Company for the year ended 30 June 2023 financial statements, the Directors have performed a range of stress tests on the Company's existing lending portfolio. Various stress tests have been performed which consider the future rental streams across all live contracts as at the year end. These stress tests consider the likely impact of increased level of default and the associated impact on the Company's cashflow and profitability. This

## **PEAC (UK) Limited**

provides a range of baseline stress test scenarios alongside which the Directors have modelled the impact of a range of future growth scenarios which includes the worst-case scenario of minimal new business being written in the next 12 months.

Even under extreme stress scenarios where the model assumes no new business and a marked increase in defaults, the Directors have concluded that the company has adequate resources to continue its operations and that the going concern basis of preparation is appropriate. Refer to Note 2(b) to the financial statements on page 18 for further details.

### **Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), in force in the United Kingdom at 30 June 2021 and the Statements of Recommended Accounting Practice "Accounting issues in the asset finance and leasing industry". At 30 June 2023 PEAC (UK) Limited was a wholly owned subsidiary of PEAC Holdings (UK) Limited, which is incorporated in the England and Wales. The ultimate parent Company is PEAC Holdings (Ireland) D.A.C.

### **Events after balance sheet date**

None to report.

### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 4. These matters relate to the principal activity of the Company, its business review and future developments and principal risks and uncertainties and information regarding financial risk management.

### **Environmental, Social & Governance Policy**

PEAC's ESG philosophy is focussed on products, services, people and the environment, and also to providing long term support to the Company's clients.

PEAC sees ESG, as:

- Environmental: the environmental focus is on the impact of a business on the natural world;
- Social: the social focus is on a business's impact on its employees, workers, contractors and its wider community; and
- Governance: the governance focus is on the running of the business itself

PEAC consider its key ESG issues relate to the following:

- Wellbeing and development of PEAC employees and community engagement.
- Trust of PEAC clients and security of their information; and
- Environmental impact of PEAC offices, including energy consumption, printing and paper use.

PEAC's Community:

PEAC supports local events and contribution of staff time. Examples of the support provided include internal charity events, donations to charities and supporting niche local not for profit organisations.

Implementation of the ESG Policy:

The responsibility for the implementation of the ESG Policy lies with the board of directors with all employees encouraged to suggest initiatives.

### **Directors and their interests**

The names of the Directors who held office during the year and to date are listed on page 3.

## **PEAC (UK) Limited**

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

### **Registered Office**

The registered office of the Company is Inspired Easthampstead Road Bracknell RG12 1YQ.

### **Qualifying third party and pension scheme indemnity provisions**

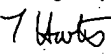
Throughout the year ended 30 June 2023 and the year ended 30 June 2022, there were no qualifying third party indemnity provisions or qualifying pension scheme indemnity provisions in place.

### **Auditors and disclosure of information to auditors**

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

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

By order of the Board.

DocuSigned by:  
  
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**A. Hartis**

Director

Company Registered No: 03088213

Date: 31 January 2024

## PEAC (UK) Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)".

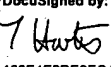
Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board.

DocuSigned by:  
  
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**A. Hartis**

Director

Company Registered No: 03088213

Date: 31 January 2024

## **PEAC (UK) Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF PEAC (UK) LIMITED**

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PEAC (UK) Limited ("the Company") for the 12 month period ended 30 June 2023 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. 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.

## **PEAC (UK) Limited**

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.

### **Other Companies Act 2006 reporting**

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

## PEAC (UK) Limited

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, the accounting standards, and tax legislation.

We considered compliance with laws and regulations that could give rise to a material misstatement in the financial statements. Also, we assessed the susceptibility of the financial statements to material misstatement, including fraud. Our tests included, but were not limited to:

- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations.
- enquiring of management and those charged with governance about their own identification and assessment of the risks of irregularities, including fraud.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Involvement of tax specialists in the audit to identify any non-compliance with HMRC rules.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- we also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud.
- understanding the lease earnings recognition and financial statement close process and evaluated the design and implementation of controls.
- substantive testing over lease earnings including the use of data analytics.
- engaged with BDO's internal experts, and specialists to assess the reasonableness of estimates and judgments applied in the valuation of derivatives and recognition of deferred tax asset. assessing whether the judgements made in making accounting estimates were indicative of a potential bias such as bad debt provisions, residual values, fair value of derivatives, and taxation.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **PEAC (UK) Limited**

### **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.

DocuSigned by:

*Andrew Barclay*

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**Andrew Barclay (Senior Statutory Auditor)**

For and on behalf of BDO LLP, Statutory Auditor

London, UK

31 January 2024

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

**PEAC (UK) Limited****STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year ended 30 June 2023**

	Note	Year ended 30 June 2023 £000's	Year ended 30 June 2022 £000's
Lease earnings	4	25,053	25,811
Interest payable and similar charges	7	(14,038)	(8,903)
<b>Gross profit</b>		<b>11,015</b>	<b>16,908</b>
Change in bad debt provision/ charge offs (net of recoveries)	6	(748)	(1,350)
Administrative costs	5	(8,325)	(8,791)
<b>Operating profit</b>		<b>1,942</b>	<b>6,767</b>
Interest receivable and similar income	8	19,553	10,966
Fair value movement of mark to market SWAP derivative instruments		9,646	13,837
<b>Profit on ordinary activities before taxation</b>		<b>31,141</b>	<b>31,570</b>
Tax on profit on ordinary activities	12	(1,914)	371
<b>Profit for the year</b>		<b>29,227</b>	<b>31,941</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>29,227</b>	<b>31,941</b>

The notes on pages 18 to 35 form an integral part of these financial statements.

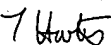
**PEAC (UK) Limited****BALANCE SHEET**  
**As at 30 June 2023**

	Note	30 June 2023 £ 000's	30 June 2022 as restated* £ 000's
<b>Non current assets</b>			
Intangible assets	13a	2,342	2,362
Tangible assets	13b	290	279
Deferred tax asset	17	6,222	8,136
Debtors: due after one year	15, 27	151,915	153,604
		<b>160,769</b>	<b>164,381</b>
<b>Current assets</b>			
Cash at bank	14	28,272	30,391
Debtors: due within one year	15, 27	266,004	221,181
		<b>294,276</b>	<b>251,572</b>
Creditors: due within one year	18(a)	(116,978)	(105,109)
<b>Net current assets</b>		<b>177,298</b>	<b>146,463</b>
<b>Total assets less current liabilities</b>		<b>338,067</b>	<b>310,844</b>
Creditors: due after one year	18(b)	(138,070)	(140,074)
<b>Net assets</b>		<b>199,997</b>	<b>170,770</b>
<b>Capital and reserves</b>			
Called up share capital	20	21,192	21,192
Share premium reserve		41,919	41,919
Profit and loss account		136,886	107,659
<b>Shareholders' funds</b>	21	<b>199,997</b>	<b>170,770</b>

The notes on pages 18 to 35 form an integral part of these financial statements.

\* Please see note 27 for further details.

Approved by the Directors and signed on their behalf by:

DocuSigned by:  
  
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**A. Hartis**  
 Director  
 Company Registered No: 03088213  
 Date: 31 January 2024

**PEAC (UK) Limited****STATEMENT OF CHANGES IN EQUITY****As at 30 June 2023**

	Note	Called-up share capital	Share premium reserve	Retained earnings	Total
<b>Balance as at 30 June 2021</b>	20	<b>21,192</b>	<b>41,919</b>	<b>75,718</b>	<b>138,829</b>
Total comprehensive income for the year		-	-	31,941	31,941
<b>Balance as at 30 June 2022</b>	20	<b>21,192</b>	<b>41,919</b>	<b>107,659</b>	<b>170,770</b>
<b>Balance as at 1 July 2022</b>	20	<b>21,192</b>	<b>41,919</b>	<b>107,659</b>	<b>170,770</b>
Total comprehensive income for the year		-	-	29,227	29,227
<b>Balance as at 30 June 2023</b>	20	<b>21,192</b>	<b>41,919</b>	<b>136,886</b>	<b>199,997</b>

The notes on pages 18 to 35 form an integral part of these financial statements.

## PEAC (UK) Limited

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Incorporation and operations

PEAC (UK) Limited is incorporated and domiciled in England and Wales as a private Company limited by shares. The registered address is Inspired, Easthampstead Road, Bracknell, RG12 1YQ. The principal activity of the Company is that of a business asset provider in the UK. The activities of the Company are described in the Principal Activity section of the Strategic Report.

#### 2. Statement of compliance

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

#### 3. Summary of significant accounting policies

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

##### a) Basis of preparation

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

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. See 3.e (lease earnings) for further details.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.f (residual values), 3.j (taxation), 3.n (financial instruments) and 3.p (provisions and contingencies).

##### b) Going concern

As at 30 June 2023, the Company had net assets of £200.0m (30 June 2022: £170.8m) and recorded a profit after tax of £31.1m for the year ended 30 June 2023 (Year ended 30 June 2022: £31.9m profit).

The Directors have considered the impact of recent economic and other events on the business. They have concluded that these events have no material impact on the financial statements for the year ending 30 June 2023.

The Company operates and services a portfolio of customers based within the United Kingdom. The Company does not provide finance to overseas customers. The United Kingdom economy continues to recover slowly from the Covid-19 pandemic. All businesses are currently facing the challenge of increased interest rates, high inflation and record energy prices. The Company has suitable risk mitigation strategies in place to deal with movements in interest rates, as explained in the strategic report. High inflation and increased energy costs have not had a noticeable impact on the Company as it does require much in the way of physical inputs to provide its core financing services. Whilst the costs of providing office space have increased in the current year due to higher energy and associated costs, this has not had a material impact

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

as the company is profitable and well capitalised. The Directors are of the opinion that none of these factors have a material impact on their going concern assessment.

Further afield, the Directors continue to monitor impacts of the war in Ukraine on the wider global economy, but to date the conflict has had no impact on the Company's operating environment or operating model. The war has not had any direct impact on demand for services, nor has it caused any material issues around supply chain and availability of assets on which finance is provided. They expect this to remain the case in the future, with no impact on the going concern assessment.

High interest rates have, naturally, driven an increase in the rate of interest charged by the company to its customers as higher borrowing costs result in higher lending rates. This is the same for all lenders. Against a backdrop of increased lending rates, the Company has continued to write significant new business and maintain profitability year on year. Whilst the current operating environment has been challenging, the Directors are pleased with the resilience of the business over the last year and the continued profitability as illustrated in these financial statements.

In concluding that the going concern basis is appropriate for the Company for the year ended 30 June 2023 financial statements, the Directors have performed a range of stress tests on the Company's existing lending portfolio. Various stress tests have been performed which consider the future rental streams across all live contracts as at the year end. These stress tests consider the likely impact of increased level of default and the associated impact on the Company's cashflow and profitability. This provides a range of baseline stress test scenarios alongside which the Directors have modelled the impact of a range of future growth scenarios which includes the worst-case scenario of minimal new business being written in the next 12 months.

Even under extreme stress scenarios where the model assumes no new business and a marked increase in defaults, the Directors have concluded that the company has adequate resources to continue its operations and that the going concern basis of preparation is appropriate.

Furthermore, the Company's parent has agreed to provide financial support, if necessary, for at least the next 12 months.

**c) Exemptions for entities under FRS 102**

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

The Company has also taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing related party transactions with other companies that are wholly owned within a Group.

**d) Foreign currency***(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

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

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

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

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****e) Lease Earnings**

Lease earnings are derived entirely from activities in the United Kingdom and comprise of finance income recognised in the year in respect of finance leases, hire purchase contracts and rental receivable on operating lease contracts. It also includes income in respect of early terminations of such types of contracts, gains / losses made on sale of equipment and renewal income, offset by any recoveries, charge offs and changes in bad debt provision for the year.

**i) Operating leases**

Where the Company leases out equipment for less than its expected useful life or does not transfer substantially all the risks and rewards of ownership, the lease is accounted for as an operating lease. Operating lease rental income is recognised on a straight-line basis over the term of the lease.

**ii) Finance leases (and hire purchase/loan contracts with similar characteristics)**

Where the Company leases out equipment and there is a transfer of substantially all of the risks and rewards of ownership to the lessee, the lease is accounted for as a finance lease, and the net investment is included in current assets. Income from finance leases is credited to the statement of comprehensive income on a basis that produces a constant periodic rate of return on the outstanding net investment. Amounts due from lessees in respect of finance leases are stated at the total of the minimum lease payments plus residual value less rentals received to date and less finance income allocated to future periods.

**f) Residual values**

Residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement. Throughout the life of an asset, its residual value will fluctuate because of the uncertainty of the future market and technological changes or product enhancements as well as general economic conditions. Residual values are set at the commencement of the lease based upon management's expectations of future values. During the course of the lease, residual values are reviewed on an annual basis so as to identify any impairment provision required. This monitoring takes account of the Company's past history for residual values, current values and projections of the likely future market for each group of assets.

Any permanent impairment in the residual value of an asset is identified within such reviews and charged immediately to the statement of comprehensive income.

**g) Initiation costs**

The Company's policy with respect to initiation costs is to capitalise costs and amortise on a reducing balance basis over the life of the related lease.

**h) Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension scheme.

**i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**ii) Annual bonus plan**

The Company operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****i) Interest receivable and similar income and interest payable and similar charges**

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

**j) Taxation**

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

Deferred tax is provided on timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

Deferred tax assets are recognised on the basis that the company will continue to make profits in future years. Future profits are calculated using forecast and budgets, in line with the going concern assessment, multiplied by the expected tax rate at that date. Actual results could differ from these estimations. As at 30 June 2023 the company had recognised an asset of £6,222k (as at 30 June 2022: £8,136k).

**k) Tangible fixed assets and depreciation**

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Assets under operating leases are classified as fixed assets and depreciated from original cost to estimated residual value.

Depreciation on tangible fixed assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Office Equipment under Operating lease	Over the term of the lease
Leasehold property	Over the period of lease
Office equipment	Straight line over 4 years

**l) Intangible assets and amortisation**

Intangible assets identified and held by the entity are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives, this includes:

Software	Straight line over 10 years
----------	-----------------------------

**m) Issue cost of capital instruments**

Issue costs are those incurred directly in connection with the issue of a capital instrument and that would not have been incurred had the specific instrument in question not been issued.

Issue costs are accounted for as a deduction from the amount of the consideration received and amortized over the instrument's term.

## PEAC (UK) Limited

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### n) Financial instruments

##### (i) Financial assets

Basic financial assets, including net investment in finance leases, intercompany loans and hire purchase contracts, trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

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

##### (i.i) Financial assets - net investment in finance leases credit losses

The Company provides for credit losses equivalent to the net investment for an exposure where:

- The arrears on the agreement has reached 151 days past due (dpd); or
- The Company is insolvent; or
- The Company is not technically insolvent but there is clear objective evidence that the customer will be unable to meet its obligations as they fall due.

Exemptions may be applied provided all the following conditions are met:

- An assessment is made by management that the exposure or a proportion of the exposure is recoverable; and
- The recovery scenario is clear and recoverability is judged to be more probable than not. Partial exemptions may be applied where the assessment of the probability is complex with many uncertainties; and
- Reasonable costs of recovery have been provided for in the net assessment of the provision; and
- The exemption has been authorised during the month end review process

##### (ii) Financial liabilities

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

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Derivatives, including interest rate swaps, are not basic financial instruments.

## PEAC (UK) Limited

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specific notional amounts. Interest rate swaps relate to contracts taken out by the Company with Bank of America Merrill Lynch as part of the securitisation programme started in January 2016, in which the Company either receives or pays a floating rate of interest in return for paying or receiving a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The valuation of the interest rate swaps for the approximate net amount to be received or paid (i.e., the fair value) is marked-to-market by using counterparty prices, and such valuations are based on the obligations of the Company relative to the terms of the contract, current interest rates, interest accrual through the valuation date and certain other factors.

The Company and PEAC Receivables I D.A.C. and PEAC Receivables II D.A.C., the special purpose vehicles set up as part of the securitized facility, entered into derivative financial instruments, to manage the entity's exposure to interest rate risk under the securitisation programme.

As the Company retains the risk and rewards of these derivative financial instruments, the impact of these derivatives has been reflected in the financial statements of the Company as at 30 June 2023. The interest rate derivatives have a total notional value of £204.7m (30 June 2022: £211.6m) and a fair value adjustment at 30 June 2023 of £9.6m gain (30 June 2022: £13.8m gain). The derivative contracts in relation to the activity of PEAC Receivables I D.A.C. are due to mature in 2024 with the remainder expected to mature in 2026. The impact of these derivatives has been reflected in the Statement of Comprehensive Income of the Company.

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

#### (!!!!) Offsetting

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

#### (o) Cash and cash equivalents

Included in cash and cash equivalents and deposits held on call with the bank.

#### p) Provisions and contingencies

##### (i) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. In particular, provision is not made for future operating losses.

##### (iii) Contingencies

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

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

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Lease Earnings**

Lease earnings includes the following:

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
Finance lease income	17,197	16,339
Operating lease income	2	118
Hire purchase and loan income	855	1,385
Renewal income	5,801	6,462
Gain/(loss) on disposals	747	1,040
Other fees	451	467
	<b>25,053</b>	<b>25,811</b>

**5. Administrative costs and charge offs**

Administrative costs in the year include:

	Note	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
European shared service centre fee (operations costs)		1,217	1,965
Depreciation		306	425
Professional fees (legal fees, audit fees, consulting fees)		711	691
Staff costs	10	5,858	5,828
Occupancy costs		218	(266)
IT & other office costs		1,313	1,300
Facility & bank fees		116	160
Printing & stationery		30	131
Foreign exchange (gain)/loss		(59)	(38)
Other costs (including marketing/ sales, subscriptions, miscellaneous)		1,058	95
Group shared costs*		<b>(2,443)</b>	<b>(1,500)</b>
		<b>8,325</b>	<b>8,791</b>

\*Group shared costs relate to costs shared between PEAC UK Ltd and PEAC Business Finance Ltd initially incurred by PEAC UK Ltd, such as employee salaries.

**6. Bad Debt Provisions and charge offs**

The change in bad debt provisions and charges offs includes amounts written off for delinquent debtors as well as movements in the bad debt provision. During the current year there was a combined expense of £748k (2022: £1,350k).

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. Interest payable and similar charges**

Interest payable and similar charges include:

	<b>Year ended 30 June 2023 £ 000's</b>	<b>Year ended 30 June 2022 £ 000's</b>
Interest on intercompany loans from group undertakings	<b>3,499</b>	3,591
Interest expense on third party debt	<b>10,155</b>	5,007
Deferred debt issuance costs amortised	<b>74</b>	74
Other charges	<b>310</b>	231
	<b><u>14,038</u></b>	<b><u>8,903</u></b>
 Deferred debt issuance costs:	 <b>Year ended 30 June 2023 £ 000's</b>	 <b>Year ended 30 June 2022 £ 000's</b>
At 1 July	<b>81</b>	155
Additions	<b>-</b>	-
Amortised through SOCI during the year	<b>(74)</b>	(74)
At 30 June	<b><u>7</u></b>	<b><u>81</u></b>

Debt issuance costs are deferred on the balance sheet and subsequently written off over the weighted average life of the portfolio. The costs deferred at 30 June 2023 include the Company's allocation of the fees relating to setting up the securitisation program.

**8. Interest receivable and similar income**

	<b>Year ended 30 June 2023 £ 000's</b>	<b>Year ended 30 June 2022 £ 000's</b>
Interest on intercompany loans to parent	<b>16,008</b>	10,941
Bank interest receivable	<b>286</b>	25
Swap interest income and settlement fees	<b>3,259</b>	-
	<b><u>19,553</u></b>	<b><u>10,966</u></b>

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****9. Profit/(loss) on ordinary activities before taxation**

Profit/(loss) on ordinary activities before taxation is stated after charging:

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
Fees paid to Company auditors – for current year audit services	292	228
Fees paid to Company auditors for tax compliance	-	13
Staff costs (see note 10)	5,858	5,828
Other expenses:		
- Fair value movement of mark to market SWAP derivative instruments	9,646	13,837
- Operating lease expenses	-	243
- Depreciation Operating Lease equipment	1	102
- Amortisation of other intangible fixed assets	229	237
- Depreciation other tangible fixed assets	77	188

**10. Staff numbers and related costs**

The average number of people employed by the Company (including directors) is 66 as at 30 June 2023 (Year ended 30 June 2022: 62).

	Year ended 30 June 2023	Year ended 30 June 2022
Senior management	-	1
Credit, Finance and Legal	21	19
Sales and Marketing	11	9
Operations	34	33
Average number of employees	<u>66</u>	<u>62</u>

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
Wages & salaries	4,209	4,005
Social security	518	490
Other pension costs	389	305
Other benefits and sales incentives	742	1,028
	<u>5,858</u>	<u>5,828</u>

The Company operates a Defined Contribution Pension (DCP) Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The DCP contributions were £389k for the year (Year ended 30 June 2022 : £305k).

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11. Directors' Remuneration**

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
Directors' emoluments	252	392
Company contributions to money purchase pension schemes	17	2
	<u>269</u>	<u>394</u>

Two directors were employed and paid by the Company, with both active directors at 30 June 2023. The other directors have not received remuneration for their service to the Company.

Emoluments of the highest paid director were £192k (Year ended 30 June 2022: £369k).

**12. Taxation****a. Analysis of the tax charge in the period**

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
<b>Current tax:</b>		
UK corporation tax on loss of the periods	-	-
Adjustment in respect of previous periods	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,914	(371)
Deferred tax adjustments	-	-
<b>Total deferred tax</b>	<u>1,914</u>	<u>(371)</u>
<b>Tax on profit on ordinary activities</b>	<u>1,914</u>	<u>(371)</u>

**b. Factors affecting tax charge for the period**

A blended corporation tax rate of 20.5% has been used in the current year (prior year 19%). The blended rate has been calculated as 9 months at 19% plus 3 months at 25%.

A reconciliation of current tax on profits on ordinary activities at the standard rate of corporation tax to the Company's actual current tax charge is shown below:

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	Year ended 30 June 2023 £ 000's	Year ended 30 June 2022 £ 000's
Profit on ordinary activities before tax	<u>31,141</u>	<u>31,570</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20.5% (2022: 19%)	<u>6,384</u>	5,998
<b>Effects of:</b>		
Fixed Asset Differences	-	85
Deferred tax not recognised	(5,898)	12,019
Income not taxable for tax purposes	-	(20)
Expenses not deductible for tax purposes	24	8
Group relief (claimed)	-	(2,188)
Adjustment to brought forward values	-	(13,295)
Remeasurement of deferred tax for change in tax rates	1,404	(2,978)
Current tax (credit)/charge for period (note 12a.)	<u>1,914</u>	<u>(371)</u>

**13. Intangible and tangible fixed assets****a. Intangible assets**

	Software £ 000's	Total £ 000's
<b>Cost</b>		
Opening balance 1 July 2022	2,829	2,829
Additions	208	208
<b>Closing balance 30 June 2023</b>	<u>3,037</u>	<u>3,037</u>
<b>Amortisation</b>		
Opening balance 1 July 2022	467	467
Charge for the year	228	228
<b>Closing balance 30 June 2023</b>	<u>695</u>	<u>695</u>
<b>Net Book Value</b>		
<b>Closing balance 30 June 2023</b>	<u>2,342</u>	<u>2,342</u>
Opening balance 1 July 2022	<u>2,362</u>	<u>2,362</u>

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****b. Tangible fixed assets**

	Office Equipment on Operating leases £ 000's	Leasehold Property £ 000's	Office Equipment £ 000's	Total £ 000's
<b>Cost</b>				
Opening balance 1 July 2022	272	335	287	894
Additions	-	-	97	97
Disposals	(230)	-	-	(230)
<b>Closing balance 30 June 2023</b>	<b>42</b>	<b>335</b>	<b>384</b>	<b>761</b>
<b>Depreciation</b>				
Opening balance 1 July 2022	260	149	206	615
Charge for the year	2	23	51	76
Disposals	(220)	-	-	(220)
<b>Closing balance 30 June 2023</b>	<b>42</b>	<b>172</b>	<b>257</b>	<b>471</b>
<b>Net Book Value</b>				
<b>Closing balance 30 June 2023</b>	<b>-</b>	<b>163</b>	<b>127</b>	<b>290</b>
Opening balance 1 July 2022	12	186	81	279

The Company's residual value exposure in respect of operating lease equipment, all of which is expected to be disposed of at the end of the lease term, is expected to be recovered as follows:

	30 June 2023 £ 000's	30 June 2022 £ 000's
Less than 1 year	-	3
1 - 2 years	-	3
<b>Total</b>	<b>-</b>	<b>6</b>

**14. Cash at Bank**

Included in cash at bank is cash in hand, deposits held on call and collateral of which £130k (Year ended 30 June 2022: £130k) is held by Barclays Bank for direct debit deposits. The restricted cash balance of £5.0m (Year ended 30 June 2022: £9.9m) relates to bank financing security reserves and advance bank funding for lease purchases.

The Directors also report the existence of a security in favour of Barclays Bank relating to the direct debit facility which has been made available to the Company. This security was put in place in May 2019.

	30 June 2023 £ 000's	30 June 2022 £ 000's
Cash at bank	28,272	30,391
<i>Of which restricted</i>	<b>5,080</b>	<b>9,885</b>

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****15. Debtors**

	Note	30 June 2023 £ 000's	30 June 2022 as restated* £ 000's
<b>Amounts falling due within one year:</b>			
Trade debtors		7,058	14,521
Net investment in finance leases and hire purchase contracts		83,742	89,244
Loans receivable		6,076	7,741
Amounts owed by parent undertaking	23	151,824	106,843
Amounts owed by other group undertakings	23	1,829	3,385
Other debtors		1,199	180
Prepayments and accrued income		1,070	876
VAT receivable		-	877
Derivative financial assets		15,068	5,422
Bad debts provision	16	(1,862)	(7,908)
		<b>266,004</b>	<b>221,181</b>

\* Please see note 27 for further details.

	Note	30 June 2023 £ 000's	30 June 2022 as restated* £ 000's
<b>Amounts falling due after more than one year:</b>			
Net investment in finance leases and hire purchase contracts		148,805	148,240
Loan receivable		2,691	7,123
Bad debt provision	16	(226)	(1,759)
Prepayments and accrued income		645	-
		<b>151,915</b>	<b>153,604</b>

		30 June 2023 £ 000's	30 June 2022 as restated* £ 000's
<b>Reconciliation of gross investment and present value of minimum lease payments receivable</b>			
Gross investment in the lease		265,603	267,458
Less: Finance charges allocated to future years		(33,056)	(29,974)
		<b>232,547</b>	<b>237,484</b>

		30 June 2023 £ 000's	30 June 2022 £ 000's
<b>Gross investment in finance leases</b>			
One year or less		99,967	99,020
Between one and five years		164,107	166,566
Over five years		1,529	1,872
Total net investment		<b>265,603</b>	<b>267,458</b>

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	<b>30 June 2023</b>	<b>30 June 2022 as restated*</b>
	<b>£ 000's</b>	<b>£ 000's</b>
<b>Present value of minimum lease payments receivables</b>		
One year or less	<b>83,742</b>	89,244
Between one and five years	<b>147,397</b>	146,754
Over five years	<b>1,408</b>	1,486
Total net investment	<b>232,547</b>	237,484
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£ 000's</b>	<b>£ 000's</b>
<b>Residual values included in finance lease net investment</b>		
One year or less	<b>6,910</b>	6,223
Between one and five years	<b>20,232</b>	20,645
Over five years	<b>108</b>	115
Total exposure	<b>27,250</b>	26,983

\* Please see note 27 for further details

Included in debtors at 30 June 2023 was a portfolio of lease receivables with a net present value of £27,278k (Year ended 30 June 2022: £70,373), sold to a fellow subsidiary under a securitisation structure set up in January 2016.

Also included in debtors was a second portfolio of lease receivables with a net present value of £211,492k (Year ended 30 June 2022: £178,845k), sold to another fellow subsidiary under a securitisation structure set up in April 2020.

The directors have concluded that the Company retains all significant risks and rewards associated with the receivables and accordingly these assets continue to be recognised in the Company's financial statements and the financial liabilities were also recognised in respect of the related funding received, see Loan note facilities in Note 18(b).

**16. Provision for bad and doubtful debts**

<b>Provision against specific debts</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£ 000's</b>	<b>£ 000's</b>
Opening balance on 1 July	<b>9,667</b>	18,373
Provision movement in year	<b>(7,579)</b>	(8,706)
Closing balance on 30 June	<b>2,088</b>	9,667
Amounts falling due within one year	<b>1,862</b>	7,908
Amounts falling due after more than one year	<b>226</b>	1,759
	<b>2,088</b>	9,667

The large reduction in the provision during the current is due to termination of a number of delinquent agreements previously provided for.

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****17. Deferred tax asset / (liability)**

Deferred taxation assets / (liabilities) recognised in the accounts and the assets/(liabilities) not recognised are as follows:

	30 June 2023 Recognised £ 000's	30 June 2023 Unrecognised £ 000's	30 June 2022 Recognised £ 000's	30 June 2022 Unrecognised £ 000's
At 1 July	8,136	47,339	7,765	34,361
Movement in the period	(1,914)	(5,898)	371	12,978
At 30 June	<u>6,222</u>	<u>41,441</u>	<u>8,136</u>	<u>47,339</u>

The amount of the unprovided deferred tax asset at the balance sheet date in respect of all unrecognised timing differences is £41,441k (30 June 2022: unrecognised £47,339k) using a rate of 25% (2022: 25%). The Directors believe sufficient taxable profits to utilise the losses will arise in the future and have decided to recognise deferred tax assets for £6,222k (30 June 2022: £8,136k) based on the accounting policy described in note 2.j.

**18(a) Creditors: amounts falling due within one year**

	Note	30 June 2023 £ 000's	30 June 2022 as restated* £ 000's
Trade creditors		(1,756)	(4,124)
Amounts owed to other group undertakings		(2,130)	(4,774)
Secured loan with related parties		-	(5,969)
Loan note facility		(81,901)	(86,371)
Other third party debt		(25,045)	-
Payroll taxes		(139)	(180)
Other taxation		(2,656)	-
Other creditors		(527)	(1,692)
Accruals and deferred income		(2,824)	(1,999)
		<u>(116,978)</u>	<u>(105,109)</u>

\* Please see note 27 for further details

**18(b) Creditors: amounts falling due after one year**

	30 June 2023 £ 000's	30 June 2022 £ 000's
Loan note facilities and other debt	(138,006)	(140,074)
Accruals and deferred income	(64)	-
	<u>(138,070)</u>	<u>(140,074)</u>

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Maturity of Discounted Floating Rate Note:**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£ 000's</b>	<b>£ 000's</b>
One year or less	<b>(81,901)</b>	(86,371)
Between one and five years	<b>(136,667)</b>	(138,703)
Over five years	<b>(1,339)</b>	(1,371)
<b>Total</b>	<b><u>(219,907)</u></b>	<b><u>(226,445)</u></b>

**19. Financial instruments**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>£ 000's</b>	<b>£ 000's</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit loss	<b>15,068</b>	5,422
Financial assets measured at amortised cost	<b>444,020</b>	409,198
<b>Financial liabilities</b>		
Financial liabilities measured at fair value through profit loss	-	-
Financial liabilities measured at amortised cost	<b>(269,925)</b>	(244,535)

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

Financial assets measured at amortised cost comprise cash, trade debtors, finance lease and hire purchase receivables, other debtors and amounts owed by group companies.

Financial assets and liabilities measured at fair value through profit or loss include derivative financial instruments comprising interest rate swaps. Under FRS 102 PEAC categorises the swap inputs as Level 3. Information regarding the Company's exposure to and management of credit risk, liquidity risk, market interest rate risk, and foreign exchange risk is included in the Strategic report.

Financial liabilities measured at amortised cost comprise bank and intercompany loans, trade creditors and other creditors.

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

	30 June 2023	30 June 2022	
<b>Authorised</b>			
Ordinary Shares of £1 each	<u>350,000,000</u>	<u>350,000,000</u>	
<b>Allotted, called up and fully paid</b>			
Ordinary Shares of £1 each	<u>21,191,605</u>	<u>21,191,605</u>	
	<b>Share premium reserve</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£ 000's</b>	<b>£ 000's</b>	<b>£ 000's</b>
At 1 July 2022	41,919	107,659	149,578
Profit for year	-	31,141	31,141
<b>At 30 June 2023</b>	<b>41,919</b>	<b>138,800</b>	<b>180,719</b>

The share premium account includes the premium on issue of equity shares, net of any issue costs.

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****20. Called up share capital and reserves (continued)**

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**21. Reconciliation of movements in shareholders' funds**

	30 June 2023 £ 000's	30 June 2022 £ 000's
Profit/ (loss) for the financial year	29,227	31,941
Net addition to shareholders' fund	29,227	31,941
Opening shareholders' funds	170,770	138,829
Prior year adjustment	-	-
Closing shareholders' funds	199,997	170,770

**22(a) – Contingent liabilities**

There were no contingent liabilities at 30 June 2023 (30 June 2022 – none).

**22(b) – Commitments**

At the year-end the Company has rental commitments under non-cancellable operating leases as follows:

Land and buildings	30 June 2023 £ 000's	30 June 2022 £ 000's
Expiring:		
- Not later than 1 year	118	118
- Later than 1 year and not later than 5 years	397	43
- Later than 5 years	-	-
Total	515	161

**23. Related party transactions**

The Company has also taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing related party transactions with other companies that are wholly owned within a Group.

**24. Controlling parties**

At the year end, the immediate controlling party, was PEAC Holdings (UK) Limited, a Company incorporated in England. Copies of its financial statements are available from Inspired, Easthampstead Road, Bracknell, RG12 1YQ, United Kingdom.

The parent undertaking of both the largest and smallest group of undertakings for which group financial statements are drawn up, and of which the Company and immediate controlling party were members, is PEAC Holdings (Ireland) D.A.C., a Company incorporated in the Republic of Ireland. Copies of its financial statements are available from Inspired, Easthampstead Road, Bracknell, RG12 1YQ, United Kingdom.

**PEAC (UK) Limited****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****25. Subsequent events**

None to report.

**26. Key management compensation**

The compensation of senior management team, including pension contributions, was £1,074k (year ended 30 Jun 2022: £1,349k)

**27. Prior period error**

The prior year financial statements included misstatements in relation to the classification of some costs directly attributable to leases had been included in trade debtors and trade creditors. It also included a misstatement around the aging of the impacted balance. The corrections have resulted in a £2,163k impact on net current assets but had no impact on total net assets and are included in these financial statements. The impact of the corrections is shown below.

	Prior year financial statements £000's	Reclassification £000's	As restated £000's
<b>Non current assets</b>	162,218	2,163	164,381
<b>Current assets</b>	255,266	(3,694)	251,572
<b>Current liabilities</b>	(106,640)	1,531	(105,109)
<b>Net current assets</b>	148,626	(2,163)	146,463
<b>Debtors: due after one year</b>	151,441	2,163	153,604
Net investment in finance leases and hire purchase contracts	146,077	2,163	148,240
Prepayments and accrued income	-	-	-
<b>Debtors: due within one year</b>	224,875	(3,694)	221,181
Trade debtors	19,120	(4,599)	14,521
Net investment in finance leases and hire purchase contracts	88,339	905	89,244
<b>Creditors: due within one year</b>	(106,640)	1,531	(105,109)
Trade creditors	(5,655)	1,531	(4,124)

**28. Approval of financial statements**

The financial statements were approved by the directors on 31 January 2024.