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Company Registration No. 06497115

PEEL HOLDINGS LAND AND PROPERTY (UK)
LIMITED

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015



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PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Contents

Directors, Principal Professional Advisers and Registered Office	2
Strategic Report	3
Report of the Directors	8
Independent Auditors' Report	10
Group Profit and Loss Account	11
Balance Sheets	12
Group Cash Flow Statement, Group Reconciliation of Cash Flow to Movement in Net Debt	13
Statement of Total Recognised Group Gains and Losses, Note of Group Historical Cost Profits and Losses, Reconciliation of Movements in Group Shareholders' Funds	14
Notes to the Accounts	15
Subsidiary Undertakings and Joint Ventures	37

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Directors, Principal Professional Advisers and Registered Office

Directors:

John Whittaker
Steven Underwood, A.C.A.
Paul P. Wainscott, A.C.I.S.
Neil Lees, A.C.I.S.
Peter Hosker, LL.B

Secretary:

Neil Lees, A.C.I.S.

**Registered Office
and Head Office:**

Peel Dome
The Trafford Centre
Manchester
M17 8PL

Registered Number:

06497115

Auditors:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

Bankers:

Lloyds TSB Bank plc
The Royal Bank of Scotland plc
Bank of Scotland plc
Barclays Bank plc
HSBC plc
Aviva Commercial Finance Limited
Santander plc

Property Valuers:

Jones Lang LaSalle
Cushman and Wakefield
Bermuda Realty Company

Strategic Report for the year ended 31 March 2015

The directors submit their strategic report of the group for the year ended 31 March 2015.

Principal activities

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

The subsidiary undertakings, joint ventures and audit exempt companies are listed on pages 37 to 40.

Review of business, developments and prospects

Group

The principal strategies of the Peel Holdings Land and Property (UK) Limited group (the 'Group') continue to be to increase the net asset value and rental income of the land and property asset portfolio and to generate positive cash flow for reinvestment and continual asset growth.

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

	2015	2014
	£'000	£'000
Annualised rent roll	70,367	70,571
Operating profit	26,181	31,800
Income from property sales	60,985	51,871
Capital expenditure	69,664	50,846
Net debt	868,540	885,372
Overall loan to value	59.5%	58.7%
Shareholder's funds	522,431	544,789

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

The Group comprises several underlying businesses which are managed by the directors in accordance with either the geographic location of the assets owned or the nature of the asset class. The businesses which this gives rise to include Retail Parks, Logistics, Liverpool and Wirral Waters, Chatham Waters, Land and Planning, land and property surrounding into Trafford Centre known as Trafford Waters and Environmental. Further information on these businesses which form the core of the Group is given below:

Retail Parks

The Group owns and manages a retail park portfolio comprising 2.2m sq ft across 11 strategic UK locations. The portfolio benefits from 176 occupations and an occupancy rate of 77.7%. During the year ended 31 March 2015 there were 6 new lettings within the portfolio, totalling 83,702 sq ft adding £501,836 of initial annual rent to the portfolio rent roll.

Following the identification of value accretive asset management and development opportunity there was a significant amount of pre-letting activity during the year ending 31 March 2015. There were a further 13 lettings agreed, totalling 193,447sq ft, with a potential of £3.0m of initial annual rent.

During the year £18.35m of strategic capital recycling was completed in order to fund the healthy letting and development pipeline. The Peel Centre, Blackburn and part of the Peel Centre, Brislington was sold during the year for combined proceeds of £18.4m.

Major projects commenced in the year include the refurbishment of a 60,000 sq ft of existing retail floor space at The Peel Centre, Hyndburn, the development of a 3,600sq ft Nando's restaurant at The Peel Centre Straiton, the development of a 3,000sq ft Nando's restaurant unit at Trafford Retail Park, Manchester, the development of a 3,000 sq ft food and beverage provision at The Peel Centre Yeovil and the reconfiguration of 46,000 sq ft of existing retail floorspace at The Peel Centre Washington.

Strategic Report *continued*

Retail Parks (continued)

Notable planning successes during the year ended 31 March 2015 include the consent for a 72,000 sq ft of non-food retail warehousing and a coffee drive thru provision for land adjoining Trafford Retail Park, Manchester. In addition consent for 35,000 sq ft and 25,000 sq ft of Open A1 with 30% food was obtained through a change of use application at Peel Centre Barnsley and Gloucester respectively.

The retail park portfolio was valued at £415.3m at 31 March 2015 (2014:£436.1m) with £18.35m of capital disposal and had a passing rent of £23.9m (2014: £25.6m).

Logistics

Peel Logistics is a strategic marketing alliance between the Peel Group, Peel Ports and Harworth Estates. This marketing alliance covers over 6,000 acres of land approaching 70 landholdings throughout the UK.

This initiative covers high profile sites such as Port Salford a multi modal opportunity where construction is to shortly commence on a new 280,000 sq ft ambient distribution facility let to a logistics operator and who will utilise the connectivity of the Manchester Ship Canal to move containers from the soon to be operational £300m Liverpool 2 Port facility to the new facility at Port Salford saving both road miles and resulting in carbon reduction to the business.

Another key site is Liverpool International Business Park, Speke where a planning application for a new 175,000 sq ft distribution facility has recently been submitted, Peel Logistics are investing in key strategic sites to ensure they are 'oven ready' where both planning consents and site enabling works are completed to ensure that Peel Logistics is well positioned to react to the increasing demands on delivery timescales by the occupational market and Liverpool International Business Park is a prime example of this.

The Knowsley 700 site was integrated into the Peel Logistics portfolio during the year and a planning application for over 700,000 sq ft of warehousing/ distribution accommodation is to be shortly submitted.

The sale of the 5 acre landholding at Hareshill distribution park, Bury for £1.4 m was completed in the financial year and the purchaser will shortly be on site with a 100,000 sq ft warehouse, this is being developed speculatively.

Conditional contracts have been exchanged at Calder Park, Wakefield for the sale of a 4 acre plot for £2.2 m to develop a new 50,000 sq ft HQ on the park whilst a further land sale to a fast food operator for £425,000 will further enhance the amenity provision on the site.

At Robin Hood Airport Doncaster solicitors have been instructed on the disposal of a 2.5 acre plot of land which subject to grant funding will see a local developer build out 40,000 sq ft of speculative warehousing accommodation, the FARRRS link road is currently under construction which will further enhance the attractiveness of the landholding which has planning consent for approaching 1 m sq ft of industrial/ distribution development.

Peel Logistics key aim is to move strategic landholdings through the planning system and bring forwards for development capitalising on a buoyant sector, across the above 3 strategic partners landholdings there is currently over 1 m sq ft of development on site.

Chatham Waters

The Chatham Waters scheme is a development of the Chatham Docks in Medway, Kent and will provide an employment-led mixed use redevelopment of 26 acres of brownfield land comprising approximately 1.9m sq ft of offices, leisure, retail and residential uses. The scheme will provide economic, social and environmental regeneration in the Medway area and supports Medway Council's objectives in its Local Development Framework. The scheme was granted planning permission in 2012 and in June 2015 the first phase was completed comprising 73,000 sq ft supermarket and a 60,000 sq ft University Technical College along with significant infrastructure and environmental improvements.

Strategic Report *continued*

Liverpool Waters

In September 2013, outline planning consent was granted for approximately 18m sq ft of mixed use development over 150 acres all within the Mersey Waters Enterprise Zone and part within a World Heritage Site. The consent is for 32 years and requires no capital contributions to be made outside of the site boundary and is the largest project of its type in the UK to ever be given consent without a public inquiry. The scheme is an ambitious vision consisting of 88 individual buildings to transform the derelict part of the docks into a world class, high quality, mixed use waterfront quarter in central Liverpool. It is thought to be the largest port-city development in single ownership in Europe.

The marketing strategy is to raise the profile of Liverpool to attract investors, partners, purchasers and tenants nationally and internationally alongside securing public sector contributions for infrastructure and decontamination solutions. The Land and Property Group are working with the council and central government to secure a new cruise liner terminal, Isle of Man ferry terminal and cultural centre within Liverpool Waters.

Shortly after the year end a detailed planning application has been submitted for 100,000 sqft of offices and there is substantial interest in the site

As at 31 March 2015 Liverpool Waters property value is £123.2m (2014: £103.0m) and has a passing rent of £5.1m (2014: £5.1m).

Wirral Waters

Planning permission was granted for the Wirral Waters project in May 2012. This is the largest planning permission in the UK by consented floor area. Wirral Waters forms part of the Mersey Waters Enterprise Zone which was designated by DCLG in April 2011. Since receiving planning permission, the Wirral Waters strategy has been to prepare and remediate key sites; to facilitate the investment in infrastructure; to create 'oven ready' development parcels; and to bring forward a number of part publically funded building projects that catalyse the delivery of Wirral Waters. The strategy has been successful in leveraging in public investment including: ERDF funding for the remediation of West Float; Local Infrastructure Funding (via the HCA) for the remediation of the Mobil and Tower Road South sites; £1.5m of Setting the Scene for Growth funding for environmental improvements (via the Department for Business Innovation and Skills and the Forestry Commission); and £7.2m of funding (via the Skills Funding Agency) towards the development of a Further Education campus for Wirral Metropolitan College.

The Wirral Metropolitan College campus (38,000 sq ft) was completed in September 2015. This is the first building to be delivered within Wirral Waters. The Tower Wharf office building (40,000 sq ft) for an adjoining landowner will be completed in November 2015. Further development projects in the pipeline include: an industrial project that supports the energy sector at West Float, the Marine & Energy Park campus that is to be launched in Autumn 2015, the Maritime Knowledge Hub at the grade 2 listed Hydraulic Tower building, a new 40,000 sq ft office at Tower Road South and a 200 unit residential project at Northbank East.

Based on the 'live' projects a TIF-style (Tax Increment Fund) investment fund has been set up utilising the Enterprise Zone designation. This fund will address any viability gaps necessary to facilitate emerging projects.

The Group is working collaboratively with stakeholders including DCLG, BIS and the LEP to enable further activity in Wirral Waters. The Peel management team continues to drive down void rates within the existing built estate portfolio.

Properties at Wirral Waters were valued at £97m at 31 March 2015 (2014: £94.8m) and had a passing rent of £5m (2014: £5.1m).

Trafford City

Trafford City estate extends to approximately 550 acre and adjoins into Trafford Centre home to a number of retail and leisure destinations. The investment portfolio has a value as at 31 March 2015 of £235.7m (2014: £234.6m) and a rent roll of £12.65m (2014: £12.6m). The destination includes substantial development and redevelopment opportunities, Phase 1 being the Trafford Waters Scheme, that will include 3,000 residential units and 1m sq ft of commercial space and marine. Approximately £40m of road infrastructure improvement works to support the development are nearing completion.

Strategic Report *continued*

Land and Planning

Land and planning has had an excellent year of sales, achieving over £30m from 30 sales in the financial year which proved to be the most successful year that the team has achieved. The proceeds of sales are predominantly from the sale of housebuilding land to the volume house builders, which further evidences that the housebuilders are avidly gearing up to build more and boosting their land supply in response to the confident market that has returned. Five of the site sales were in excellent market locations in Greater Manchester proving that Greater Manchester itself is returning with confident activity.

Three sites from the 2011 framework agreement with a major housebuilder continue to build out successfully with the Group benefiting from steady receipts of substantial deferred instalment payments which continues to suit both companies. Sales of property and Build rates on these sites have continually exceeded forecasts, again boosting confidence in the market. This year the Group has also seen the return of the smaller bespoke builder with more sales of smaller sites in good market areas, this confidence and evident ability to access finance extends also to conversion opportunities and single plot sales.

The increased supply of consented residential land is keeping land prices level, there is more choice of land for sale in the market and the Group is now finding secondary locations are proving more difficult to sell, this however opens more opportunity to find partners and structure variable term deals going forward.

The Land and Property Group has lodged a high court action to defend one of the Group's 600 unit sites which was lost at appeal, this should be heard in late 2015. Several successes with planning gains were achieved over the period which will boost the supply of sites going forward. The Bridgewater canal continues to improve, in revenue and condition, operating at a profit it is a valued asset to the group.

The National Planning Policy Framework is still having a positive effect on the planning system, although the dramatic and positive effects did appear to have been diluted the closer the 2015 General Election became. The housing crisis continues to prevail and remain unresolved and general growth in the economy still needs to be boosted, so the government announcement that it will reinforce and use its powers embedded in NPPF to speed up the positive planning we require was very welcome. The group continues to engage on every level promoting growth through the planning system, National, Sub-Regional and Local.

The Chancellors Powerhouse for the North West is gaining momentum, and fits well with the Land and Property Group's Ocean Gateway and the Atlantic gateway concepts, which continue to drive forward growth. The Greater Manchester Framework and Devolution procedures continue to have an empowering impact on the North West and the group is fully engaged as a partner in setting the growth targets for the future.

Environmental

In the year to 31 March 2015 the business generated a turnover of £2.3m (2014: £2.3m) and an operating profit of £0.2m (2014: £0.6m). During the financial year a planning application for an anaerobic digestion facility at Fletcher Bank Quarry was refused, against officer recommendation, and a public inquiry held. The decision of the Secretary of State is awaited. IGas completed the drilling of an exploratory borehole on land at Ellesmere Port.

Results, financial performance and dividends

The group's results and financial position are set out in the profit and loss account and balance sheets on pages 11 and 12.

Turnover on continuing activities for the year totalled £81.4m (2014: £84.3m) and turnover on discontinued activities totalled £nil (2014: £0.3).

Operating profit for the year from continuing activities was £37.1m (2014: £33.0m).

Profit on the disposal of fixed assets of £13.6m (2014: £3.1m) arose from continuing activities.

The net interest charge for the year was £74.0m (2014: £71.0m).

Net loss for the year was £31.4m (2014: £35.3m).

Net assets of the group were £522.5m at 31 March 2015 compared to £544.8m at 31 March 2014.

The directors do not declare payment of a final dividend (2014: same).

Strategic Report *continued*

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 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 demand for commercial and residential property and the availability of funding from prospective buyers. This risk is mitigated by long leases;
- some variable rate debt is not fixed via interest rate swaps, leaving the group with exposure to interest rate fluctuations; and
- as part of normal trading operations, the group invests cash on short-term deposits 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.

Going concern

The directors have concluded, after making enquiries, they have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements.

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.

On behalf of the Board



N. Lees

Director

28 September 2015

Report of the Directors *for the year ended 31 March 2015*

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 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 Director's Report

The directors submit their annual report together with the audited financial statements of the group for the year ended 31 March 2015.

Other fixed assets

In the opinion of the directors, the carrying value of other fixed assets, as disclosed in note 11, is not significantly different from their market value as at 31 March 2015.

Share capital

Details of the share capital of the holding company are shown in note 19.

Directors

The directors who held office during the financial year and thereafter are:

J. Whittaker
P. P. Wainscott
S. Underwood
N. Lees
P. J. Hosker

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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable contributions

During the financial year, contributions by the group for charitable purposes totalled £410 (2014: £20,630). The group made no political contributions during the financial year (2014: same).

Employee involvement and health and safety at work

Regular meetings are held involving directors, managers and supervisory staff to convey information about the business. During the year, the company 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.

Report of the Directors *continued*

Employment of disabled persons

It is the policy of the group to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other group employees and if necessary, retraining is given to an employee who becomes disabled whilst in the group's employment.

Environment

The group is conscious of the impact of its operations on the environment. Necessary attention is given to environmental issues particularly when developing new projects, refurbishing existing properties and on possible acquisitions. Design consultants are encouraged to promote good environmental performance with consideration given to environmental risk, energy consumption, the use of environmentally friendly materials and the avoidance of materials hazardous to health.

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 auditors are 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 auditors are 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.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Results, financial performance and dividends

The directors do not declare payment of a final dividend (2014: same).

On behalf of the Board



N. Lees

Director

28 September 2015

Independent Auditor's Report to the members of Peel Holdings Land and Property (UK) Limited

We have audited the financial statements of Peel Holdings Land and Property (UK) Limited for the year ended 31 March 2015 which comprise the group profit and loss account, the group and holding company balance sheets, the group cash flow statement, the group reconciliation of cash flow to movement in net debt, the statement of total recognised group gains and losses, the note of group historical cost profits and losses, the reconciliation of movements in group shareholders' funds and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and the parent company as at 31 March 2015 and of the group loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

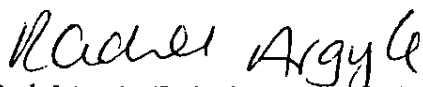
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.



Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
28 September 2015

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Group Profit and Loss Account *for the year ended 31 March 2015*

	Note	2015 £'000	2014 £'000
Turnover:	2		
Group turnover – continuing activities		81,458	84,273
Group turnover – discontinued activities		-	343
Share of joint venture		253	487
Turnover – including group's share of joint venture		81,711	85,103
Group operating profit/(loss):	2		
Group – continuing activities		37,076	33,011
Group – discontinued activities		-	(89)
Revaluation of investment property – permanent diminution		(11,501)	-
Share of joint venture		606	(1,122)
Operating profit – including group's share of joint venture		26,181	31,800
Profit on disposal of fixed assets	3	13,597	3,087
Profit on ordinary activities before interest and taxation	4	39,778	34,887
Net interest payable and similar charges	5	(73,974)	(70,988)
Loss on ordinary activities before taxation		(34,196)	(36,101)
Tax on loss on ordinary activities	6	2,623	421
Loss on ordinary activities after taxation		(31,573)	(35,680)
Minority interests	21	143	427
Loss for the financial year	20	(31,430)	(35,253)

The above results derive from continuing activities.

Movements in reserves are shown in note 20.

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

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Balance Sheets as at 31 March 2015

		Group	Group	Holding	Holding
		2015	2014	Company	Company
	Note	£'000	£'000	2015	2014
Intangible fixed assets	9	1,269	-	-	-
Fixed assets					
Tangible assets					
Investment properties	10	1,506,639	1,509,478	-	-
Other fixed assets	11	52,862	30,981	-	-
Joint ventures					
Share of gross assets		6,948	6,157	-	-
Share of gross liabilities		(4,567)	(4,382)	-	-
Loan accounts		3,467	3,450	-	-
	12(a)	5,848	5,225	-	-
Investments	12(b)	-	-	896,259	881,259
		1,566,618	1,545,684	896,259	881,259
Current assets					
Stocks	13	5,324	5,969	-	-
Debtors	14	59,813	48,337	127,095	133,086
Cash at bank and in hand -not restricted	17(a)	27,113	13,397	58	1
-restricted	17(a)	31,855	27,289	-	-
		124,105	94,992	127,153	133,087
Creditors (amounts falling due within one year)	15	(253,526)	(175,800)	(304,169)	(290,103)
Net current liabilities		(129,421)	(80,808)	(177,016)	(157,016)
Total assets less current liabilities		1,437,197	1,464,876	719,243	724,243
Creditors (amounts falling due after more than one year)	16	(905,364)	(905,072)	-	-
Provisions for liabilities	18	(9,301)	(15,015)	-	-
Net assets		522,532	544,789	719,243	724,243
Financed by capital and reserves					
Called-up share capital	19	406,260	406,260	406,260	406,260
Share premium account	20	525,258	525,258	525,258	525,258
Revaluation reserve	20	100,192	93,285	-	-
Merger reserve	20	3,225	3,225	-	-
Negative goodwill reserve	20	90,984	97,163	-	-
Other reserves	20	17,021	16,121	-	-
Profit and loss account	20	(620,509)	(598,495)	(212,275)	(207,275)
Shareholder's funds		522,431	542,817	-	724,243
Minority interests	21	101	1,972	-	-
Total capital employed		522,532	544,789	719,243	724,243

The financial statements for Peel Holdings Land and Property (UK) Limited, company number 06497115, were approved by the directors and authorised for issue on 28 September 2015.


N. Lees
Director

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

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Group Cash Flow Statement *for the year ended 31 March 2015*

		2015	2014
	Note	£'000	£'000
Cash inflow from operating activities	23(a)	93,290	112,116
Returns on investments and servicing of finance	23(b)	(73,803)	(68,966)
Taxation		(2)	(138)
Investment activities	23(c)	980	(1,221)
Acquisitions and disposals	23(d)	(4,241)	(179)
Cash inflow before management of liquid resources and financing		16,224	41,612
Management of liquid resources	23(e)	(7,930)	(20,203)
Financing	23(f)	(1,101)	(21,378)
Increase in cash in the year		7,193	31

Group Reconciliation of Cash Flow to Movement in Net Debt
for the year ended 31 March 2015

		2015	2014
	Note	£'000	£'000
Movement in cash in the year	17(d)	10,034	(1,880)
Movement in overdrafts	17(d)	(2,841)	2,090
Cash arising on acquisition	17(d)	-	(179)
	17(d)	7,193	31
Cash movement from management of liquid resources	17(d)	7,930	20,203
Net movement in other debt due within one year	17(d)	11,924	253,003
Net movement in debt due after more than one year	17(d)	(10,823)	(231,625)
Translation and other non-cash adjustments	17(d)	608	(264)
Change in net debt in the year		16,832	41,348
Net debt at 1 April 2014/1 April 2013	17(b)	(885,372)	(926,720)
Net debt at 31 March 2015/31 March 2014	17(b)	(868,540)	(885,372)

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

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Statement of Total Recognised Group Gains and Losses
for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial year		(31,430)	(35,253)
Other recognised gains and losses			
Unrealised net surplus on revaluation of investment property	20	4,635	9,920
Unrealised net surplus on revaluation of operational buildings	20	3,124	323
Unrealised surplus on disposal of operational business		-	750
Foreign exchange adjustments	20	3,285	(5,211)
Other recognised gains and losses for the financial year		11,044	5,782
Total recognised net group gains and losses for the financial year		(20,386)	(29,471)

Note of Group Historical Cost Profits and Losses
for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Reported loss on ordinary activities before taxation		(34,196)	(36,101)
Realised revaluation surplus/(deficit) on disposal of investment properties	20	719	(2,610)
Realisation of negative goodwill	20	6,179	2,287
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	20	113	783
Historical cost loss on ordinary activities before taxation		(27,185)	(35,641)
Historical cost absorbed loss for the financial year retained after taxation and minority interest		(24,149)	(34,793)

Reconciliation of Movements in Group Shareholders' Funds
for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial year		(31,430)	(35,253)
Other recognised gains and losses for the financial year		11,044	5,782
Merger reserve arising in the year		-	(285)
On acquisition of subsidiary		-	336
Net decrease in shareholders' funds		(20,386)	(29,420)
Shareholder's funds at 1 April 2014/1 April 2013		542,817	572,237
Shareholder's funds at 31 March 2015/31 March 2014		522,431	542,817

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

Notes to the Accounts

1. Accounting policies

The principal accounting policies are summarised below. The policies have been applied consistently throughout the year and the preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of fixed asset investment properties and listed investments and in accordance with applicable United Kingdom law and accounting standards, other than in respect of group reconstruction accounting in the circumstances referred to below.

Going concern

The directors have received confirmation that Peel Holdings Land and Property Group Limited ("Peel"), the group's holding company, will continue to provide the necessary level of support to enable it to continue to operate for the foreseeable future. In considering the ability of Peel 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's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

Group financial statements

The group financial statements consolidate the financial statements of the 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 6 'Acquisitions and Mergers' in order to meet the overriding requirement under section 404 of the Companies Act 2006 for financial statements to present a true and fair view following merger. 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.

Where a relevant transaction does not meet one of the conditions for merger accounting under the Companies Act 2006, namely that the fair value of any non-equity consideration must not exceed 10% of the nominal value of equity shares issued the directors consider that the alternative approach of acquisition accounting would not give a true and fair view of the group's results and financial position. 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. The directors consider that it is not practicable to quantify the effect of this departure from the Companies Act 2006 requirements.

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.

The group profit and loss account incorporates the group's share of the results of joint ventures. In the group balance sheet, the fixed asset investment in joint ventures represents the group's share of net assets of those undertakings.

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.

Intra-group turnover and profits are eliminated on consolidation.

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

Notes to the Accounts *continued*

1. Accounting policies *continued*

Goodwill

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

Negative goodwill represents the excess of the fair value of the separable net assets acquired over the consideration paid. The negative goodwill arose as a result of the acquisition of Peel Holdings group during the year ended 31 March 2005 and has been credited to a negative goodwill reserve. This is not in accordance with FRS 10 "Goodwill and Intangible Assets" which requires that negative goodwill should be presented as a negative balance immediately below the Goodwill heading on the balance sheet. Since the negative goodwill relates to investment properties which are neither depreciated nor held for resale, the negative goodwill could remain on the balance sheet as a negative asset indefinitely. The directors consider that the treatment required by FRS 10 "Goodwill and Intangible Assets" would not show a true and fair view, as it would not properly reflect the particular transaction or correctly state the net assets of the group. The treatment adopted is not inconsistent with the requirements of the Companies Act 2006. In the event of the disposal of relevant assets, this negative goodwill is transferred to the profit and loss reserve in the period in which the related assets acquired are disposed of.

Investment properties

Investment properties are revalued annually and included in the balance sheet at their open market value and, in accordance with SSAP19 'Accounting for Investment Properties' are not depreciated or amortised unless they relate to properties with an unexpired life of 20 years or less. This departure from the Statutory Accounting Rules is necessary for the financial statements to give a true and fair view in accordance with applicable United Kingdom accounting standards. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Surpluses or deficits arising from revaluation are transferred to the unrealised revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Realised revaluation surpluses representing the difference between historical cost and the asset's carrying value are reclassified by way of a transfer to profit and loss account reserve in the year in which the property disposal occurs.

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

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

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

Notes to the Accounts *continued*

1. Accounting policies *continued*

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.

Barter transactions

Turnover and costs in respect of barter transactions are recognised only where there is persuasive evidence of the value at which, if it had not been exchanged, the asset would have been sold for cash in a similar transaction.

Fixed asset investments

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

Investments in joint ventures are accounted for using the equity method. However, if joint ventures are considered to be material to the group, they are accounted for using the gross equity method.

Listed investments are stated at market value. Surpluses or deficits arising from revaluation are transferred to the unrealised revaluation reserve except where the deficits are below historical cost, in which case they are transferred to the profit and loss account.

Stocks

Stocks are stated at the lower of cost, including attributable overheads and capitalised interest, to the group or estimated net realisable value.

Notes to the Accounts *continued*

1. Accounting policies *continued*

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially 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 group'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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

Related party disclosures

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 "Related Party Disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Peel Holdings Group Limited group of companies.

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 through reserves. All other exchange differences are accounted for through the profit and loss account.

Turnover

Property rental income from investment property, environment and resource and telecommunications assets and the appropriate allocation of rental premiums are accounted for on an accruals basis and are recognised as the services are provided.

Utility services income represents amounts receivable for services provided net of trade discounts.

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

Turnover excludes sales related taxes.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to interest rate movements. The group does not hold or issue derivative financial instruments for speculative purposes. The interest is accounted for on an accruals basis.

Interest

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.

Pension costs

The cost of the group's money purchase pension arrangements are charged to the profit and loss account on the basis of contributions payable in respect of the accounting period.

Notes to the Accounts *continued*

1. Accounting policies *continued*

Leased assets

Assets acquired under finance leases are capitalised at a value equivalent to the cost incurred by the lessee and depreciated over their expected useful economic lives. Finance charges thereon are charged to the profit and loss account in the period in which they accrue. The capital element of the future lease payments is reflected within creditors.

Expenditure on operating leases is charged directly to the profit and loss account over the term of the lease, even where payments are not made on such a basis.

Government grants

Government grants received in respect of operational fixed assets are credited to a deferred income account and released to the profit and loss account over the useful economic life of the asset to which they relate.

Grants receivable in respect of investment properties are credited directly to the cost of the asset. This treatment is not in accordance with the Statutory Accounting Rules which requires fixed assets to be shown at cost and grants as deferred income. The treatment has been adopted in accordance with section 404 of the Companies Act 2006 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. Where grants received in respect of investment properties may be repayable, they are accounted for in a manner consistent with that adopted for operational fixed assets.

Dividends

Dividends payable are recognised in the profit and loss account in the period that they are declared and approved in accordance with FRS 21 "Events after the balance sheet date".

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, 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 costs

Interest directly attributable to both investment and trading properties in the course of development and other fixed assets as included in the cost thereof. Interest is capitalised on a sample 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 charges and issue costs are added to the carrying value of those borrowings.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

2. Segmental analysis of turnover, operating profit/(loss) and net assets

(a) Turnover and operating profit/(loss)

	Group			
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
	All continuing activities	Continuing activities	Discontinued activities	Total
Turnover				
Gross rental income	68,367	69,263	80	69,343
Trading property sales	2,509	3,037	-	3,037
Premium income	1,006	2,213	-	2,213
Environment and resource development income	2,218	2,262	-	2,262
Telecommunications income	188	204	-	204
Other	7,170	7,294	263	7,557
	81,458	84,273	343	84,616
Direct costs				
Irrecoverable property costs	(8,936)	(9,967)	(61)	(10,028)
Trading property costs of sale	(1,104)	(3,571)	-	(3,571)
Other direct costs	(4,712)	(3,485)	(266)	(3,751)
	(14,752)	(17,023)	(327)	(17,350)
Gross profit	66,706	67,250	16	67,266
Administrative expenses	(27,944)	(25,633)	(356)	(25,989)
Amounts written back to/(off) stock	122	(1,095)	-	(1,095)
Goodwill written off	(1,226)	-	-	-
Revaluation of investment property – permanent diminution	(13,228)	(8,569)	-	(8,569)
Other income	1,145	1,058	251	1,309
Group operating profit	25,575	33,011	(89)	32,922
Share of operating profit/(loss) of joint venture companies	606	(1,122)	-	(1,122)
Operating profit (including group's share of joint ventures' operating profit/(loss))	26,181	31,889	(89)	31,800

With the exception of rental income of £3,365,000 (2014: £3,272,000) arising overseas (Spain, Bermuda and the Bahamas), all of the group's turnover during the financial year arose in the United Kingdom.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

2. Segmental analysis of turnover, operating profit/(loss) and net assets (continued)

(b) Net assets

	Group 2015 £'000	Group 2014 £'000
Investment properties	1,506,639	1,509,478
Stocks	5,324	5,969
Goodwill	1,269	-
Other fixed assets	52,862	30,981
Investments in joint ventures	5,847	5,225
	1,571,941	1,551,653
Group net debt (note 17(b))	(868,540)	(885,372)
Other net liabilities	(180,869)	(111,492)
Net assets	522,532	544,789
Net assets by geographical area:		
United Kingdom	452,111	463,792
Rest of Europe	25,009	29,122
Other	45,412	51,875
Net assets	522,532	544,789

3. Profit on disposal of fixed assets

	Group 2015 £'000	Group 2014 £'000
Investment properties	14,522	3,274
Investment in subsidiaries	-	(148)
Other fixed assets	(925)	(39)
	13,597	3,087

The effect of the profit on disposal of fixed assets on the amount charged to the profit and loss account for taxation was £6,603,000 (2014: £3,601,000). However, this is offset by trading losses.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

4. Profit on ordinary activities before interest and taxation

	Group 2015 £'000	Group 2014 £'000
Profit on ordinary activities before interest and taxation is stated after charging/(crediting):		
Depreciation on other fixed assets - owned assets	1,124	1,056
Depreciation on investment properties	1,166	1,144
Amounts written back to/(off) stock	(122)	1,095
Operating leases re plant	401	20
Foreign exchange losses	2,333	1,196
Goodwill written off	1,226	-
Grant releases	(17)	(18)
Revaluation of investment property – permanent diminution	13,228	8,569

The analysis of auditors' remuneration is as follows:

	2015 £'000	2014 £'000
Fees payable to the company's auditors and their associates for services to the group		
The audit of the company pursuant to legislation	12	12
The audit of the company's subsidiaries pursuant to legislation	194	196
Total audit fees	206	208
 Tax compliance services	 234	 181
VAT services	65	8
Total non-audit fees	299	189
	505	397

5. Net interest payable and similar charges

	Group 2015 £'000	Group 2014 £'000
Interest payable and similar charges:		
On bank loans and overdrafts	37,557	35,547
On other loans	33,507	33,579
Other interest	549	1,152
On amounts owed to group undertakings	2,400	1,088
Joint ventures	-	51
	74,013	71,417
Interest receivable and similar income:		
On bank and other deposits	(2)	-
Other interest	(37)	(429)
Net interest payable and similar charges	73,974	70,988

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

6. Tax on loss on ordinary activities

	Group 2015 £'000	Group 2014 £'000
Current tax:		
UK corporation tax	216	-
Payments in respect of group relief	452	1,577
	668	1,577
Adjustment in respect of prior years	2,423	424
Total current tax charge	3,091	2,001
Deferred tax:		
Adjustment in respect of prior years	(280)	(519)
Rate change	-	(2,201)
Origination and reversal of timing differences	(5,434)	298
Total deferred tax (note 18)	(5,714)	(2,422)
Total tax credit on ordinary activities	(2,623)	(421)
Reconciliation of current tax charge/(credit):		
Tax on loss on ordinary activities at standard UK corporation tax rate of 21% (2014: 23%)	(7,181)	(8,303)
Capital allowances less than depreciation	76	65
Revaluation adjustment	-	731
Excess of taxable profits over book profits on sale of investment properties/ fixed asset investments	3,471	2,573
Movement in short term timing differences	2,415	6
Tax losses carried forward	2,121	4,294
Tax losses carried back	-	42
Utilisation of brought forward losses	(2,311)	(83)
Net disallowable expenditure	1,830	790
Overseas tax rate differences	763	1,460
Prior period adjustments	2,423	424
Non deductible write down of investments	(648)	-
Associates	(127)	(7)
Transfer of capital gain under S171A	252	-
Transfer pricing adjustment	7	9
Total current tax charge	3,091	2,001

There are no unrecognised deferred tax assets or liabilities at either the current and prior year end.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

7. Particulars of staff

	Group 2015 £'000	Group 2014 £'000
Staff costs (including directors):		
Wages and salaries	7,811	5,758
Social security costs	863	840
Other pension costs	347	397
	<u>9,021</u>	<u>6,995</u>

The average monthly number of persons employed by the group during the year, inclusive of executive directors, was as follows:

	2015 Number	2014 Number
Property and administration	114	118

8. Directors' remuneration

The remuneration of directors of the company was as follows:

	2015 £'000	2014 £'000
Emoluments	1,585	1,403
Company contributions to personal pension scheme	88	104
Total	<u>1,673</u>	<u>1,507</u>

The emoluments of the highest paid director, excluding pension contributions, amounted to £709,000 (2014: £617,000). The contributions to a personal pension scheme during the year were £57,000 (2014: £52,000).

The number of directors participating in the company's money purchase scheme is 5 (2014: 5).

Share options

None of the directors had options to acquire ordinary shares of the company (2014: same).

9. Intangible fixed assets

	Goodwill £'000
Cost or valuation:	
At 1 April 2014	-
Additions	2,495
At 31 March 2015	<u>2,495</u>
Amortisation:	
At 1 April 2014	-
Goodwill written off	1,226
At 31 March 2015	<u>1,226</u>
Net Book Value:	
At 31 March 2015	<u>1,269</u>

Additions to goodwill include £1.269m which arose on the acquisition of the 49% minority interest in Manchester Ship Canal Developments Limited and £1.225m which arose on the acquisition of additional voting rights in New Windsor Hotel Limited which has been fully impaired.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

10. Investment properties

	Group		
	Freehold	Long leasehold	Total
	£'000	£'000	£'000
Cost or Valuation:			
At 1 April 2014	1,478,527	30,951	1,509,478
Additions	62,531	6,282	68,813
Disposals	(39,149)	(8,350)	(47,499)
Lease incentives	952	-	952
Intercompany transfer	(8,150)	(8,600)	(16,750)
Revaluations	8,057	(3,405)	4,652
Impairment losses	(1,727)	-	(1,727)
Depreciation	(1,166)	-	(1,166)
Permanent devaluation	(11,501)	-	(11,501)
Exchange adjustments	1,147	240	1,387
At 31 March 2015	1,489,521	17,118	1,506,639
Professional Valuation:			
March 2015 – External	1,145,646	8,170	1,153,816
March 2015 – Directors	343,875	8,948	352,823
	1,489,521	17,118	1,506,639

The historical cost to the group of all investment properties is £1,411,524,000 (2014: £1,422,019,000).

The depreciation on investment properties arises on properties with useful lives of less than 20 years.

Capitalised interest

Investment properties include capitalised interest in aggregate amounting to £3,598,000 (2014: £3,598,000).

Valuations

Certain of the group's investment properties were professionally valued on the basis of open market value as at 31 March 2015 comprising 77% of the portfolio (2014: 79%).

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

	2015	2014
	£'000	£'000
Jones Lang LaSalle	1,056,351	1,070,157
Bermuda Realty Company	45,465	45,883
SLR Consulting Limited	-	21,725
Cushman & Wakefield	52,000	50,000
Cushman & Wakefield (Bahamas)	-	3,539
GVA Grimley	-	3,650
	1,153,816	1,194,954

The remaining investment properties were professionally valued on a red book basis using the group's own Royal Institution of Chartered Surveyors qualified staff on the basis of open market value as at 31 March 2015.

Notes to the Accounts *continued***11. Other fixed assets**

	Operational buildings £'000	Plant and vehicles £'000	Total £'000
Cost or valuation:			
At 1 April 2014	29,297	7,665	36,962
Additions	104	725	829
Disposals	(3,150)	(497)	(3,647)
Intercompany transfers	22,600	-	22,600
Revaluations	2,402	-	2,402
Foreign exchange adjustments	-	120	120
At 31 March 2015	51,253	8,013	59,266
Depreciation:			
At 1 April 2014	39	5,942	5,981
Charge for the financial year	724	400	1,124
Disposals	-	(407)	(407)
Revaluations	(722)	-	(722)
Foreign exchange adjustments	-	428	428
At 31 March 2015	41	6,363	6,404
Net Book Value:			
At 31 March 2015	51,212	1,650	52,862
At 31 March 2014	29,258	1,723	30,981

The group's operational assets are comprised of sports facilities, exhibition centres, hotels and airports. 56% (2014: 19%) of the portfolio by value was professionally valued during the year by Jones Lang LaSalle, International Property Consultants, on the basis of open market value as at 31 March 2015. The remainder of the operational buildings portfolio was professionally valued on the basis of open market value on a red book basis at 31 March 2015 using the groups own Royal Institution of Chartered Surveyors professionally qualified staff.

The historical cost to the group of operating buildings is £46,135,000 (2014: £23,432,000).

All other fixed assets other than operational buildings at 31 March 2015 are held at depreciated historical cost to the group.

At 31 March 2015, operational buildings are all freehold.

At 31 March 2015 the Net Book Value of assets held under finance lease was £290,000 (2014: £nil).

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

12. Investments

(a) Joint ventures

	Group £'000
At 1 April 2014	5,225
Loan account movement	17
Share of results for the year	606
At 31 March 2015	<u>5,848</u>

Investment in joint ventures represents:

	Group 2015 £'000	Group 2014 £'000
Group share of net assets	2,381	1,775
Amounts owed by joint ventures	3,467	3,450
	<u>5,848</u>	<u>5,225</u>

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.

(b) Fixed asset investments

	Holding Company £'000
Shares in subsidiary undertakings:	
At 1 April 2014	881,259
Additions	15,000
At 31 March 2015	<u>896,259</u>

Subsidiary undertakings and joint ventures

Details of investments of the group and all its subsidiary undertakings and joint ventures are given between pages 37 and 40.

The addition in the year is the issue of shares in subsidiary Peel Holding (Overseas) Limited.

Subsidiary undertakings

The subsidiary undertakings consolidated as at 31 March 2015, all of which were wholly owned 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
Spain	Trafford Centre Espana S.L.	Property development and investment
Spain	Peel Investments Espana S.L.	Holding company
Spain	Peel Investments Andalucia S.L.	Holding company
Spain	Peel Developments Andalucia S.L.	Property development and investment
England & Wales	Peel Overseas Limited	Holding company
England & Wales	Peel Holdings (Land and Property) Limited	Holding company
England & Wales	Peel Land and Property Investments plc	Property investment
England & Wales	Peel Land (Intermediate) Limited	Property investment
England & Wales	Peel Investments (North) Limited	Property investment
England & Wales	Ship Canal Properties Limited	Property investment
England & Wales	Peel Land and Property (Ports) Limited	Property investment
England & Wales	Princes Dock Development Company Limited	Property investment

Notes to the Accounts *continued*

12. Investments *continued*

Incorporated	Company	Principal Activities
England & Wales	Peel Land and Property (Ports No.3) Limited	Property investment
Scotland	Clydeport Properties Limited	Property development and investment
England & Wales	Mersey Docks Property Holdings Limited	Property investment
England & Wales	Mersey Docks Property Investments Limited	Property investment
Northern Ireland	Princes Dock Development Company No.4 Limited	Property investment
England & Wales	Princes Dock Office Company No.8 Limited	Property investment
England & Wales	Princes Dock Office Company No. 9 Limited	Property investment
England & Wales	Princes Dock Office Company No.12 Limited	Property investment
England & Wales	Princes Dock Hotel Limited	Property investment
England & Wales	Woodside Business Park Limited	Property investment
England & Wales	Peel Investments (Intermediate) Limited	Property investment
England & Wales	Peel South East Limited	Property investment
England & Wales	Manchester Ship Canal Developments Limited	Property development
England & Wales	Manchester Ship Canal Developments Advent Limited	Property development
England & Wales	Ince Park Developments Limited	Property development
England & Wales	Peel Advertising Limited	Rental of advertising space
England & Wales	The Bridgewater Canal Company Limited	Operation and management of canals
England & Wales	Peel Environmental Limited	Waste and mineral asset management
England & Wales	Peel Environmental Ince Limited	Property development and investment
England & Wales	Peel Telecommunications Limited	Communication services
England & Wales	Peel Investments (Land and Property) No.1 Limited	Holding company
England & Wales	Peel Land and Property Holdings (CL) Limited	Holding company
England & Wales	Peel Land and Property Investments (CL) Limited	Holding company
England & Wales	Reddington Developments Limited	Property investment and development
England & Wales	Reddington Finance Limited	Property investment and development
England & Wales	Peel Property (Investments) Limited	Property investment
England & Wales	Peel Media Lowry Outlet Mall Limited	Operation of an outlet mall
England & Wales	North Clyde Recycling Centre Limited	Operation of recycling centre
England & Wales	Port Salford Holdings Limited	Property development
England & Wales	Peel Land and Property Holdings Limited	Holding company
England & Wales	Peel Land and Property Limited	Holding company
England & Wales	Peel Investments (U.K.) Limited	Holding company
England & Wales	Peel Investments Holdings Limited	Holding company
England & Wales	Mersey Dock Property Developments Limited	Property investment and development
England & Wales	Reddington Holdings Limited	Holding company
England & Wales	Peel Assets Limited	Dormant company
England & Wales	Peel Property Holdings Limited	Holding company
England & Wales	Peel Property Limited	Holding company
England & Wales	Peel Environmental Holdings Limited	Holding company
England & Wales	Peel Mineral Resources Limited	Dormant
England & Wales	Bridgewater Remediation Limited	Dormant
England & Wales	Peel Holdings (Telecommunications) Limited	Holding company
England & Wales	Peel Telecommunications (Holdings) Limited	Holding company
England & Wales	Peel Holdings Media Lowry Limited	Holding company
England & Wales	Peel Media Lowry (Holdings) Limited	Property investment and development
England & Wales	Peel Investments Environmental UK Limited	Holding company
England & Wales	Peel Land Holdings Limited	Holding company
Scotland	Clydeport Longhaugh A Limited	Property development
Scotland	Clydeport Longhaugh B Limited	Property development
Scotland	Clydeport Longhaugh C Limited	Property development
England & Wales	Peel Property Intermediate Limited	Property investment and holding company
England & Wales	Astermill Limited	Dormant company
England & Wales	Barwent Developments Limited	Dormant company
England & Wales	Beaumont Properties Limited	Dormant company
England & Wales	Haxden Properties Limited	Dormant company

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

12. Investments *continued*

Incorporated	Company	Principal Activities
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	Londrock Finance Company	Dormant company
England & Wales	Cannorth Property Investments Limited	Dormant company
England & Wales	Clydeport Terminal Limited	Dormant company
England & Wales	Clydeside Properties Limited	Dormant company
England & Wales	Corinium Properties	Dormant company
England & Wales	Flaskranch Limited	Dormant company
England & Wales	Knight & (Co Services) Limited	Dormant company
England & Wales	London Shop (Crosby) Limited	Dormant company
England & Wales	Londrock Finance Company Limited	Dormant company
England & Wales	MSC (Waste) Limited	Dormant company
Scotland	Pacific Shelf 1054 Limited	Dormant company
England & Wales	Peel (Anglia) Limited	Dormant company
England & Wales	Peel Investments (Anglia) Limited	Dormant company
England & Wales	Peel Housing (Anglia) Limited	Dormant company
England & Wales	Peel Homes (Anglia) Limited	Dormant company
England & Wales	Peel Advertising Holdings Limited	Dormant company
England & Wales	Peel Commercial (S.E.) Limited	Dormant company
England & Wales	Peel Developments (Cambuslang) Limited	Dormant company
England & Wales	Peel Developments Ampthill Limited	Dormant company
England & Wales	Peel Developments Holdings Limited	Dormant company
England & Wales	Peel Farms Limited	Dormant company
England & Wales	Peel Homes Limited	Dormant company
England & Wales	Peel Investments (Botany Bay) Limited	Dormant company
England & Wales	Peel Investments (Leisure) Limited	Dormant company
England & Wales	Peel Investments (North) No.1 Limited	Dormant company
England & Wales	Peel Lamp Properties Limited	Dormant company
England & Wales	Peel Land and Property (No.2) Limited	Dormant company
England & Wales	Peel Land Limited	Dormant company
England & Wales	Peel Living Limited	Dormant company
England & Wales	Peel North East Limited	Dormant company
England & Wales	Peel Developments (N.E.) Limited	Dormant company
England & Wales	Sheffield Heliport Limited	Dormant company
England & Wales	South Yorkshire Emergency Services Centre	Dormant company
England & Wales	Peel North West Limited	Dormant company
England & Wales	Peel Commercial (N.W.) Limited	Dormant company
England & Wales	Peel Developments (N.W.) Limited	Dormant company
England & Wales	Peel Assets Limited	Dormant company
England & Wales	Toll House Motors Limited	Dormant company
England & Wales	Peel Securities (N.W.) Limited	Dormant company
England & Wales	Peel One Limited	Dormant company
England & Wales	Peel Two Limited	Dormant company
England & Wales	Peel Overseas (Dormants) Limited	Dormant company
England & Wales	Peel Properties (S.E.) Limited	Dormant company
England & Wales	Peel Securities (S.E.) Limited	Dormant company
England & Wales	Peel South West Limited	Dormant company
England & Wales	Peel Commercial (S.W.) Limited	Dormant company
England & Wales	Peel Developments (S.W.) Limited	Dormant company
England & Wales	Peel Investments (S.W.) Limited	Dormant company
England & Wales	Peel Properties (S.W.) Limited	Dormant company
England & Wales	Earlbroom Limited	Dormant company
England & Wales	Hartlebury Trading Estate Limited	Dormant company
England & Wales	Media City Studios Limited	Dormant company

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

12. Investments *continued*

Incorporated	Company	Principal Activities
France	Societe Civil Immobiliere La Bergerie II	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	Cannorth Property Investments Limited	Dormant company
England & Wales	The Trafford Centre PFS Limited	Dormant company
England & Wales	Trafford Centre Developments Limited	Dormant company
England & Wales	Peel Holdings (Overseas) Limited	Holding company
Bermuda	Washington Properties (Bermuda) Limited	Property investment
England & Wales	Blundell's Wood Management Company Limited	Management of service charges
England & Wales	Hilton Lane Management Company Limited	Management of service charges
England & Wales	Imagine Park Management Company Limited	Management of service charges
England & Wales	Peel (Airports) Liverpool Limited	Property investment
England & Wales	Principal Management Company Limited	Dormant
England & Wales	Rossfield Park Management Company Limited	Management of service charges
England & Wales	Shinenet Limited	Dormant
England & Wales	The Bridgewater Centre Management Company Limited	Management of service charges
England & Wales	Port Salford Land Limited	Property development
England & Wales	Wirral Waters Land No. 1 Limited	Property development
England & Wales	Halton Development Partnership Limited	Dormant

Joint Ventures

The joint ventures as at 31 March 2015 were as follows:

Incorporated	Company	Group Shareholding	Principal activities
England & Wales	Sheffield Business Park Phase II Limited	50%	Property trading and investment
England & Wales	Sheffield City Heliport Limited	50%	Property trading
Scotland	James Watt Dock LLP	50%	Property development and investment
Scotland	Ardrossan North Shore LLP	50%	Property development and investment

* 40% owned by Peel Overseas Limited (consolidated by reason of holding the majority of economic rights).

** 51% owned by Peel Property Partnerships Limited.

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

Notes to the Accounts *continued*

12. Investments *continued*

Audit exemption

The subsidiary undertakings also consolidated at 31 March 2015, all of which we wholly owned and claimed exemption from audit under section 479C Companies Act 2006, were as follows:

Incorporated	Company	Company Number	Principal Activities
England & Wales	Peel Developments (U.K.) Limited	00325193	Holding company
England & Wales	Peel Property Partnerships Limited	06474584	Property investment
England & Wales	Peel Property No.2 Limited	05060256	Holding company
Scotland	Clydemore Properties Limited	SC170524	Property development and investment
Scotland	Clydeside Investment Properties	SC203231	Property development and investment
England & Wales	Peel Investments (South) Limited	00491228	Dormant
England & Wales	Peel Investments (N.W.) Limited	01628172	Dormant
England & Wales	Peel Properties (N.W.) Limited	00517377	Dormant
England & Wales	Peel Pet Products Limited	05334437	Dormant
England & Wales	Peel Properties (M.S.C.) Limited	04560429	Dormant
England & Wales	Peel Red City Holdings Limited	06497174	Dormant
England & Wales	Peel Securities (S.W.) Limited	00564105	Dormant
England & Wales	Ship Canal Enterprises Limited	02486891	Dormant
England & Wales	The Saddlery Investments Limited	04478959	Property development
England & Wales	Peel Investments and Property Limited	09246810	Property investment
England & Wales	Peel Land and Property (I Topco) Limited	05860415	Holding company
England & Wales	Ionica Limited	02561924	Dormant
England & Wales	MSCD Advent Management Limited	06916662	Property development and management
England & Wales	Peel Land and Property (Ardrossan) Limited	SC371334	Holding company
England & Wales	Peel Land and Property (James Watt Dock) Limited	SC337879	Holding company
England & Wales	Peel Land and Property (Liverpool) Limited	07257212	Holding company
England & Wales	Peel Airports Property Limited	07257201	Holding company
England & Wales	Port Salford Developments No 1 Limited	09359372	Property Development
England & Wales	Wirral Waters Holdings No.1 Limited	09356698	Holding company

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

13. Stocks

	Group	Group
	2015	2014
	£'000	£'000
Land held for development	5,324	5,967
Work-in-progress and materials	-	2
	5,324	5,969

There was no material difference between the balance sheet value of stock and their replacement costs.

14. Debtors

	Group	Group	Holding Company	Holding Company
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	7,666	6,676	-	-
Amounts owed by group undertakings	3,740	2,621	126,996	132,436
Development deposits and prepaid costs	4,612	4,919	-	-
Other debtors	39,755	29,788	-	160
Prepayments and accrued income	4,040	4,333	99	490
	59,813	48,337	127,095	133,086

Included above the following amounts were due in more than one year:

	Group	Group	Holding Company	Holding Company
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Other debtors	4,394	8,621	-	-

Amounts receivable from parent and subsidiary companies of the group companies carry interest of 1.5 per cent above base rate (2014: same) per annum charged on the outstanding loan balance.

15. Creditors (amounts falling due within one year)

	Group	Group	Holding Company	Holding Company
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	5,957	3,116	-	-
Secured bank loans and overdrafts	13,961	20,268	-	-
Other loans	-	6,000	-	6,000
12.5% Debenture stock	10,514	-	-	-
Finance leases	93	-	-	-
Debt falling due within one year	30,525	29,384	-	6,000
Trade creditors	8,895	3,768	32	10
Development costs to site completion	28,335	15,162	-	-
UK corporation tax	220	-	-	-
Amounts owed to group undertakings	112,260	74,771	303,530	283,659
Other taxes and social security	2,442	2,483	-	-
Other creditors	20,248	11,864	105	229
Accruals and deferred income	50,601	38,368	243	205
	253,526	175,800	303,910	290,103

Details of security interest rates and repayment dates on the above borrowings are disclosed in note 17.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

16. Creditors (amounts falling due after more than one year)

		Group	Group	Holding Company	Holding Company
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
First Mortgage Debenture Stocks:					
Interest Rate	Maturing				
12.5%	2015/20	-	10,513	-	-
11.625%	2018	12,254	12,510	-	-
10.0%	2026	129,433	130,508	-	-
8.375%	2040	257,222	257,126	-	-
		398,909	410,657	-	-
Secured bank loans		479,360	483,185	-	-
Secured other loans		18,512	2,832	-	-
Finance leases		202	-	-	-
Debt falling due after more than one year		896,983	896,674	-	-
Government grants		8,381	8,398	-	-
		905,364	905,072	-	-

Details of security interest rates and repayment dates on the above borrowings are disclosed in note 17.

17. Derivatives and other financial instruments

(a) Cash, cash equivalents and restricted cash

	Group	Group	Holding Company	Holding Company
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	27,113	13,397	58	1
Restricted cash	31,855	27,289	-	-
	58,968	40,686	58	1

£300,000 restricted cash arises under the terms of security arrangements under the company's banking facilities. The restricted cash forms part of the security for the £10m 12.5% First Mortgage Debenture Stock and is not realised until there is a £300,000 excess on the loan to value covenant.

£1,932,000 restricted cash is used to pay the next quarterly interest payment and capital repayment on the £194m secured loan and in the event there is excess cash it is released from any restriction.

£10,875,000 restricted cash is used to pay the next monthly interest payment on the £220m term loan and in the event there is excess cash following this payment and subject to certain loan to value covenants it is released from any restriction.

£16,250,000 restricted cash arises under the terms of security arrangements under the company's banking facilities. Proceeds of property disposals are restricted cash and forms part of the security for the £250m 8.375% First Mortgage Debenture Stock.

£2,498,000 restricted cash arises under the terms of security under the company's banking facilities. Proceeds of property disposals are restricted cash.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the Accounts *continued*

17. Derivatives and other financial instruments (continued)

(b) Analysis of group net debt

	Group 2015 £'000	Group 2014 £'000
Creditors (amounts falling due within one year)	30,525	29,384
Creditors (amounts falling due after more than one year)	896,983	896,674
Gross debt	975,508	926,058
Cash at bank and in hand	(58,968)	(40,686)
Group net debt	868,540	885,372

(c) Finance leases

	Group 2015 £'000	Group 2014 £'000
Finance leases:		
Within 1 year	93	-
1-2 years	31	-
2-5 years	108	-
	232	-
After five years – by instalments	63	-
	295	-

(d) Other debt

	Group 2015 £'000	Group 2014 £'000
Bank loans and overdrafts:		
Within 1 year	30,432	29,384
1-2 years	2,939	2,768
2-5 years	264,041	262,887
	297,412	295,039
After five years – by instalments	184,041	201,893
After five years – not by instalments	445,760	429,126
	927,213	926,058
Total gross debt	927,508	926,058

The First Mortgage Debenture Stocks are secured by fixed legal charges on certain freehold and leasehold investment properties of certain subsidiary undertakings.

Debt falling due within one year includes £10.5m (2014: £10.5m) 12.5% debenture stock which matures in 2015/20.

Secured bank loans include £220m term loan and £46m revolving credit facility. The balance at 31 March 2015 was £252m. The facility is £266m (2014: £266m included in creditors due after more than one year) and is secured by a fixed legal charge on certain freehold and leasehold investment properties of certain subsidiaries of the group and runs until July 2017. The loan bears interest at LIBOR plus margin.

Secured bank loans also include a £191m (2014: £193m) bilateral loan which is secured by a fixed legal charge on certain freehold and leasehold investment properties of certain subsidiaries of the group. £54m of the facility is repayable in quarterly instalments to 2031, with the balance of £140m maturing in 2031. The loan bears interest at 6.4%.

Secured bank loans also include a £38m (2014: £39m) loan which is secured by a fixed legal charge on a certain freehold investment property. £9m of the facility is repayable in quarterly instalments to 2031, with the balance of £29m maturing in 2031. The loan bears interest at 4.66%.

The remaining secured bank loans are secured as certain subsidiaries of the group have granted floating charges on their assets and bear interest at LIBOR plus applicable margin.

Notes to the Accounts *continued*

17. Derivatives and other financial instruments (continued)

(d) Repayment of total gross debt (continued)

Secured other loans include £15m (2014: £2m) secured on certain freehold property of the group and bears interest at EC Reference rate plus margin. The capital is repayable in 2021.

Remaining other loans are secured on certain freehold property of the group and bear interest at 7%. The capital of 3.4m (2014: £0.833m) is repayable in 2017.

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 Board.

The group's net borrowings at 31 March 2015 of £868m (2014: £885m) produced a gearing ratio of net debt to shareholders' funds at 166.0% (2014: 163.0%).

The amount of fixed rate debt in the group at the financial year end was £637m (2014: £642m) representing 73.2% (2014: 69.3%) of total gross borrowings and was held at a fixed annual borrowing cost of 7.6% (2014: 7.6%).

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 2015 the group had unused bank facilities of £16.772m (2014: £10.876m).

The group has entered into interest rate swap contracts totalling £220m (2014: £220m) at rates of 1.49%, 4.89%, 4.92%, 5.30% and 5.32%. The fair value of the groups interest rate swaps as at 31 March 2015 was an asset of £nil (2014: £163,000) and a liability of £39,514,000 (2014: £29,681,000).

The present market value of the group's debenture stocks as at 31 March 2015 shows a post-tax "mark to market" value of £86.456m of excess over book value (2014: £54.764m).

Amounts payable to parent and subsidiary companies of the company carry interest of 1.5 per cent above base rate (2014: same) per annum charged on the outstanding loan balance.

(d) Analysis of movement in group net debt

	1 April 2014 £'000	Cash flow £'000	Non-cash adjustments £'000	Reclassification £'000	31 March 2015 £'000
Cash at bank (accessible within 24 hours)	9,238	10,034	318	-	19,590
Cash deposits	31,448	7,930	-	-	39,378
	40,686	17,964	318	-	58,968
Overdrafts	(3,116)	(2,841)	-	-	(5,957)
Debt due within one year (excluding overdrafts)	(26,268)	11,924	290	(10,514)	(24,568)
Debt due after more than one year	(896,674)	(10,823)	-	10,514	(896,983)
Net debt	(885,372)	16,224	608	-	(868,540)

Non-cash adjustments represent exchange differences and creation of a lease liability.

(d) Operating lease commitments

The group is committed to the following annual future payments under non-cancellable operating leases on plant and machinery as follows:

	Group	
	2015 £'000	2014 £'000
Expiring within:		
Within 1 year	80	76
1-2 years	113	71
2-5 years	135	46
	328	193

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the accounts *continued*

18. Provisions for liabilities

	Group
	£'000
Deferred Taxation	
At 1 April 2014	15,015
Profit and loss account (note 6)	(5,714)
At 31 March 2015	9,301

Provision is made for deferred taxation at a rate of 20% (2014: 20%), the amount provided being:

	Group	Group
	2015	2014
	£'000	£'000
Capitalised land remediation relief	528	431
Other timing differences	-	(5)
Capitalised interest	1,588	935
Enterprise zone allowance	-	6,326
Accelerated capital allowances	7,287	7,314
Losses	(102)	14
	9,301	15,015

No provision is made for the liability to corporation tax on capital gains at 20% (2014: 20%) of £95m (2014: £89m) which would arise if interests in investment properties and certain other fixed assets were to be sold at their carrying values.

There are unrecognised losses of £17,343,000 (2014: £13,968,000).

The standard rate of tax applied to the reported profits is 21% (2014: 23%).

Finance act 2013, which was substantively enacted in July 2013, included provisions to reduce the rate of corporation tax to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Deferred tax balances have been valued at the lower rate of 20% in these accounts. The government has announced that it intends to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. As this legislation was not substantively enacted by 31 March 2015, the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts.

19. Called-up share capital

	Group and Holding Company	
	Number	£'000
Allotted and Fully Paid		
Equity Share Capital		
Ordinary shares of £1 each:		
At 1 April 2014 and at 31 March 2015	406,259,707	406,260

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the accounts *continued*

20. Reserves

	Group					
	Share premium account	Revaluation reserve	Merger reserve	Negative goodwill reserve	Other reserves	Profit and loss account
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2014	525,258	93,285	3,225	97,163	16,121	(598,495)
Unrealised surplus on revaluation of investment properties	-	4,635	-	-	-	-
Unrealised surplus on revaluation of operational buildings	-	3,124	-	-	-	-
Depreciation written back	-	(113)	-	-	-	113
Realisation of negative goodwill	-	-	-	(6,179)	-	6,179
Realised revaluation deficit on disposal of investment properties	-	161	-	-	-	(161)
Unrealised revaluation surplus on the internal transfer of investment properties	-	(900)	-	-	900	-
Loss for the financial year	-	-	-	-	-	(31,430)
Foreign exchange adjustments	-	-	-	-	-	3,285
At 31 March 2015	525,258	100,192	3,225	90,984	17,021	(620,509)

Other reserves

The other reserves of the company are non-distributable and arise in respect of unrealised intra-group profits on disposal of fixed asset investment properties as a consequence of group reorganisations.

Group reserves at 31 March 2015 include an amount of £37,996,000 (2014: £44,265,000) in respect of profits retained by overseas subsidiary undertakings which, if remitted to the United Kingdom in the future, would be subject to additional taxation which is not provided for.

Negative goodwill arose on privatisation of the group as the acquisition price at transaction was below that of net assets. The negative goodwill was apportioned at that date on the basis of net assets of each division. Each year, an element of this is released in line with the asset disposals made in the year.

	Holding Company	
	Share premium account	Profit and loss account
	£'000	£'000
At 1 April 2014	525,258	(207,275)
Loss for the financial year	-	(5,000)
At 31 March 2015	525,258	(212,275)

The holding company loss for the year ended 31 March 2014 was £188,538,000.

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the accounts *continued*

21. Minority interests

	Group		
	Equity	Non-equity	Total
	£'000	£'000	£'000
At 1 April 2014	1,976	(4)	1,972
Operational proportion of loss on ordinary activities after taxation	(143)	-	(143)
Acquisition of minority interest in subsidiary	(1,746)	-	(1,746)
Proportions of revaluations in the year	18	-	18
At 31 March 2015	105	(4)	101

22. Pension fund

The group operates a number of money purchase pension schemes providing benefits based on actual contributions paid. The schemes are managed independently from the group. Contributions totalling £466,000 (2014: £397,000) were paid during the year.

23. Notes to the group cash flow statement

	2015	2014
	£'000	£'000
(a) Cash flow from operating activities		
Group operating profit	26,181	31,800
Non-cash adjustments:		
- depreciation and amounts written off tangible fixed assets	15,518	10,769
- impact of lease incentives	(952)	(3,310)
- share of results of joint ventures	(606)	1,122
- goodwill written off	1,226	-
- other	-	1,247
Movement in stocks	645	3,568
Movement in debtors	(23,005)	(4,738)
Movement in creditors	74,283	71,658
	93,290	112,116
(b) Returns on investments and servicing of finance		
Interest received	39	178
Interest paid (including capitalised)	(73,842)	(69,144)
	(73,803)	(68,966)
(c) (Capital expenditure) /disposals and financial investment		
Payments to acquire tangible fixed assets	(69,932)	(50,846)
Receipts from sales of tangible fixed assets	70,929	49,849
Net loans to/refunds from joint ventures	(17)	(224)
	980	(1,221)
(d) Acquisitions and disposals		
Acquisitions	(4,241)	-
Net cash balances disposed with subsidiary undertakings	-	(223)
Cash balances acquired with subsidiary undertakings	-	44
	(4,241)	(179)
(e) Management of liquid resources		
Movement from cash deposits	(7,930)	(20,203)
(f) Financing		
Movement in loans	(1,101)	(21,378)

PEEL HOLDINGS LAND AND PROPERTY (UK) LIMITED

Notes to the accounts *continued*

24. Capital commitments

	Group	Group
	2015	2014
	£'000	£'000
Capital expenditure contracted for but not provided for in these accounts	52,207	41,738

25. Contingent liabilities

- (a) As at 31 March 2015, the group's banks had provided road bonds and guarantees amounting to £6,086,000 (2014: £6,139,000).
- (b) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed a £35.0m (2014: £39.6m) facility of fellow subsidiary Peel Holdings (Glasgow Harbour) Limited.
- (c) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed a £0.2m (2014: £0.2) lease agreements made available to fellow subsidiary Blackburn Arena Limited.
- (d) As at 31 March 2015 Peel Holdings (Land and Property) Limited had guaranteed a £5m (2014: £5m) loan made available to 50% owned associated company James Watt Dock LLP.
- (e) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed a £6.5m (2014: £8.5m) loan made available to fellow subsidiary Peel Media Living No. 2 Limited.
- (f) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed £17m (2014: £22m) hire purchase agreements made available to fellow subsidiary Peel Media Studios Limited.
- (g) As at 31 March 2015 Peel Land and Property (Ports) Limited had guaranteed a £2m (2014: £2m) loan made available to 50% owned associated company Ardrossan North Shore LLP. The loan balance at 31 March 2015 was £520,000 (2014: £503,000).
- (h) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed a £891,000 (2014: £74,000) loan made available to 50% owned associated company Sheffield Business Park Phase 2 Limited.
- (i) As at 31 March 2015 Peel Holdings (Land and Property) Limited had guaranteed a £2.0m (2014: £2.0m) development funding of fellow subsidiary Peel Holdings (Glasgow Harbour) Limited.
- (j) As at 31 March 2015 Peel Holdings (Land and Property) Limited had guaranteed annual rents payable of £7.5m (2014: £7.5m) by fellow subsidiaries in Peel Media Services (Holdings) Limited group.
- (k) As at 31 March 2015 Peel Holdings Land and Property (UK) Limited had guaranteed a £1.1m (2014: £0.9) lease agreements made available to fellow subsidiary Event City Limited.

26. Related party transactions

- (a) During the year to 31 March 2015 companies within Peel Holdings Land and Property (UK) Limited group have distributed to companies within Intu Properties plc group a total of £768,000 (2014: £1,540,000) for their share of advertising profits. As at 31 March 2015 the group owed £nil (2014: £nil).
- (b) During the year the group made loans to joint ventures of £17,000 (2014: £nil). At 31 March 2015 loan balances (included in investments) amounted to £3,467,000 (2014: £3,450,000).
- (c) During the year to 31 March 2015, companies within Peel Holdings Land and Property (UK) Limited group have leased land have to fellow subsidiary Cammell Laird Shiprepairers and Shipbuilders Limited. The rent in the year totalled £3,709,000 (2014: £3,410,000) and the amount outstanding as at 31 March 2015 was £nil (2014: £nil).

Notes to the accounts *continued*

27. Ultimate holding company

The ultimate holding company in the period to 31 March 2015 was Tokenhouse Limited, a company incorporated in the Isle of Man. Tokenhouse Limited is controlled by the 1997 Billown settlement trust.

The largest group of companies of which the company is a member, that produces consolidated accounts, is Peel Holdings (Land and Property) Group Limited, a company incorporated in the Isle of Man.

The smallest group of companies of which the company is a member, that produces consolidated accounts, is Peel Holdings Land and Property Group Limited, a company incorporated in the Isle of Man.