

Company Registration No. 06497115

PEEL L&P HOLDINGS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL
STATEMENTS

YEAR ENDED 31 MARCH 2023

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PEEL L&P HOLDINGS (UK) LIMITED

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PEEL L&P HOLDINGS (UK) LIMITED

Directors, Principal Professional Advisers and Registered Office

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Registered Number: 06497115

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Statutory Auditor
Manchester
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Bankers: Lloyds Bank plc
National Westminster Bank plc
Barclays Bank plc
HSBC plc
Aviva Commercial Finance Limited
Santander plc

Property Valuers: Jones Lang LaSalle
Savills
Carter Jonas
Bermuda Realty

Strategic Report for the year ended 31 March 2023

The directors submit their strategic report of the group for the year ended 31 March 2023.

Principal activities

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

Review of business, future developments and prospects

The group made a profit before tax of £21.3m in the year ended 31 March 2023 compared to £106.1m for the previous year. The fall in profit was against a backdrop of economic uncertainty, high inflation and rising interest rates and the impact that had on property yields and values.

With respect to turnover, underlying rental income increased in the year from £66.8m in 2022 to £69.9m for the year ended 31 March 2023 but it was the trading property sales amounting to £9.1m this financial year compared to £53.6m in the year ended 31 March 2022 that had the greatest impact on turnover which fell by £37.9m to £89.5m. These property sales are by nature one off transactions which means the sales of these sites can fluctuate significantly each year. In addition, there was a £3.5m increase in generation income and waterways and utility income compared to 2022 due to the impact of increased energy prices. The profit on sale of trading property sales in the year ended 31 March 2022 amounted to over £20m compared to just over £2m in the year ended 31 March 2023 and it is this which accounts for the majority of the fall in gross profit from £76.6m in 2022 to £54.5m in 2023.

The surplus on revaluation of investment properties was £45.3m in the year ended 31 March 2023 compared to a surplus of £91.4m in the previous year. The uplift included over £26m in respect of the group's land bank reflecting planning progression on the 'Greater Manchester Places for Everyone' sites and an uplift of over £32m in respect of three industrial sites. The first, at a site in Scotland, amounting to over £19m, and which arose due to ongoing lease negotiations which are expected to result in an increase in rent on the site and an increased term. The second in Cheshire, the value of which increased by over £6m due to a regear of the lease and thirdly a site at Sheerness which increased by over £7m due to increased rental income receivable at the site and a longer lease term. In addition to this land at Glasgow Harbour increased by over £4m following a significant planning approval. Offset against this the retail park portfolio fell in value by over £19m to £362m at 31 March 2023.

Profit on disposal of fixed assets amounted to £4.9m in the year ended 31 March 2023 compared to £14.2m the previous year which included some significant one-off profits on certain land sales not repeated in 2023.

Although much of the group's debt is fixed rate or has interest rate swaps associated with it net interest increased by £8.5m in the year to £54.9m and was largely caused by the increase in interest rates. Bank loan interest increased by £1.8m and interest on loans from group undertakings increased by £3.9m. In addition, the movement in the fair value of interest rate swaps was a positive £8.0m in 2023 compared to a positive of £11.9m in 2022.

The taxation charge in 2023 amounted to £19.7m compared to £44.0m in 2022 which included a £12.5m deferred tax charge due to a change of rate. The remaining movement largely relates to a reduced non cash deferred tax charge.

Outlook

Although inflation has started to fall, interest rates remain high and there is still a great deal of uncertainty in the wider economy as the war in Ukraine continues. However, the group holds a diverse portfolio of assets, a mixture of commercial property and land-based assets across a number of property sectors and this along with the experienced, committed and dedicated people makes the group more resilient to these factors and well placed for the future to take advantage of any opportunities as they arise.

Property, Investment & Management

Occupational transactions throughout the year were strong, with a variety of enquiries ranging from small retail pop-ups to large multipurpose lettings. On the other hand, the retail investment market was unstable due to the economic backdrop with yields softening by as much as 1%. The following were the highlights:

Strategic Report *continued*

Review of business, future developments and prospects *continued*

Trafford Palazzo

Two leisure occupiers have taken space during the year at Trafford Palazzo and are scheduled to open by late summer 2023. These attractions are expected to bring increased footfall to the centre. New lettings to two food and beverage operators also concluded in the year, one being the world's most Instagramable café which opened in April 2023 and is currently trading above expectations. Another highlight was the creation of 'TP Glow', a fashion pop-up retail concept which is trading exceptionally well and is anticipated to attract conventional fashion lettings as a result. The property valuation at 31 March 2023 increased slightly to £52m, a £2m increase in the year.

Retail Parks

Occupation levels across the 1.5m sq ft portfolio remain high at 93% with a passing rent of over £20m per annum. With numerous transactions throughout the year, key lettings included two new food stores at The Peel Centre, Stockport and The Peel Centre, Barnsley. There was also focus on completing lease re-gears and renewals to maintain the weighted average unexpired lease term.

Bridgewater Canal

During the year, the Bridgewater Canal attracted 39 new boating licences and took back full management control of Preston Brook Marina providing a much-improved service to boaters. It also secured a receipt for bridging access rights over the canal at Preston Brook for £0.6m whilst securing an option to acquire.

Peel Waters

Construction activity can be seen on every Peel Waters regeneration project with some key infrastructure deliverables, especially at Trafford Waters and Wirral Waters. Significant valuation growth was secured, specifically on our Scotland and Chatham portfolios despite yields shifting out on most of our investments.

At Wirral Waters, Millers Quay, a 500 sustainable build-to-rent development in partnership with a pension fund and the local council commenced on site and is currently ahead of programme and set for completion in 2024. In the year, one of the group's joint ventures completed the first 30 modular homes at Redbridge Quay that are currently being marketed for sale and lettings.

Across the Mersey at Liverpool Waters, Everton FC have made excellent progress on the construction of their new stadium at Bramley-Moore Dock and the new Isle of Man Ferry Terminal is due to be completed in the Autumn 2023. Planning permission for the next phases of residential were also secured in both Prince's Dock and Central Docks and works have started on site.

In TraffordCity, infrastructure works on Trafford Waters commenced to bring forward the first three phases of residential development to provide over 350 homes. Both a food operator and leisure operator opened their new premises and work continues with both the surfing facility and health and wellbeing spa.

Construction of a third tower at Manchester Waters is progressing well after the successful sales campaign on the first two phases and on the gateway into Pomona Island at Cornbrook, plans are being drawn up for a new residential scheme which will include serviced apartments and a doctor's surgery.

At Chatham Waters in Kent, construction commenced on 237 affordable homes bringing a mix of social rented and shared ownership homes and the appointed contractor is making excellent progress. Planning permission was also obtained for an elderly living care facility.

The largest planning permission for Peel Waters sites for the year was secured at Glasgow Waters for 1,100 homes, a hotel and leisure facilities on a prominent riverside location at Yorkhill Quay. Plans for a health and wellbeing spa are progressing well at Castlebank Quay. At Beith Street in Glasgow, the developer won their planning appeal for 420 homes and the development is due to commence on site shortly. Lastly at Greenock, James Watt Dock Marina continues to flourish, with major infrastructure works in progress to open up the remainder of the site.

Strategic Report *continued*

Review of business, future developments and prospects *continued*

Land and Communities

Our Land & Communities and Estates teams have focused on realising the long-term value of the group's land portfolio through development strategies, securing development allocations, obtaining planning permissions, land acquisition and disposal, and estate management. The team are actively working in collaboration across 67 projects and a total of 4,600 acres, with development potential of 70,000 homes and 1.4 million sq m of employment space.

Over the last 12 months, the Land & Communities team have brought forward several sites within the 'Greater Manchester Places for Everyone' plan such as Mosley Common in Wigan and Hazelhurst Farm in Salford with exciting plans for a major community and parkland around Elton Reservoir in Bury. It wasn't all success, with the uncertainties of the planning system laid bare by the refusal of the Haydock Point proposals after five years working towards a positive outcome with St Helens Council and transport authorities. The site has however now been safeguarded for future development in the local plan.

Following community feedback, plans were revised for a potentially game-changing project for Bolton that would restore and redevelop Hulton Park into a sports and healthy living destination. We strengthened our commitment to communities with the introduction of a Community Charter which benchmarked our focus on the social value of the proposals, in terms of public accessibility, inclusivity, affordability, culture, history, employment, and community facilities, along with commitments to environmental gain.

Land & Communities are replenishing the company's strategic landholdings and implementing several sustainability initiatives including Biodiversity Net Gain, Natural Capital and Social Value Assessments. The team now works very closely with the wider Peel L & P Group Limited's homebuilder, Northstone, with sites in Ellesmere Port, Wigan and Bolton transferred from Land & Communities ready for delivery, and plans progressing to build over 200 family and affordable homes in Horwich in Bolton to help meet local housing demand which was given the go ahead at appeal.

Peel NRE

The year saw continued growth across all Peel NRE business divisions - advancing business development, positive valuation movements and delivering construction activity. A number of those business divisions of Peel NRE are owned by the wider Peel L & P Group Limited and but the core assets of Peel NRE form part of this group. The following relates to those core assets.

At Protos, in Cheshire construction continues on the Encyclis (formerly Covanta) 50MWe energy from waste facility and the Protos infrastructure works, which include a 124MWe grid connection, were completed and handed over. Forsa entered contract for the development of gas peaking facility and made initial grid payments. Encyclis entered contract to acquire further property to facilitate the delivery of carbon capture and storage infrastructure. The North West carbon capture cluster continues to drive enquiries and occupier interest.

Harrop Edge Quarry, located in east Manchester was acquired as a strategic addition to the materials management property portfolio and planning work commenced.

Strategic Report *continued*

Review of business, future developments and prospects *continued*

Major Projects

In Doncaster progress continues to be made on IQ – the circa 3.25m sqft logistics and workspace development. Funding of infrastructure was secured, design and phasing refined and required assets obtained. The phase 1 infrastructure will commence in late 2023 with anticipated first occupiers circa 24 months thereafter. During the year Doncaster Sheffield Airport announced its closure and the management of the now non-operational site lies with the group, parallel workstreams of incorporating the site into the Gateway East vision as ongoing discussions over the site's future with City of Doncaster Council continued through the year and will do through 2023.

The group has significant landholdings within Wigan and Bolton and a number of ongoing initiatives. This area is identified by Greater Manchester Combined Authority as one of the six key growth areas for GM and acknowledged as having significant opportunity to deliver development over forthcoming years, we are working with GMCA to further define the potential of this key location and with the respective councils in relation to ongoing schemes being undertaken by Northstone, key economic and housing opportunities such as Health Innovation Bolton and at Hulton Park where planning consent for the revised and improved scheme was secured in the year. A key element of the Hulton Park scheme remains the securing of the iconic Ryder Cup golf event to underpin the leading leisure and business opportunity as a catalyst to the regeneration of the wider corridor. Discussions to move this forward continue with all parties.

In Bury the major development around Radcliffe and Elton Reservoir continues to move forward. The scheme is enshrined in Places For Everyone – the Strategic planning document for Greater Manchester. There was a successful examination in public the year and subsequent consultation in event on our emerging proposal. Clarity on PFE is anticipated during 2023 which will enable the scheme to move forward. In the meantime, we continue to evolve the masterplan and strengthen our strategic relationships with the local Council and communities.

In the wider Salford Quay, the group has significant landholdings and masterplans continue to emerge, jointly working with the Council, demonstrating the potential of this area to deliver significant new development opportunities, providing growth and expansion within Greater Manchester.

The group is fully aware of the positive impacts our initiatives can have on the environment and local communities and these elements are built into our plans and ongoing partnerships with local communities continuing with a focus to delivering future opportunities.

Key Performance Indicators

The following Key Performance Indicators (KPIs), most of which can be derived directly from the financial statements, are used by the directors monthly to review the performance of the business:

	2023	2022	Movement	Movement
	£'000	£'000	£'000	%
Annualised rent roll *	69,198	68,709	489	0.7
Turnover	89,466	127,369	(37,903)	(29.8)
Surplus on revaluation of investment properties	45,277	91,411	(46,134)	(50.5)
Operating profit	71,625	137,554	(65,929)	(47.9)
Profit on disposal of fixed assets	4,943	14,231	(9,288)	(65.3)
Net interest expense	54,872	46,369	8,503	18.3
Net profit for the year	1,657	62,117	(60,460)	(97.3)
Financial investment **	26,057	43,800	(17,743)	(40.5)
Net debt	785,145	784,376	769	0.1
Overall loan to value***	56.5%	57.0%		0.5%
Shareholder's funds	558,760	557,258	1,502	0.3

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

** Financial investments represents cash used to acquire investment property and other fixed assets during the year.

*** Calculated as Total loans as a proportion of aggregated investment property and operating buildings.

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. This risk is mitigated by a large and diversified customer base and strong relationships with tenants;
- interest rates and their impact on property values. This risk is mitigated by a large multi-asset portfolio;
- potential impact of adverse changes in property values on the group's ability to comply with its banking covenants in the future. This risk is mitigated by a large multi-asset portfolio;
- the group's activities expose it to the financial risk of changes in interest rates causing a cash flow risk. The group uses interest rate contract swaps to hedge this exposure;
- the demand for commercial and residential property and the availability of funding from prospective buyers. This risk is mitigated by long leases;
- a small proportion of variable rate borrowing is not fixed via interest rate swaps, leaving the group with exposure to interest rate fluctuations (see note 22). However virtually all the external borrowing is either fixed rate or covered by an interest rate swap;
- 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;
- 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; and
- 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

The main risks affecting the group are the war in Ukraine and uncertainty arising from increased levels of inflation and interest rate risk. They result in potential negative impact on the macroeconomic environment. This is as a result of uncertainty and broader consumer confidence. More specifically the group is affected by changes in sentiment in the investment and occupier markets in which it operates. The group continues to monitor the situations closely.

Strategic Report *continued*

Section 172 Companies Act 2006

Section 172 requires that “a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

1. the likely consequences of any decision in the long term;
2. the interests of the company's employees;
3. the need to foster the company's business relationships with suppliers, customers and others;
4. the impact of the company's operations on the community and the environment;
5. the desirability of the company maintaining a reputation for high standards of business conduct; and
6. the need to act fairly as between members of the company”.

The group of companies headed by Peel L&P Holdings (UK) Limited “Peel L&P” (the group) 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 which align to the above as follows:

Consequences of decisions in the long term

1. Finance monitoring

The Board annually approves a budget and monitors its implementation throughout the year using detailed reports on operating and financial performance. This includes monitoring all banking covenants such as loan to value and income to interest ratios. Banking covenants are certified and reported to the lenders monthly or quarterly. The bank covenants are carefully monitored and the directors prepare and review cash flow, profit and loss and balance sheet forecasts and the impact they have on covenants for at least twelve months in advance to ensure the group is fully compliant with its banking covenants come the reporting deadline. This can include selling assets to other parts of Peel L&P such as Northstone, paying down debt to reduce loan to value ratios or injecting cash to fund capital expenditure if appropriate.

2. 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.

The group engages with local communities by consultation and collaborative working. This includes:

- Early and ongoing engagement with the public on all planning applications;
- Liaison with key community groups as developments mature; and
- Careful management of the shared open space on sites, often in collaboration with local residents.

3. Excellence in delivery

The Peel L&P 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:

Strategic Report *continued*

Section 172 Companies Act 2006 *continued*

Consequences of decisions in the long term continued

3. Excellence in delivery continued

- Anti-corruption and bribery;
- Anti-slavery and human trafficking;
- Equal opportunities; and
- Dignity at work.

All employees are required to take online courses, including the requirement to pass an examination on the subject satisfactorily.

4. Leaving a lasting social legacy

Ocean Gateway, launched in 2008, targets the renaissance of the strategic corridor between the city regions of Liverpool and Manchester. It is an excellent example of Peel L&P's vision, values and approach, translating into economic, environmental and social reality. The vision for £50bn investment over 50 years is part of Peel L&P's contribution to rebalancing the UK economy. 44 of the 53 projects currently identified in the portfolio are already completed or underway. The mix of transport, leisure, renewable energy and residential projects will create an exciting, sustainable environment delivering future prosperity, job creation and low carbon growth.

Interest of the company's employees

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.

The Board engages with staff through site and office visits, and employee surveys.

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 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

In January 2022 two surveys were launched

- the Personal Growth Survey was launched to enable the planning of personal development courses.
- the Wellbeing Survey led to the first Financial Wellbeing Week in April 2022, which included webinars and pop-up sessions.

July 2022 saw the introduction of a new Personal Development Hub accessible for all Peel L&P team members to benefit from. This is a platform to roll out all e-Learning, including mandatory training. It allows access and booking onto upcoming Training and Development courses that will be delivered face to face and a record of learning completed including Continuing Professional Development to keep an active log.

Strategic Report *continued*

Section 172 Companies Act 2006 *continued*

The need to foster relationships with stakeholders

1. Customers

The principal customers of the group are tenants that occupy the group's property portfolio and entities that acquire property that the group has made the decision to sell.

In respect of tenants these are key to ensure there is demand for the groups lettable space. Each property the group owns is assigned a property manager who is employed by a fellow subsidiary undertaking of the group and who is the first point of contact for the tenant. Each property manager keeps in regular contact with tenants via phone calls, tenant liaison meetings, and newsletters and is on hand to deal with any queries the tenants may have in respect of payments of rent, issues relating to the property or other leasing arrangements. This allows the group to plan ahead for any rent reviews, lease renewals, lease expiries and similar. The group also carries out surveys of key tenants from time to time to ensure engagement with them is the best that can be achieved and also attends the Completely Retail conference twice a year which provides another opportunity to liaise with retail tenants and explore potential new developments with them.

In respect of sales these are an important source of income for the group and the principal customers ranges from housebuilders to pension funds to individuals. Typically the group will use agents to identify and market property to potential buyers.

2. Suppliers

The success of the group whether it be in a planning application, the construction of a property, or the maintenance of the land estate is dependent on having a positive and strong relationship with our suppliers. A consistent approach is taken in approving and using new suppliers to ensure our understanding of their business is appropriate for the group. The group has recently implemented a new accounts payable system which allows the group to monitor type of expenditure incurred with tenants in more detail and its impact on ESG with further potential development of the system being reviewed. Typically the group uses suppliers that are familiar with the assets they work on which is more cost efficient and fosters good relationships.

3. Funders

The group requires external capital to fund its activities, acquisitions and growth. The group has a relationship with all of the major clearing banks and regular dialogue is held with them all to discuss existing debt, covenants and any opportunities for future funding that may arise. In addition the group holds long term debt where again regular meetings and updates are provided to the lenders. These forums provide the opportunity for the lenders to more fully understand the group's business, and allows the group to negotiate any amendments to facilities that may be required and plan for any new capital requirements or repayments.

4. Government

The group will play a role in supporting the Governments priorities in the next few years both at a regional and national level in areas such as economic growth and levelling up, climate change and addressing the housing shortage. The group holds significant land that can be developed now and in future to address some of these issues. In this regard the group engages in central government consultation, directly via its own channels, or using the British Property Federation of which the group is a member or other industry groups which different Peel companies are members of, such as the Home Builders Federation. The group also engages with local government, Combined Authorities, Local Enterprise Partnerships and local community groups and other local partners before, during and after planning applications. During the year the group was heavily involved in promoting the 'Places for Everyone' scheme in Greater Manchester which could provide a significant number of new homes in the region, including several significant sites owned by the group, and undertook extensive project-specific stakeholder engagement, for example in Bolton where positive relationships have been built through activities such as hosting on-site community events, sponsoring the Bolton Food and Drink Festival, and engaging with local sports and education providers. The group also undertook a perceptions audit of key stakeholders to inform its future strategy and communications.

Strategic Report *continued*

Section 172 Companies Act 2006 *continued*

The need to foster relationships with stakeholders continued

5. Communities

The group recognises the importance of community engagement given the scale of what the business is trying to achieve. Against this background, our approach to public consultation has been reviewed to ensure we are going above and beyond minimum expectations outlined in local authorities' Statement of Community Involvement.

For larger schemes, we implement a multi-phased iterative consultation process, utilising both traditional consultation elements such as public exhibitions and leaflet drops as well as more innovative digital methods to engage those groups who typically do not take part in public consultation exercises.

Our Consultation Reports detail how we have responded to feedback received and, where appropriate, have been able to incorporate this feedback into scheme design.

We also endeavour to engage with our key communities outside of key milestones in the planning process to ensure we are building strong relationships.

Impact of the company's operations on the community and the environment

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 L&P 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 originally prioritised four that are most relevant to its business activities and recognise that none could be achieved without working in partnership with its stakeholders. The five goals are as follows:

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 provides 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.

An example of this occurred in January 2023 when two retail outlets were added to the growing list of Peel L&P buildings which have achieved net zero carbon status. Peel L&P already had another 16 buildings, all commercial offices and associated car parks, that had successfully undertaken the annual third-party process to be re-verified as net zero carbon in operation against the UK Green Building Council's (UKGBC) framework.

Strategic Report *continued*

Section 172 Companies Act 2006 *continued*

Impact of the company's operations on the community and the environment continued

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.

An example of achieving this is investment in the areas of the economy which are growing. Peel L&P decided to create a new business, Peel NRE, launched in 2021. It operates in the hydrogen economy and is part of the national net zero agenda. It consists of resource and energy hubs, developing a cluster of low carbon energy generation. During the year ended 31 March 2023 it completed a new recycling waste facility which will recycle up to 240,000 tonnes of construction waste per year that would have otherwise gone to landfill. Materials produced by the plant will be used to build Peel L&P's multi-modal freight facility and distribution park at Port Salford and other construction sites across Greater Manchester.

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.

5. Take urgent action to combat climate change and its impacts

This has targets which are to be achieved by 2030. It calls for urgent action to combat climate change and its impacts. It is intrinsically linked to all 16 of the other Goals of the 2030 Agenda for Sustainable Development. To address climate change, countries adopted the Paris Agreement to limit global temperature rise to well below 2 degrees Celsius.

In addition to this to put an even greater emphasis on the need for climate resilience, Peel L&P has joined "Business Declares". This is a joint declaration by business leaders of a Climate and Ecological Emergency and joining it acknowledges Peel L&P's urgent commitment to tackling it.

During the year ended 31 March 2023, Peel L&P unveiled its Climate Positive Plan, a promise to take more greenhouse gases out of the air than it produces by 2030. The plan is to

- Use data from Peel L&P Holdings (UK) Limited's Streamlined Energy and Carbon Report (presented over pages 15 to 17) to assess the annual carbon emissions.
- As a minimum, use the 22 targets within the Sustainable Development Goals led Sustainability Five Year Plan to measure and report progress.
- Create a Taskforce on Climate-related Financial Disclosure Action Plan.
- Use the natural capital assessments to explain how developments contribute to climate resilience.
- Work with stakeholders to understand the significance of indirect emissions and how to work together to reduce them.
- Produce an update on climate positive activities annually

Strategic Report *continued*

Section 172 Companies Act 2006 *continued*

Desirability of the company maintaining a reputation for high standards of business conduct

The group operates in a responsible manner and it maintains a high standard of business conduct and governance.

Members

The group only has one shareholder, Peel L&P Group Limited. The Board engages with this shareholder in monthly Board meetings at which performance and financial position are reported and business strategy discussed.

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



Matthew Colton, A.C.A

Director

29 September 2023

PEEL L&P HOLDINGS (UK) LIMITED

Report of the Directors *for the year ended 31 March 2023*

The directors submit their annual report together with the audited financial statements of the group for the year ended 31 March 2023.

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

At 31 March 2023 the group is in a position of having net current liabilities. However, after making enquiries, along with the confirmation from Peel L&P Group Limited, ("Peel L&P Group"), the group's holding company, that they will continue to provide the necessary level of support to enable it to continue to operate for the 12 months from signing the financial statements, the directors have concluded they have a reasonable expectation that the group has adequate resources to continue in operational existence for the 12 months from signing the financial statements and therefore they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Directors

Except where stated, the directors who held office during the financial year and up to the date of signing the financial statements are:

John Whittaker

Steven Underwood, A.C.A.

John Schofield, A.C.A.

Mark Whitworth (appointed 3 May 2023)

Matthew Colton, A.C.A. (appointed 2 August 2023)

Directors' indemnities

The Peel L&P Group 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.

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.

Cash flow 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.

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 streamlined energy and carbon reporting is lead by Peel L & P Holdings (UK) Limited's holding company Peel L & P Group Limited and includes all subsidiaries across the Peel L & P Group Limited group of companies. Peel L & P Group Limited is incorporated in the Isle of Man and its financial statements are not publicly available. The directors manage the streamlined energy and carbon reporting at a Peel L & P Group Limited level and it is not possible or practical to split that report between the various subsidiaries of Peel L & P Group Limited. The report below therefore includes all of the subsidiaries of the Peel L & P Group Limited, not just Peel L & P Holdings (UK) Limited group of companies.

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 Holdings Land and Property (UK) Limited (Peel L&P) meet SECR qualification criteria in the UK. Peel L&P have opted to use the Operational Control boundary definition to define their carbon footprint boundary. The reporting period for the compliance is 1 April 2022 – 31 March 2023. Included within that boundary are Scope 1 & 2 emissions, as well as Scope 3 emissions from natural gas, electricity, company fleet, grey fleet and Well to tank (all scopes) 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's total energy use and total gross Greenhouse Gas (GHG) emissions amounted to 35,337,679 kWh and 8,829.5 tonnes of CO₂e respectively in the 2023 financial year in the UK. Within the financial year, Peel L&P purchased 100% green electricity backed by the Renewable Energy Guarantees of Origin (REGO) scheme. As a result, Peel L&P's Gross (Market-based*) Emissions dropped by 4,203 tonnes of CO₂e.

Peel L&P have chosen 'Tonnes of CO₂e per million turnover (m£) and as an intensity metric as this is an appropriate metric for the business. The intensity metric for the financial year 2023 was 98.6 tCO₂e/m£ compared to 54.9 tCO₂e/m£ in 2022. Below is the energy consumption and GHG emissions summary table as well as the year-on-year comparison.

PEEL L&P HOLDINGS (UK) LIMITED

Report of the Directors *continued*

Streamlined energy and carbon reporting *continued*

Type of Emissions	Activity	kWh	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	12,503,330	2,282	26%
	Company Fleet	837,601	295	3%
		13,340,931	2,577	29%
Indirect (Scope 2)	Electricity	21,771,221	4,210	48%
		21,771,221	4,210	48%
Indirect Other (Scope 3)	Grey Fleet	225,528	63	1%
	Well-to-Tank All Scopes	NA	1,979	22%
		225,528	2,042	23%
Total Energy Use (kWh)				35,337,679
Total (Location based*) Gross Emissions (tCO ₂ e)				8,829
Renewable Electricity (tCO ₂ e)				4,210
Total (Market-based*) Gross Emissions (tCO ₂ e)				4,619
Gross Turnover (m£)				89
Tonnes of Gross CO ₂ e per m£				99

Peel L&P's energy management system, compliant with ISO 50001:2018 for nine consecutive years, continues to support our business to identify, plan, implement and monitor our energy saving opportunities; improving efficiencies and reducing carbon emissions across our business. We have expanded our Net Zero Carbon (NZC) portfolio to a total of 18 assets that have been verified as NZC in Operation using the UK Green Building Council's framework definition. Also, during 2022-23 Peel L&P has:

- Recertified to ISO 50001:2018 with no non-conformities.
- Added two new assets to the ISO 50001 portfolio – Trafford Palazzo within TraffordCity and the Hythe office building at Wirral Waters.
- Completed 10 energy saving opportunities across our portfolio, excluding annual reductions over the 2-week December break:
 - Installation of side stream filtration systems to Low Temperature Hot Water (LTHW) systems across multiple assets.
 - Installation of passive infrared sensors to control fan coil units and only operate those required by the occupier requirement without bring on unnecessary areas of the building as well.
 - Replacing external lighting with energy efficient LED alternatives.
 - Enhanced control over M&E equipment including upgrades to BMS to improve control remotely.
 - Energy cost savings of £15,000 per year from the actions undertaken.

The coverage of our energy management system has reduced in recent years. Therefore, we must now comply with Phase 3 of the Energy Savings Opportunity Scheme (ESOS). We are working to collect consumption data and conduct energy surveys across our portfolio to meet the requirements of these regulations. We are looking to add our retail assets within ISO 50001 into the scope of the Science-Based Target (SBT), using the industry benchmark for best practice from the Real Estate Environmental Benchmark. We are currently undertaking surveys and developing business cases for renewable energy projects on our existing estate to meet our renewable energy target of 10% of Peel L&P's energy to be self-generated from renewable sources by 31 March 2026.

PEEL L&P HOLDINGS (UK) LIMITED

Report of the Directors *continued*

Streamlined energy and carbon reporting *continued*

Type of Emissions	Units	2023	2022	Year on year change
Direct (Scope 1)	(kWh)	13,340,931	10,592,966	26%
	(tCO ₂ e)	2,577	2,019	28%
Indirect (Scope 2)	(kWh)	21,771,771	16,008,433	36%
	(tCO ₂ e)	4,210	3,399	24%
Indirect Other (Scope 3)	(kWh)	225,528	70,090	222%
	(tCO ₂ e)	2,042	1,573	30%
Total Energy Use	(kWh)	35,335,337	26,671,489	32%
Total Gross Emissions	(tCO ₂ e)	8,829	6,992	26%
Renewable Electricity	(tCO ₂ e)	4,210	1,765	139%
Total Net Emissions	(tCO ₂ e)	4,619	5,227	(12%)
Tonnes of Gross	CO ₂ e per m ²	99	55	80%

**In SECR reporting there are two reporting approaches: 'location-based' and 'market-based'. Location based reporting is the mandatory method and uses grid average figures (a mix of renewable and non-renewable fuels). A market based reporting approach can also be used when companies have entered into contractual agreements for renewable electricity (e.g. REGO's). Reporting on renewable energy and associated emissions is not a mandatory requirement under the SECR legislation but it is possible for organisations to use dual reporting if they wish to reflect their consumption of renewable energy.*

To deliver this year on year change we have a series of targets and action plans that outline our roadmap for delivery. As mentioned previously, we operate an energy management system compliant with ISO 50001 where the portfolio target is Peel's Science Based Target (SBT). This energy and carbon reduction target sits alongside 21 other targets in our Sustainability 5-Year Plan. In addition to the Sustainability 5-Year Plan, we have also developed our Climate Positive Plan and voluntarily report against Taskforce for Climate-related Financial Disclosure; both demonstrating our ongoing and future initiatives to deliver energy and carbon reductions to create more resilient neighbourhoods. The activities associated with delivering these targets are reported quarterly by business unit to the Peel L&P Sustainability & ESG Board, which in turn reports quarterly to the Executive Leadership Team Board, who are ultimately responsible for sustainability across Peel L&P.

The increase in consumption shown across Scope 1 and 2 emissions are largely due to the increased operational hours of a few assets at an occupiers request as well as recent acquisitions – Trafford Palazzo; or completed developments – Hythe, Wirral Waters; operating for their first full financial year. Both assets only came online in the last quarter of 2021-22, therefore, there is a significant increase on their consumption in 2022-23. These assets are both within the remit of our energy management system compliant with ISO 50001; but are yet to be included on our corporate electricity contract which is a 100% renewably sourced electricity supply and align to our SBT. The increased consumption on our non-renewable electricity tariff will account for increased carbon emission across Scope 1 and 2. We are working to move as many assets as possible across to our renewable electricity tariff as well as continue the delivery of energy saving opportunities throughout the portfolio. As mentioned in previous reports, we have experienced issues with our energy supplier providing data which have not all been resolved yet; therefore, we have used a small proportion of conservative estimations in our reporting.

Regarding Scope 3 emissions, we have reduced the amount of business mileage undertaken by our company fleet which was predominantly electric or hybrid vehicles, due to the reduction in the size of our company fleet. This has resulted in an increase in mileage completed by our grey fleet during 2022-23 which is predominantly petrol and diesel vehicles, leading to an increase in Scope 3 emissions for our business.

Report of the Directors *continued*

Dividends

The directors do not recommend the payment of a final dividend (2022: 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 judgements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Political and charitable contributions

During the financial year, contributions by the group for charitable purposes totalled £60,664 (2022: £57,996). The group made no political contributions during the financial year (2022: 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



Matthew Colton, A.C.A

Director

29 September 2023

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 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the 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 group cash flow statement;
- the related notes 1 to 29.

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. 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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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 group's ability to operate or to avoid a material penalty. These included General Data Protection Regulation, employment law, health and safety regulations 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 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 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 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

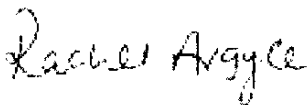
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
29 September 2023

PEEL L&P HOLDINGS (UK) LIMITED

Group Profit and Loss Account *for the year ended 31 March 2023*

	Note	2023 £'000	2022 £'000
Turnover	3	89,466	127,369
Cost of sales		(34,984)	(50,728)
Gross profit		54,482	76,641
Surplus on revaluation of investment properties		45,277	91,411
Impairment of stock properties		(5,803)	(6,392)
Impairment of investments		(2,000)	(1,498)
Administrative expenses		(22,900)	(25,271)
Other operating income		2,569	2,663
Operating profit		71,625	137,554
Share of joint venture operating (losses)/profit	12(a)	(385)	654
Profit on disposal of fixed assets	4	4,943	14,231
Profit before interest and taxation		76,183	152,439
Net interest payable and similar expenses	5	(54,872)	(46,369)
Profit before taxation	6	21,311	106,070
Tax on profit	7	(19,654)	(43,953)
Profit for the financial year		1,657	62,117

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 2023*

	Note	2023 £'000	2022 £'000
Profit for the financial year		1,657	62,117
Unrealised net (deficit)/surplus on revaluation of operational buildings	11	(4,918)	6,805
Deferred tax relating to revaluation of operational buildings	20	1,266	(2,531)
Foreign exchange gains		3,497	2,968
Other comprehensive (expense)/income		(155)	7,242
Total comprehensive income for the year		1,502	69,359

Profit for the year and total comprehensive income for the year are wholly attributable to equity shareholders of the company.

PEEL L&P HOLDINGS (UK) LIMITED

Group and Company Balance Sheets *as at 31 March 2023*

		Group	Group	Parent Company	Parent Company
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets					
Tangible assets					
Investment properties	10	1,412,086	1,370,461	-	-
Other fixed assets	11	48,772	60,537	-	-
Investments	12	10,700	12,080	658,158	779,103
Loans to group undertakings	13	-	-	42,736	28,400
		1,471,558	1,443,078	700,894	807,503
Current assets					
Stocks	14	191,171	190,168	-	-
Debtors	15	101,853	74,729	12,416	3,576
Cash at bank and in hand	16	46,694	46,130	2,565	3
		339,718	311,027	14,981	3,579
Creditors: amounts falling due within one year	17	(354,295)	(282,848)	(350,295)	(314,771)
Net current(liabilities)/assets		(14,577)	28,179	(335,314)	(311,192)
Total assets less current liabilities		1,456,981	1,471,257	365,580	496,311
Creditors: amounts falling due after more than one year	18	(792,421)	(803,084)	(3,986)	(2,411)
Provisions for liabilities	20	(105,803)	(110,918)	-	-
Net assets		558,757	557,255	361,594	493,900
Capital and reserves					
Called up share capital	23	406,260	406,260	406,260	406,260
Share premium account		525,258	525,258	525,258	525,258
Revaluation reserve	23	6,409	10,207	-	-
Merger reserve	23	23,175	23,175	-	-
Negative goodwill reserve	23	70,474	71,530	-	-
Other reserves	23	2,550	2,550	-	-
Profit and loss account		(475,366)	(481,722)	(569,924)	(437,618)
Shareholder's funds		558,760	557,258	361,594	493,900
Non-controlling interests	24	(3)	(3)	-	-
Total capital employed		558,757	557,255	361,594	493,900

The loss for the financial year dealt with in the financial statements of the parent company was £132,306,000 (2022: £25,657,000).

The financial statements of Peel L&P Holdings (UK) Limited, company number 06497115, were approved by the directors and authorised for issue on 29 September 2023.



Matthew Colton, 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 2023*

	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 2021	406,260	525,258	15,150	25,939	82,026	2,550	(565,097)	492,086
Profit for the financial year							62,117	62,117
Unrealised net surplus on revaluation of operational buildings	-	-	6,805	-	-	-	-	6,805
Deferred tax relating to revaluation of operational buildings	-	-	(2,531)	-	-	-	-	(2,531)
Foreign exchange gains	-	-	-	-	-	-	2,968	2,968
Other comprehensive income	-	-	4,274	-	-	-	2,968	7,242
Total comprehensive income	-	-	4,274	-	-	-	65,085	69,359
Transfer of excess depreciation charge	-	-	(1,281)	-	-	-	1,281	-
Realisation of negative goodwill	-	-	-	-	(10,496)	-	10,496	-
Impact of merger accounting on common control transactions	-	-	-	(2,764)	-	-	(1,423)	(4,187)
Transfer of unrealised profit on reclassification of operating building to investment property	-	-	(7,936)	-	-	-	7,936	-
At 31 March 2022	406,260	525,258	10,207	23,175	71,530	2,550	(481,722)	557,258
Profit for the financial year	-	-	-	-	-	-	1,657	1,657
Unrealised net deficit on revaluation of operational buildings (note 11)	-	-	(4,918)	-	-	-	-	(4,918)
Deferred tax relating to revaluation of operational buildings (note 20)	-	-	1,266	-	-	-	-	1,266
Foreign exchange gains	-	-	-	-	-	-	3,497	3,497
Other comprehensive (loss)/income	-	-	(3,652)	-	-	-	3,497	(155)
Total comprehensive (expense)/income	-	-	(3,652)	-	-	-	5,154	1,502
Transfer of excess depreciation charge	-	-	(146)	-	-	-	146	-
Realisation of negative goodwill	-	-	-	-	(1,056)	-	1,056	-
At 31 March 2023	406,260	525,258	6,409	23,175	70,474	2,550	(475,366)	558,760

PEEL L&P HOLDINGS (UK) LIMITED

Company Statement of Changes in Equity *for the year ended 31 March 2023*

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2021	406,260	525,258	(411,961)	519,557
Loss and other comprehensive expense for the financial year	-	-	(25,657)	(25,657)
Total comprehensive expense for the financial year	-	-	(25,657)	(25,657)
At 31 March 2022	406,260	525,258	(437,618)	493,900
Loss and other comprehensive expense for the financial year	-	-	(132,306)	(132,306)
Total comprehensive expense for the financial year	-	-	(132,306)	(132,306)
At 31 March 2023	406,260	525,258	(569,924)	361,594

PEEL L&P HOLDINGS (UK) LIMITED

Group Cash Flow Statement *for the year ended 31 March 2023*

	Note	2023 £'000	2022 £'000
Net cash flows from operating activities	25	39,088	52,773
Cash flows (used in)/from investing activities			
Purchase of investment properties		(25,757)	(41,246)
Receipts from sales of investment properties		34,679	83,938
Purchase of other fixed assets		(300)	(2,554)
Receipts from sales of other fixed assets		5,995	17
Fees for sale of subsidiary		(25)	-
Cash balance acquired with subsidiary		-	69
Interest received		314	441
Net cash flow from investing activities		14,906	40,665
Cash flows (used in)/from financing activities			
Interest paid		(53,920)	(57,447)
Loans to joint venture		(1,249)	(1,397)
Movements in restricted cash		556	4,455
Loans drawn down		43,987	28,905
Loans repaid		(36,434)	(44,660)
Sale and leaseback drawn down		-	846
Grants received		1,250	264
Repayments under finance leases		(1,833)	(428)
Net cash flows used in financing activities		(47,643)	(69,462)
Increase in cash in the year		6,531	23,976
Cash at beginning of year		33,809	9,710
Effect of foreign exchange rate changes		166	123
Cash at end of year		40,326	33,809
Reconciliation to cash at bank and in hand:			
Cash at bank		46,547	45,427
Overdrafts		(6,221)	(11,618)
		40,326	33,809
Restricted cash		147	703
Total cash		40,473	34,512

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 13.

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, Trafford City, 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 (FRS 102) 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, remuneration of key management personnel and preparation of a cash flow statement under section 7.

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.

However, it is not known whether there will be any further impact and furthermore the Russian invasion of the Ukraine towards the end of the financial year has had a significant impact on the macro - economic climate. It is not known how long this will last and the extent of the impact on the economy, or the time it will take for the economy and markets to recover. Since the onset of the pandemic, several management actions have been taken to adapt the group and the group continues to monitor the current macro-economic volatility and uncertainly.

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 12 months from signing the financial statements. The directors of Peel L&P Group have also received confirmation from the directors of its parent company Peel L&P and its parent (Peel Group) that it will continue to provide the necessary level of support for this period if required.

In considering the ability of Peel Group to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Peel Group's forecasts, the continuing availability of its facilities and its strategic and contingent plans. Cashflow forecasts reflect current expectations of the activity of the group's investments. Sensitivities have also been considered to reflect downside scenarios, including potential reductions in property valuations, and the impact on 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 further headroom. These forecasts show that, even allowing for these downsides, for a period of 12 months from the signing of the accounts the group has sufficient cash reserves to mitigate risks and is in a strong position to withstand the potential impact. The directors are confident that the group is well placed to manage its business risks satisfactorily and is in a strong position to withstand any negative impact of the current economic climate.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

Going concern *continued*

Taking all these factors into account, the directors have a reasonable expectation that the holding company and group have adequate resources to continue in operational existence for the 12 months from signing the financial statements and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

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 2023.

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*

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.

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.

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.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

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.

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.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

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. This was extended to 30 June 2022.

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.

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.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

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.

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.

Notes to the Financial Statements *continued*

1. Accounting policies *continued*

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.

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, other fixed assets and stock

A key source of estimation and uncertainty relates to the valuation of investment properties, other fixed assets and stock, 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 2023 is £1,412m (2022: £1,370m). The value of operating buildings at 31 March 2023 is £46m (2022: £57m). The value of stock at 31 March 2023 is £191m (2022: £190m). The key assumptions can be found in notes 10, 11 and 14.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

3. Analysis of turnover

	Group 2023 £'000	Group 2022 £'000
Turnover		
Gross rental income from investment property	69,860	66,776
Trading property sales	9,050	53,622
Rent premium income	654	-
Environment and resource development income	3,456	4,800
Waterways and utility income	2,997	795
Generation income	2,200	938
Other	1,249	438
	89,466	127,369

With the exception of rental income of £4,474,000 (2022: £3,586,000) arising overseas (Bermuda), all of the group's turnover during the financial year arose in the United Kingdom.

4. Profit on disposal of fixed assets

	Group 2023 £'000	Group 2022 £'000
Investment properties	5,002	14,215
Other fixed assets	(34)	16
Fixed assets investments	(25)	-
	4,943	14,231

The effect of the profit on disposal of fixed assets on the amount charged to the profit and loss account for taxation was £4,563,000 (2022: losses of £1,088,000). 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 2023 £'000	Group 2022 £'000
Interest payable and similar expenses:		
On bank loans and overdrafts	27,403	25,597
Amortisation of loan fees	926	1,162
On first mortgage debenture stock	26,332	26,418
Other interest	1,061	1,138
On amounts owed to group undertakings	7,853	3,914
Share of joint venture interest payable	441	327
Finance lease interest	84	117
	64,100	58,673
Interest receivable and similar income:		
On bank and other deposits	(38)	-
Other interest	(716)	(441)
Share of joint venture interest receivable	(77)	(24)
	63,269	58,208
Net exchange difference on foreign currency	(394)	89
Movement in fair value of interest rate swaps (note 22)	(8,003)	(11,928)
Net interest payable and similar expenses	54,872	46,369

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

6. Profit before taxation

	Group 2023 £'000	Group 2022 £'000
Profit before taxation is stated after charging/(crediting):		
Surplus on revaluation of investment properties (note 10)	(45,277)	(91,411)
Depreciation of other fixed assets - owned assets (note 11)	2,250	3,209
Impairment of loans to joint ventures	2,000	1,498
Impairment of stock properties (note 14)	5,803	6,392
Foreign exchange (profit)/losses	(394)	89
Profit on disposal of fixed assets (note 4)	(4,943)	(14,231)
Share of operating loss/(profit) of joint venture companies	385	(654)
Change in lease payments arising from rent concessions occurring as a direct consequence of the COVID-19 pandemic	(731)	(1,135)
Release of unused provision for future maintenance costs of certain infrastructure (note 20)	(5,053)	-

Auditor's remuneration was borne by Peel L&P Group Management Limited and not recharged (2022: same) as follows:

	2023 £'000	2022 £'000
Fees payable to the company's auditor and its associates for services to the group		
The audit of the company financial statements pursuant to legislation	8	7
The audit of the company's subsidiaries financial statements pursuant to legislation	421	383
Total audit fees	429	390
Tax compliance services	15	1
Other taxation advisory services	28	55
Other services	60	44
Total non-audit fees	103	100

Fees payable for audit of subsidiaries in the current year includes amounts in respect of incremental 2022 fees.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

7. Tax on profit

	Group 2023 £'000	Group 2022 £'000
Current tax:		
Group relief	8,863	339
Adjustment in respect of prior years	8,591	(655)
Total current tax charge/(credit)	17,454	(316)
Deferred tax:		
Origination and reversal of timing differences	2,268	31,690
Rate change	-	12,465
Total deferred tax (note 20)	2,268	44,155
Share of joint ventures' tax	(68)	114
Total tax on profit	19,654	43,953

Reconciliation of total tax charge

Tax charge on profit at standard UK corporation tax rate of 19% (2022: 19%)	4,049	20,153
Expenses not deductible for tax purposes	6,786	2,967
Non-taxable revaluation of investments	-	285
Rate difference on overseas profits	(183)	(126)
Adjustments in respect of prior years	9,786	(650)
Share of joint ventures	455	47
Deferred tax effect of changes in statutory tax rates	-	12,465
Unrecognised movement on deferred tax in relation to investment property	4,462	(7,567)
Unrecognised movement on deferred tax in relation to losses	(9,006)	12,281
Non-taxable dividend income	(57)	(57)
Difference in tax rate on current year deferred tax	3,362	4,155
Total tax charge	19,654	43,953

The standard rate of tax applied to the reported profits is 19% (2022: 19%).

8. Particulars of staff

The group and the company have no employees other than the directors (2022: same) and no key management personnel other than the directors. Employees are held in another group company and associated costs are recharged.

9. Directors' remuneration

The remuneration of directors of the company was as follows:

	2023 £'000	2022 £'000
Emoluments	173	159
Company contributions to personal pension scheme	10	9
Total	183	168

The number of directors participating in the company's money purchase pension scheme is nil (2022: 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. Investment properties

	Freehold £'000	Group Long leasehold £'000	Total £'000
Valuation:			
At 1 April 2022	1,337,679	32,782	1,370,461
Additions	25,756	1	25,757
Disposals	(31,256)	-	(31,256)
Lease incentives	391	31	422
Transfer to related party (note 28)	(2,850)	-	(2,850)
Revaluations	45,415	(138)	45,277
Exchange adjustments	4,275	-	4,275
At 31 March 2023	1,379,410	32,676	1,412,086
Professional Valuation:			
March 2023 – External	1,076,132	29,150	1,101,832
March 2023 – Directors	303,278	3,526	310,254
	1,379,410	32,676	1,412,086

The historical cost to the group of all investment properties is £922,895,000 (2022: £920,818,000).

Capitalised interest

Investment properties include capitalised interest in aggregate amounting to £2,049,000 (2022: £2,049,000).

Notes to the Financial Statements *continued*

10. Investment properties *continued*

Valuations

78% (2022: 82%) 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.

46% of the investment property portfolio was professionally valued by Jones Lang LaSalle, RICS qualified property consultants, using the investment approach.

28% of the investment property portfolio was professionally valued by Savills, RICS qualified property consultants, using the investment approach.

4% 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:

	2023	2022
	£'000	£'000
Jones Lang LaSalle	651,300	596,370
Savills	398,540	427,901
Carter Jonas	51,992	41,425
Bermuda Realty Company Limited	-	56,042
	1,101,832	1,121,738

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 £1,347,867,000 (2022: £1,307,249,000) 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***11. Other fixed assets**

	Operational buildings £'000	Group Plant and vehicles £'000	Total £'000
Cost or valuation:			
At 1 April 2022	61,479	7,253	68,732
Additions	1,133	61	1,194
Disposals	(6,029)	-	(6,029)
Revaluations	(6,526)	-	(6,526)
Foreign exchange adjustments	-	603	603
At 31 March 2023	50,057	7,917	57,974
Depreciation:			
At 1 April 2022	4,392	3,803	8,195
Charge for the financial year	1,608	642	2,250
Revaluations	(1,608)	-	(1,608)
Foreign exchange adjustments	-	365	365
At 31 March 2023	4,392	4,810	9,202
Net Book Value:			
At 31 March 2023	45,665	3,107	48,772
At 31 March 2022	57,087	3,450	60,537

The historical cost to the group of operational buildings is £39,256,000 (2022: £46,880,000).

All other fixed assets other than operational buildings at 31 March 2023 are held at depreciated historical cost to the group.

At 31 March 2023 operational buildings are all freehold.

Valuations

Some of the group's operational buildings were externally valued at 31 March 2023 comprising 63% of the portfolio (2022: 62%) 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.

49% 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.

5% of the operational buildings portfolio was professionally valued by Savills, 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.

Notes to the Financial Statements *continued*

11. Other fixed assets *continued*

Valuations *continued*

An operational wind farm forming 9% of the operational buildings portfolio has been professionally valued by Carter Jonas, RICS qualified property consultants and wind surveyors, at 31 March 2023 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 10 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:

	2023	2022
	£'000	£'000
Jones Lang LaSalle	22,300	27,400
Carter Jonas	3,900	4,425
Savills	2,500	3,400
	28,700	35,225

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments

Investments comprise:

	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Joint ventures	10,700	12,080	1,087	1,087
Fixed asset investments	-	-	657,071	778,016
	10,700	12,080	658,158	779,103

(a) Joint ventures

	Group £'000
Carrying value before impairment	
At 1 April 2022	13,647
Net new loans	1,601
Share of operating result for the year	(385)
Distribution received	(300)
Share of interest payable for the year	(441)
Share of interest receivable for the year	77
Share of tax for the year	68
At 31 March 2023	14,267
Impairment:	
At 1 April 2022	1,567
Impairment of loan	2,000
At 31 March 2023	3,567
Net carrying value:	
At 31 March 2023	10,700
At 31 March 2022	12,080

Investment in joint ventures represents:

	Group 2023 £'000	Group 2022 £'000
Group share of net assets	1,808	2,789
Amounts owed by joint ventures	8,892	9,291
	10,700	12,080

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 SONIA plus 2% to 10% (2022: same).

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(b) Parent company

	Shares in subsidiary undertakings £'000	Loans to Joint ventures £'000	Total £'000
Cost:			
At 1 April 2022 and at 31 March 2023	1,135,974	1,087	1,137,061
Impairment:			
At 1 April 2022	357,958	-	357,958
In the year	120,945	-	120,945
At 31 March 2023	478,903	-	478,903
Net Book Value:			
At 31 March 2023	657,071	1,087	658,158
At 31 March 2022	778,016	1,087	779,103

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

Merger with subsidiary undertaking

In the prior financial year on 8 April 2022 Peel L&P Holdings (UK) Limited purchased Trafford Palazzo Limited for consideration of £51,675,000 which was satisfied by via intercompany loan. The transaction resulted in a final merger reserve of £2,764,000.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) 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 2023, 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 Holdings (Land and Property) Limited **	Holding company
England & Wales	Peel Land and Property Investments plc	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	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	Property investment
England & Wales	Peel Land and Property Holdings 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
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 **	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	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

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) Fixed asset investments *continued*

Subsidiary undertakings *continued*

Incorporated	Company	Principal Activities
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	Letta Limited (formerly Peel Venus 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
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
Bermuda	Washington Properties (Bermuda) Limited	Property investment
England & Wales	Blundell's Wood Management Company Limited	Dormant
England & Wales	Hilton Lane Management Company Limited	Management of service charges
England & Wales	Imagine Park Management Company Limited	Management of service charges
England & Wales	Principal Management Company Limited	Dormant
England & Wales	Rosfield Park Management Company Limited	Management of service charges
England & Wales	The Bridgewater Centre Management Company Limited	Management of service charges
England & Wales	Wirral Waters Land No. 1 Limited	Property development
England & Wales	Mediacity:UK Limited	Dormant
England & Wales	Port Salford Developments No 1 Limited	Dormant

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) 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	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
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	Manchester Heliport Limited	Dormant
England & Wales	Reddington Finance Limited	Dormant
England & Wales	Reddington Holdings Limited	Dormant
England & Wales	Ayrshire Power Limited	Dormant

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) Fixed asset investments *continued*

Subsidiary undertakings *continued*

Incorporated	Company	Principal Activities
England & Wales	Peel L&P Scout Moor Services Limited	Dormant
England & Wales	Peel L&P Wind Farms (Asfordby) Limited	Dormant
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 11 Limited	Dormant
England & Wales	Peel NRE Wind Farms (FIT) Limited	Wind farm development
England & Wales	Wirral Waters Finance Limited **	Provision of finance
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
England & Wales	Trafford Palazzo Limited	Property investment and operation of a retail centre
England & Wales	NW Hydrogen Alliance Limited	Engineering Consulting
England & Wales	Gateway East Finance Limited	Property development
England & Wales	Trafford Waters Finance Limited	Property development
England & Wales	Peel L&P Gas and Oil Holdings Limited	Holding company
England & Wales	Peel L&P Gas and Oil (Services) Limited	Dormant
England & Wales	Peel L&P Gas and Oil (Investments) Limited	Holding company
England & Wales	Peel L&P Gas and Oil Limited	Dormant
England & Wales	Peel NRE Energy (Barton) Limited	Dormant
England & Wales	Moorland Wind Holdings Limited	Holding company
England & Wales	Scout Moor Wind Farm Expansion Limited	Dormant
England & Wales	Ayrshire Power Holdings Limited	Holding company
England & Wales	Blundell's Wood Management Company Limited	Dormant
England & Wales	Protos Finance 2 Limited	Provision of finance

* 80% owned

** directly owned.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) Fixed asset investments *continued*

Joint Ventures

The joint ventures as at 31 March 2023 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 A	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*

12. Investments *continued*

(c) Fixed asset investments *continued*

Audit exemption

The subsidiary undertakings also consolidated at 31 March 2023, 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	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	Peel L&P Land (Intermediate) Limited	06495537	Property investment
England & Wales	Peel L&P Investments (North) Limited	00187724	Property investment
England & Wales	Peel L&P Developments Limited	01798783	Property investment
England & Wales	Peel L&P (Ports) Limited	05892787	Property investment
England & Wales	Princes Dock Development Company Limited	03314050	Property investment
England & Wales	The Bridgewater Canal Company Limited	06805592	Operation and management of canals
England & Wales	Peel NRE Limited	04480419	Waste and mineral asset management
England & Wales	Peel L&P Land Holdings Limited	06495540	Holding company
England & Wales	Peel L&P Property Intermediate Limited	08314302	Property investment and holding company
Scotland	Glasgow Harbour Limited	SC193933	Property investment and development
Scotland	Glasgow Harbour Management Limited	SC222102	Property investment and development
Scotland	Glasgow Harbour (Byron Street) Limited	SC223866	Property investment and development
Scotland	Glasgow Harbour Developments Limited	SC237880	Property investment and development
England & Wales	Seaforth Wind Farm Limited	02183445	Operation of wind farm
England & Wales	Peel Airports (Liverpool) Limited	02385999	Property investment
England & Wales	Port Salford Developments (Rhenus) Limited	10031630	Project management
England & Wales	Peel L&P Investments (U.K.) Limited	05060257	Holding company
England & Wales	Peel NRE Energy (Barton) Limited	07953045	Dormant
England & Wales	Moorland Wind Holdings Limited	08815265	Holding company
England & Wales	Scout Moor Wind Farm Expansion Limited	07075117	Dormant
England & Wales	Peel L&P Holdings (Overseas) Limited**	06497121	Holding company
England & Wales	Peel L&P Overseas Limited	02023817	Holding company
England & Wales	Peel L&P Investments and Property Limited**	09246810	Property investment
Scotland	Peel Land and Property (Greenock Harbours) Limited	SC340250	Property trading and rental
England & Wales	Port Salford Land Limited	09359375	Property development
England & Wales	Peel L&P Limited	05060255	Holding company
England & Wales	Protos Finance Limited **	11412770	Provision of finance
England & Wales	Peel Land and Property Holdings Limited	05687947	Holding company
England & Wales	Port Salford Holdings Limited **	8430318	Property development
England & Wales	Protos Grid Company Limited	12051181	Property development

** directly owned.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

12. Investments *continued*

(c) Fixed asset investments *continued*

Audit exemption *continued*

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.

13. Loans to group undertakings

	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Amounts owed by subsidiary undertakings	-	-	42,736	28,400

Amounts included above carry interest at 1.5% (2022: 1.5%) above the base rate.

All intercompany balances are legally repayable on demand but the nature of the loans to group undertakings is that they are long-term assets which are not intended to be recalled within the next twelve months.

14. Stocks

	Group 2023 £'000	Group 2022 £'000
Land held for development	191,171	190,168

The replacement cost of the above stock is estimated to be £230,699,000 (2022: £229,072,000).

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*

15. Debtors

	Note	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Trade debtors		23,430	20,462	163	13
Amounts owed by subsidiary undertakings		-	-	650	654
Amounts owed by fellow group undertakings		12,987	2,768	2,378	-
Amounts owed by related parties		4,012	310	33	33
Other debtors		30,108	27,244	4,566	16
Development deposits and prepaid costs		5,610	10,643	-	-
Prepayments and accrued income		17,790	13,302	4,626	2,860
Derivatives	22	7,914	-	-	-
Corporation tax recoverable		2	-	-	-
		101,853	74,729	12,416	3,576

Debtors above include the following:

Other debtors	18,164	-	4,529	-
Amounts falling due after more than one year: Derivatives	7,914	-	-	-
	26,078	-	4,529	-

Included in Other debtors are the following amounts held on deposit due to lenders in accordance with the facilities.

Trade debtors are presented net of provisions for impairment of £340,000 (2022: £332,000).

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.

16. Cash at bank and in hand

	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Unrestricted cash	46,547	45,427	2,565	3
Restricted cash	147	703	-	-
	46,694	46,130	2,565	3

Restricted cash

£147,000 (2022: £703,000) of restricted cash arises due to interest or capital payment guarantees under the group's banking facilities.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

17. Creditors: amounts falling due within one year

	Note	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Overdrafts		6,221	11,618	-	2,880
Unsecured bank loans		-	1,279	-	-
Secured bank loans		12,409	3,696	8,480	-
Secured other loans		19,951	10,068	3,241	-
Finance leases	19(b)	1,187	1,200	1,187	1,200
Debt falling due within one year		39,768	27,861	12,908	4,080
Trade creditors		26,669	14,279	38	154
Amounts owed to subsidiary undertakings		-	-	333,953	307,484
Amounts owed to fellow group undertakings		202,352	166,400	-	-
Amounts owed to related parties		130	49	8	8
Other taxes and social security		14	38	-	-
Government grants		1,250	-	1,250	-
Other creditors		14,047	17,494	842	1,019
Accruals		31,344	24,736	1,296	2,026
Development costs to site completion		4,929	4,929	-	-
Deferred income		33,792	27,062	-	-
		354,295	282,848	350,295	314,771

Details of security, interest rates and repayment dates on the above borrowings are disclosed in note 19.

Included above are the following amounts which carry interest at 1.5% (2022: 1.5%) above the base rate:

	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Amounts owed to group undertakings	181,058	164,885	331,630	382,386

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.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

18. Creditors: amounts falling due after more than one year

	Note	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
First Mortgage Debenture Stocks		323,816	324,931	-	-
Secured bank loans		456,140	462,046	3,311	-
Secured other loans		11,440	13,257	-	-
Finance leases	19(b)	675	2,411	675	2,411
Debt falling due after more than one year		792,071	802,645	3,986	2,411
Government grants		350	350	-	-
Derivative financial instruments	22	-	89	-	-
		792,421	803,084	3,986	2,411

Details of security, interest rates and repayment dates on the above borrowings are disclosed in note 19.

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

Derivatives shown above represent the total amount of financial liabilities measured at fair value through profit or loss at the reporting date.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

19. Group debt

(a) Analysis of group net debt

	Group 2023 £'000	Group 2022 £'000
Creditors: amounts falling due within one year	39,768	27,861
Creditors: amounts falling due after more than one year	792,071	802,645
Gross debt	831,839	830,506
Cash at bank and in hand	(46,694)	(46,130)
Group net debt	785,145	784,376

(b) Analysis of gross debt

Finance leases

	Group 2023 £'000	Group 2022 £'000	Parent Company 2023 £'000	Parent Company 2022 £'000
Finance leases due:				
Within 1 year	1,187	1,200	1,187	1,200
1–2 years	436	1,216	436	1,216
2–5 years	239	967	239	967
After 5 years	-	228	-	228
	1,862	3,611	1,862	3,611

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

Other debt

	Group 2023 £'000	Group 2022 £'000
Overdrafts, bank and other loans due:		
Within 1 year	38,581	26,661
1–2 years	8,494	3,585
2–5 years	383,162	395,445
	430,237	425,691
After five years – by instalments	16,052	20,681
After five years – not by instalments	383,688	380,523
	829,977	826,895
Total gross debt	831,839	830,506

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

19. Group debt *continued*

(b) Analysis of gross debt *continued*

Analysis of group loans

	Interest rate	Maturing	Secured/ unsecured	Carrying value 2023 £'000	Carrying value 2022 £'000
First Mortgage Debenture Stock	10.0%	2026	Secured	114,222	115,455
First Mortgage Debenture Stock	8.375%	2040	Secured	209,594	209,476
Revolving credit facility of £300m	SONIA plus 2.75% margin	2025	Secured	252,011	254,427
Bilateral loan	6.40%	2031	Secured	172,774	175,662
Bilateral loan	4.66%	2031	Secured	35,283	35,653
Non-bank loan	EC Reference rate plus margin	2022	Secured	-	5,500
Non-bank loan	SONIA plus margin 3.5%	2024	Secured	3,282	3,282
Non-bank loan	3.02%	2023	Secured	3,500	3,500
Non-bank loan	EC Reference rate plus margin 3.5%	2024	Secured	9,244	2,837
Non-bank loan	EC Reference rate plus margin 4%	2024	Secured	2,136	8,206
Non-bank loan	Base rate plus margin 2%	2023	Secured	3,135	-
Non-bank loan	EC Reference rate plus margin 3.75%	2027	Secured	3,545	-
Non-bank loan	2.82%	2047	Secured	3,309	-
Bank loan	SONIA plus 2.75%	2024	Secured	8,480	-
Non-bank loan	4.5%	2023	Secured	3,241	-
Total group loans				823,756	813,998
Finance leases				1,862	3,611
Unsecured bank loans and overdrafts				6,221	12,897
Gross debt, above				831,839	830,506

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 2023 of £785.1m (2022: £784.4m) produced a gearing ratio of net debt to shareholders' funds at 140% (2022: 141%).

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 2023 the group had unused bank facilities of £5.6m (2022: £13.5m).

The total amount of financial liabilities measured at amortised cost at the reporting date is £696.3m (2022: £689.5m).

The bank loans are secured on freehold properties of certain subsidiary undertakings with a carrying value of £1,376.6m (2022: £1,348.5m). The terms of the loans restrict the group from making significant acquisitions or disposals without the consent of the lender.

The present market value of the group's debenture stocks as at 31 March 2023 shows a post-tax "mark to market" value of £10.9m deficit under book value (2022: £1.5m).

Non-bank loans are from local government or private investments firms

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

19. Group debt *continued*

(c) Analysis of movement in group net debt

	1 April 2022 £'000	Cash flow £'000	Non-cash adjustments £'000	Reclass £'000	31 March 2023 £'000
Cash at bank	45,427	954	166	-	46,547
Restricted cash	703	(556)	-	-	147
	46,130	398	166	-	46,694
Overdrafts	(11,618)	5,397	-	-	(6,221)
Total cash	34,512	5,795	166	-	40,473
Debt due within one year (excluding overdrafts)	(16,243)	(12,734)	-	(4,570)	(33,547)
Debt due after more than one year	(802,645)	7,014	(1,010)	4,570	(792,071)
Net debt	(784,376)	75	(844)	-	(785,145)

Non-cash adjustments are exchange rate movements, amortised loan arrangement fees and new finance leases.

20. Provisions for liabilities

	Deferred Taxation £'000	Legal Claim £'000	Electricity dispute £'000	Rent concessions £'000	Maintenance costs £'000	Group Total £'000
At 1 April 2022	89,795	4,000	3,000	1,496	12,627	110,918
Profit and loss account	2,268	-	-	(731)	(333)	1,204
Credited to other comprehensive income	(1,266)	-	-	-	-	(1,266)
Released unused	-	-	-	-	(5,053)	(5,053)
At 31 March 2023	90,797	4,000	3,000	765	7,241	105,803

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. The costs are written off as incurred over an anticipated period of 117 years.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

20. Provisions for liabilities *continued*

Provision is made for deferred taxation at a rate of 25% (2022: 25%), the amount provided being:

	Group 2023 £'000	Group 2022 £'000
Capitalised land remediation relief	1,014	1,014
Capitalised interest	4,449	4,449
Interest rate swaps	1,979	(20)
Revalued investment properties	120,520	106,857
Revalued operational assets	4,907	6,173
Fixed asset timing differences	14,218	12,805
Short term timing differences	(3,077)	(3,325)
Losses	(53,213)	(38,158)
	90,797	89,795

There is an unrecognised deferred tax asset relating to tax losses of £503,000 (2022: £1,931,000). 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 was substantively enacted as at 31 March 2023, deferred tax balances are measured at a rate of 25%.

During the year commencing 1 April 2023, the net reversal of deferred tax liabilities is expected to decrease the corporation tax charge for the year by £6.3m. 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.

21. Operating leases

Operating lease receivables

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

	2023 £'000	2022 £'000
Receipts due within:		
1 year	59,745	59,709
1 – 5 years	185,478	178,554
Over 5 years	2,591,830	2,575,413
	2,837,053	2,813,676

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

22. Derivative financial instruments

	Current		Non-current	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Derivatives that are designed and effective as hedging instruments carried at fair value				
(Assets)/liabilities				
Interest rate swaps measured at fair value	-	-	(7,914)	89

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	
	2023	2022	2023	2022	2023	2022
	%	%	£'000	£'000	£'000	£'000
2 to 5 years	2.29	2.29	225,000	225,000	7,914	(89)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' SONIA. 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 £8m (2022: £11.9m) was recognised in the profit and loss account on movements in the value of swaps in the year.

23. Called up share capital and reserves

	Group and Parent Company	
	Number	£'000
Allotted and fully paid		
Equity share capital		
Ordinary shares of £1 each:		
At 1 April 2022 and at 31 March 2023	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.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

24. Non-controlling interests

	Equity	Group Non- equity	Total
	£'000	£'000	£'000
At 1 April 2022 and at 31 March 2023	1	(4)	(3)

25. Note to the group cash flow statement

	2023 £'000	2022 £'000
Reconciliation of operating profit to cash generated by operations		
Group operating profit	71,625	137,554
Non-cash adjustments:		
Revaluation surplus on investment properties	(45,277)	(91,411)
Creation less amortisation of lease incentives	(422)	(2,944)
Depreciation of other fixed assets	2,250	3,209
Amounts written off stock and investments	7,803	7,890
Decrease in provisions	(6,117)	(1,407)
Operating cash flow before movement in working capital	29,862	52,891
Movement in stocks	(6,806)	19,294
Movement in debtors	33,540	(4,148)
Movement in creditors	(17,508)	(15,264)
Net cash flows from operating activities	39,088	52,773

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

26. Capital commitments

(a) Committed by the group

	Group 2023 £'000	Group 2022 £'000
Capital expenditure contracted for but not provided for in these financial statements	19,240	21,823

(b) Committed by joint ventures

	Joint ventures 2023 £'000	Joint ventures 2022 £'000
Capital expenditure contracted for but not provided for in these financial statements	2,000	2,000

(c) Group share of amount committed by joint ventures

	Group share 2023 £'000	Group share 2022 £'000
Capital expenditure contracted for but not provided for in these financial statements	1,000	1,000

27. Contingent liabilities

- (a) As at 31 March 2023, the group's banks had provided road bonds and guarantees amounting to £1.7m (2022: £1.9m).
- (b) As at 31 March 2023 subsidiary company Peel Holdings (Land and Property) Limited had guaranteed a £5m (2022: £5m) loan made available to 50% owned associated company James Watt Dock LLP. The loan balance at 31 March 2023 was £3.5m (2022: £3.4m).
- (c) As at 31 March 2023 Peel L&P Holdings (UK) Limited had guaranteed a £11.0m (2022: £10.9m) loan made available to fellow subsidiary Mersey Heat Limited.
- (d) As at 31 March 2023 Peel L&P Holdings (UK) Limited had guaranteed the overdraft facility of £0.5m (2022: £0.5m) for fellow subsidiaries Peel Media Hotels Limited and Peel Leisure Operations No. 1 Limited.
- (e) As at 31 March 2023 Peel L&P Holdings (UK) Limited had guaranteed a £9m (2022: £nil) warranty made available to 50% owned associated company USP WW Limited. The loan balance at 31 March 2023 was £4.9m (2022: £3.5m).

No security has been given respect of the above.

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

28. Related party transactions

(a) During the year the group made loans, net of repayments, to its joint ventures as follows:

	Balance at 1 April 2022 £'000	Net new loans in the year £'000	Impairment in the year £'000	Balance at 31 March 2023 £'000
Peel Lamp Properties Limited	146	-	-	146
James Watt Dock LLP	3,385	130	-	3,515
Liverpool Airport Property Holdings Limited	1,338	-	-	1,338
USP WW Limited	2,000	1,461	(2,000)	1,461
TFGM Peel Wharfside 1 LLP	2,097	3	-	2,100
TFGM Peel Wharfside 2 LLP	325	(3)	-	322
Protos 33 Limited	-	10	-	10
Total joint venture loans	9,291	1,601	(2,000)	8,892

The loan balances are included in investments.

(b) During the year to 31 March 2023, 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 2023 £'000	Balance at 31 March 2023 £'000	Transactions in the year ended 31 March 2022 £'000	Balance at 31 March 2022 £'000
Companies in the Peel Ports Holdings (CI) Limited group of companies	Provision of services	See below (i)	757	122	2,357	247
Companies in the Leep Utilities Topco Limited group of companies.	Provision of services	See below (ii)	3,876	3,845	209	10
USP WW Limited	Provision of services	See below (iii)	-	10	25	10
Companies in the Peel Holdings (Media) Limited group of companies	Provision of services	See below (iv)	-	33	-	33
Peel Lamp Properties Limited	Provision of services	See below (v)	-	2	-	2
Tokenhouse Investments Limited Staff Retirement Benefit Plan	Provision of services	See below (vi)	-	-	-	8
Tokenhouse Investments Limited Staff Retirement Benefit Plan	Disposal of investment property	See below (vi)	2,850	-	-	-
Total			7,483	4,012	2,591	310

PEEL L&P HOLDINGS (UK) LIMITED

Notes to the Financial Statements *continued*

28. Related party transactions *continued*

(b) *continued*

- (i) Peel Ports Holdings (CI) Limited is owned 37.575% by a group associate.
- (ii) Leep Utilities Topco Limited is owned 10% (2022: 10%) by a group associate.
- (iii) USP WW Limited is a 50% owned Joint Venture.
- (iv) Peel Holdings (Media) Limited is a portfolio investment.
- (v) Peel Lamp Properties Limited is a 50% owned joint venture.
- (vi) The principal employer of Tokenhouse Investments Limited Staff Retirement Benefit Plan is under common control with the group.

(c) During the year to 31 March 2023, 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 2023 £'000	Balance at 31 March 2023 £'000	Transactions in the year ended 31 March 2022 £'000	Balance at 31 March 2022 £'000
Companies in the Peel Ports Holdings (CI) Limited group of companies	Services	See above (i)	-	-	775	16
Companies in the Leep Utilities Topco Limited group of companies.	Services	See above (ii)	1,423	54	535	-
Tokenhouse Investments Limited Staff Retirement Benefit Plan	Services	See above (vi)	40	76	33	33
Total			1,463	130	1,343	49

29. Ultimate parent company

The ultimate parent company in the period to 31 March 2023 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.