

REGISTERED NUMBER: 01702759 (England and Wales)

Strategic Report, Directors' Report and
Audited Financial Statements For The Year Ended 31 March 2022
for
PENINSULA BUSINESS SERVICES LIMITED



PENINSULA BUSINESS SERVICES LIMITED

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For The Year Ended 31 March 2022

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PENINSULA BUSINESS SERVICES LIMITED

Company Information
For The Year Ended 31 March 2022

DIRECTORS:

P E Done
G Ford
A V Mcintosh
K E Palmer
J A Potts
A Price
D Price
G Scarr Hall
J J Foster

SECRETARY:

K D Simmons

REGISTERED OFFICE:

The Peninsula
Victoria Place
Manchester
M4 4FB

REGISTERED NUMBER:

01702759 (England and Wales)

INDEPENDENT AUDITORS:

Beever and Struthers
Chartered accountants & statutory auditor
One Express
1 George Leigh Street
Ancoats
Manchester
M4 5DL

PENINSULA BUSINESS SERVICES LIMITED

Strategic Report For The Year Ended 31 March 2022

PRINCIPAL ACTIVITY

The principal activity of Peninsula Business Services Limited (the 'Company') is the provision of advice, consultancy and compliance services to businesses covering the core legislative areas of employment law and health and safety to its clients in the UK.

REVIEW OF BUSINESS

The previous financial year ending 31 March 2021 was one of unprecedented circumstances, dominated by the challenges brought about by the global pandemic. During that time the Company was able to rapidly adapt from its traditional forms of service delivery, adopting new digital means of engagement, providing continued and essential support to clients at a time when demand for services increased exponentially. The Company also introduced a number of financial support measures during this time to help clients through a time of crisis where necessary.

Entering into the current year under review, and whilst the very worst of the global pandemic had passed, many industries and sectors were still facing significant challenges adapting to the operating environment and economic uncertainty remained. Within this context the Company is delighted to report another year of growth, improving turnover to £101.6m from £97.1m and operating profit increased to £31.7m from £27.0m.

Demand for services provided by Company remained strong during the year, and the Company was pleased to see its client base grow, which alongside the multi-year contracts in place for many clients, positions the business positively for the years ahead.

The Company continued to exercise strong controls over costs throughout the year, identifying efficiencies where appropriate. Whilst face to face client activity resumed in the year to support this, the Company has continued the use of virtual and digital client engagement (supported by technological advancements achieved during the pandemic) where appropriate. Resources remained focused upon the continued development and delivery of market leading services to its clients and it is these services, coupled with the dedication of the Company's staff and the legal expenses insurance policy that underpins many of these offerings that are at the heart of the excellent client satisfaction scores that the Company receives and which gives Peninsula Business Services Limited its pre-eminent position in the marketplace. The Company's aspiration is to build on this success, continuing to grow by attracting new and retaining existing clients.

The directors recognise that the performance of the Company is due to the efforts and expertise of its colleagues and, whilst certain inflationary and economic challenges are emerging, the directors remain confident that the business will continue to perform strongly and further enhance its position within its chosen sectors.

PENINSULA BUSINESS SERVICES LIMITED

Strategic Report For The Year Ended 31 March 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Financial Risk Management Objectives and Policies

The directors recognise that the Company's success is reliant on high levels of service and advice being delivered to its client base, and operate a pro-active strategy of monitoring the systems, advice and service levels provided by all client facing staff.

Reduction in Business Activity

The Company, like any other business, is exposed to the risk of economic downturn which could impact the sectors in which the Company operates, namely employment law and health and safety legislation and compliance. Demand for the Company's services has shown resilience through previous economic cycles and the directors, whilst not anticipating any significant future detrimental impact on these business sectors, continue to broaden the range of services offered to further reduce the risk of any economic downturn.

The directors remain pro-active in addressing such risks and continually monitor performance for evidence of such impact. They consider that their in-depth knowledge and involvement in the day to day running of the business is a key factor in mitigating any such risks.

Credit Risk

Credit risk arises from default of clients failing to pay their contractual financial obligations as they fall due. This can arise for a variety of reasons including financial difficulties faced by clients. This risk is mitigated in part by having no single customer concentration or specific industry focus within the SME market.

Credit risk is managed through rigorous payment collection processes and ongoing monitoring of trade debtors to identify any bad debt exposures and minimise the impact of such exposures. This risk is further mitigated by the high level of customers paying by direct debit or standing order.

Trade debtors are stated net of provision for doubtful debts. Provision is made where the directors consider there to be a risk that the full amount of the outstanding receivable will not be recoverable.

Operational Risk

Operational risk includes the failure to attract and retain suitably qualified personnel as well as a failure of, or an external attack on, the Company's IT systems. Such issues could lead to the quality of service to its clients being adversely impacted and which in turn could lead to complaints, loss of clients or, in more severe cases, reputational and/or claims activity. The Company mitigates these risks through a variety of measures. The Company aims to provide employees with appropriate training, fair remuneration packages, appealing working environments which foster collaboration and career pathways for progression. The IT infrastructure is regularly tested for resilience with ongoing investment in hardware and continuous cyber risk prevention and detection measures in place.

PENINSULA BUSINESS SERVICES LIMITED

Strategic Report For The Year Ended 31 March 2022

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members and stakeholders as a whole. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

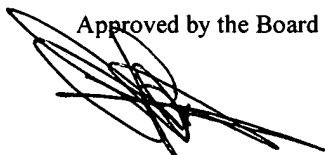
- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Maintenance of its reputation for high standards of business conduct; and
- Need to act fairly as between the different stakeholders of the company.

In discharging its Section 172 duties, the Company has regard to the interests and views of its internal and external stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities, the Company aims to make sure its decisions are consistent and equitable.

As is normal for large companies, Peninsula Business Services Limited delegates authority for day-to-day management to its executives and engages management in setting, approving and overseeing the execution of the business strategy and related policies. The Company reviews the financial and operational performance of the business on a monthly basis with formal reporting and review at both board and executive level, supplemented by daily, weekly and monthly reporting and assessment of KPIs across all areas of the operations. The Company also reviews other areas over the course of the financial year including risk and compliance, environmental, social and corporate governance, legal, pensions, and health and safety matters, as well as stakeholder-related matters, diversity and inclusivity, and corporate responsibility matters.

This ensures the Company has an overview of engagement with stakeholders and complies with Section 172 duty to promote the success of the Company.

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



J J Foster
Director
15 December 2022

PENINSULA BUSINESS SERVICES LIMITED

Directors' Report For The Year Ended 31 March 2022

Peninsula Business Services Limited is a wholly owned subsidiary of Peninsula Business Services Group Limited which is incorporated in Great Britain and registered in England and Wales.

Peninsula Business Services Group Limited is a wholly owned subsidiary of Rainy City Investments Limited (the 'Parent') which is incorporated in Great Britain and registered in England and Wales. The Parent and its subsidiaries together being the 'Group'.

DIVIDENDS

Particulars of recommended dividends are detailed in note 13 to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

P E Done
G Ford
K E Palmer
J A Potts
A Price
D Price
G Scarr Hall

Other changes in directors holding office are as follows:

D S Chadwick - resigned 10 December 2021
A V Mcintosh - appointed 10 December 2021
B Q Stern-Gillet - resigned 10 December 2021
D W Upfold - resigned 10 December 2021

Changes in directors after the year end:

J J Foster appointed 20 July 2022
P N Swift retired 31 July 2022

Changes in Company secretary after the year end:

K D Simmons appointed 1 November 2022
P N Swift retired 1 November 2022

INDEMNITY PROVISION FOR DIRECTORS

During the year the Group had third party indemnity insurance for all directors and officers. The insurance remains in force as at the date of approving the Directors' Report.

POLITICAL DONATIONS AND EXPENDITURE

No political contributions/donations/expenditures were made during the year by the Company.

CHARITABLE DONATIONS AND EXPENDITURE

During the year the Company contributed towards Group's £0.6m in donations to the Royal Manchester Children's Hospital.

EMPLOYMENT OF DISABLED PERSONS

The Company does not discriminate between employees or potential employees on the grounds of colour, race, ethnic or national origin, sex, marital status or religious beliefs. It is the Company's policy to encourage the employment, training and career development of disabled persons. If individuals become disabled during employment and they are unable to perform their jobs, consideration is given to retraining for alternative roles.

PENINSULA BUSINESS SERVICES LIMITED

Directors' Report For The Year Ended 31 March 2022

ENGAGEMENT WITH EMPLOYEES

The Company places considerable value on the involvement of its employees and keeps employees informed on matters relevant to them through regular meetings and internal media. The Company consistently looks at means to further improve employee engagement, train and develop employees and provide opportunities for career progression including the use of career frameworks.

ENGAGEMENT WITH CUSTOMERS

The Company's aim as a business is to support its customers, take care of their employment law and health and safety legislation and compliance needs in a way that helps enables them to achieve their own business objectives. This support comes from highly qualified teams of specialists including consultants and advisors tasked with providing exceptional customer service. The success of this is reflected in the high volume of excellent external reviews received by the Company.

ENGAGEMENT WITH SUPPLIERS

The Company recognises the importance of its supply chain and invests in the relationships with suppliers. The Company reviewed and approved the 2015 Modern Slavery Act statement and following this, has implemented a structured induction process and ongoing training to increase awareness for all employees. This is reviewed annually and updated where necessary.

STREAMLINED ENERGY AND CARBON REPORTING

The information required to fulfil the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 has been included within the consolidated financial statements of Rainy City Investments Limited in which the Company is included.

DISCLOSURE IN THE STRATEGIC REPORT

Information with regards to future developments and principal risks and uncertainties has been included in the Strategic Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

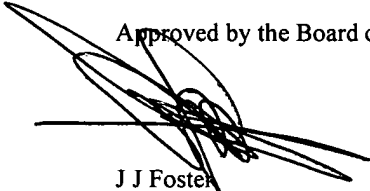
PENINSULA BUSINESS SERVICES LIMITED

Directors' Report
For The Year Ended 31 March 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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



J J Foster
Director
15 December 2022

Report of the Independent Auditors to the Members of
Peninsula Business Services Limited

Opinion

We have audited the financial statements of Peninsula Business Services Limited (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Report of the Independent Auditors to the Members of
Peninsula Business Services Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Report of the Independent Auditors to the Members of
Peninsula Business Services Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the business operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 are indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Peninsula Business Services Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors 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.

Beever and Struthers

Richard Williams BSc FCA (Senior Statutory Auditor)
for and on behalf of Beever and Struthers
Chartered accountants & statutory auditor
One Express
1 George Leigh Street
Ancoats
Manchester
M4 5DL

Date: *15 December 2022*

PENINSULA BUSINESS SERVICES LIMITED

Statement of Comprehensive Income
For The Year Ended 31 March 2022

		2022	2021
	Notes	£'000	£'000
TURNOVER	4	101,636	97,096
Cost of sales		<u>(30,067)</u>	<u>(29,544)</u>
GROSS PROFIT		71,569	67,552
Distribution costs		(16,253)	(18,419)
Administrative expenses		(25,576)	(26,873)
Other operating income	5	<u>1,942</u>	<u>4,764</u>
OPERATING PROFIT		31,682	27,024
Interest receivable and similar income	8	1	1
Interest payable and similar expenses	9	<u>(4)</u>	<u>(24)</u>
PROFIT BEFORE TAXATION	10	31,679	27,001
Tax on profit	12	<u>(4,619)</u>	<u>(4,409)</u>
PROFIT FOR THE FINANCIAL YEAR		27,060	22,592
Retained earnings at beginning of year		21,681	49,089
Dividends	13	(36,190)	(50,000)
RETAINED EARNINGS AT END OF YEAR		<u>12,551</u>	<u>21,681</u>

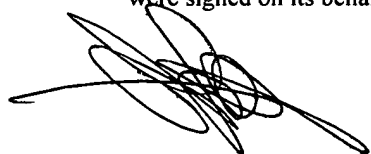
The notes on page 14 to 25 form part of these financial statements

PENINSULA BUSINESS SERVICES LIMITED

Statement of Financial Position
31 March 2022

		2022	2021
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	14	1,422	1,728
Tangible assets	15	<u>1,922</u>	<u>2,300</u>
		<u>3,344</u>	<u>4,028</u>
CURRENT ASSETS			
Debtors	16	46,529	47,987
Cash and cash equivalents		<u>7,915</u>	<u>6,513</u>
		54,444	54,500
CREDITORS			
Amounts falling due within one year	17	<u>(45,237)</u>	<u>(36,847)</u>
NET CURRENT ASSETS		<u>9,207</u>	<u>17,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,551</u>	<u>21,681</u>
CAPITAL AND RESERVES			
Called up share capital	20	-	-
Retained earnings	21	<u>12,551</u>	<u>21,681</u>
SHAREHOLDERS' FUNDS		<u>12,551</u>	<u>21,681</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2022 and were signed on its behalf by:



J J Foster - Director
Company registration number: 01702759

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements For The Year Ended 31 March 2022

1. STATUTORY INFORMATION

Peninsula Business Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling (£), which is the functional currency of the Company.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of its parent Peninsula Business Services Group Limited and ultimate parent Rainy City Investments Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the Company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued For The Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

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

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Intangible and tangible fixed assets are amortised or depreciated over their useful economic lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, service life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Revenue arises from the provision of services under contractual agreements ranging from one to five years, and services provided on an ad-hoc basis. The Company accounts for sales with reference to the duration of the contracts and the expected phasing of time spent in the provision of the component services within these contracts. Accrued income arises where revenue is recognised ahead of the invoicing profile, which in the majority of cases occurs evenly over the contractual term.
- Recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the directors the debt is not considered to be fully recoverable. A provision of £1.1m (2021: £2.2m) has been recognised in respect of trade debtors in the Company. Furthermore, where a trade debt is considered impaired, a provision is also recognised in respect of any associated accrued income. The accrued income provision at the year end was £0.9m (2021: £2.0m).

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued For The Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services provided, stated net of discounts and of Value Added Tax.

Revenue arising from the provision of services is measured by reference to the proportion of the overall service that have been provided at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Software development	-	25% per annum straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised to reflect the new estimates.

Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	10% per annum straight line
Fixtures and fittings	-	10% per annum straight line
Motor vehicles	-	25% per annum straight line
Computer equipment	-	25% per annum straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued For The Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the Company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction in which case it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued For The Year Ended 31 March 2022

3. ACCOUNTING POLICIES - continued

Foreign currencies

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the date of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised as profit or loss for the financial year.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event when it is probable that the entity will be required to transfer economic benefits in settlement, and when the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position.

Provisions are initially measured as the best estimate of the amount required to settle the obligation at the reporting date and are subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Going concern

As at 31 March 2022 the Company has net assets and net current assets. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Company meets its day to day working capital requirement from its cash reserves held, its ability to generate net cash inflows from operational activities and access to funding if required from the Group. The Company benefits from clients on multi-year contractual agreements offering good visibility of future cash flows and healthy cash generation. The Group, of which the Company is a part of, prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These indicate that the Group is projected to remain compliant with identified working capital commitments and existing Revolving Credit Facility ('RCF') financial covenants of the Parent.

The Parent's current RCF facility is scheduled to mature in November 2023. The directors have given this due consideration and are of the opinion that the facility will be refinanced and extended ahead of such maturity. In assessing this the directors have taken into account levels of interest expressed by funding parties, the low leverage of the Group and the robust track record of profitability and cash generation.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

4. TURNOVER

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	2022	2021
	£'000	£'000
Provision of services	<u>101,636</u>	<u>97,096</u>
	<u>101,636</u>	<u>97,096</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	<u>101,636</u>	<u>97,096</u>
	<u>101,636</u>	<u>97,096</u>

5. OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Rent received	1,898	1,489
Government grants	<u>44</u>	<u>3,275</u>
	<u>1,942</u>	<u>4,764</u>

Rents received is income from other parties renting office space in the Peninsula Building, which is fully let to the Company by Rainy City Properties Limited.

Government grants relates to Covid-19 support income received.

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	33,328	36,560
Social security costs	3,931	4,255
Other pension costs	<u>1,190</u>	<u>1,253</u>
	<u>38,449</u>	<u>42,068</u>

The average number of employees during the year was as follows:

	2022	2021
Sales and marketing	213	190
Client services and support	559	550
Administration	<u>162</u>	<u>174</u>
	<u>934</u>	<u>914</u>

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

7. DIRECTORS' EMOLUMENTS

	2022	2021
	£'000	£'000
Directors' remuneration	1,125	1,066
Directors' pension contributions to money purchase schemes	<u>65</u>	<u>59</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>8</u>	<u>10</u>
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Information regarding the highest paid director is as follows:

	2022	2021
	£'000	£'000
Emoluments etc	<u>233</u>	<u>288</u>

Where the directors of the Company are also directors of other Group companies, the directors' emoluments are allocated across the relevant Group companies.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest received	<u>1</u>	<u>1</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Other interest payable and similar charges	<u>4</u>	<u>24</u>

10. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Operating leases	5,637	5,411
Depreciation	681	832
Loss/(profit) on disposal of fixed assets	1	(2)
Amortisation	1,238	1,182
Foreign exchange differences	6	8
Rent received	(1,898)	(1,489)
Impairment of trade debtors	<u>(273)</u>	<u>3,640</u>

11. AUDITORS' REMUNERATION

	2022	2021
	£'000	£'000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	39	30
Auditors' remuneration for non audit work	<u>13</u>	<u>6</u>

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

12. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax	4,586	4,435
Adjustments in respect of prior periods	<u>(195)</u>	<u>120</u>
Total current tax	4,391	4,555
Deferred tax:		
Origination and reversal of timing differences	<u>228</u>	<u>(146)</u>
Tax on profit	<u>4,619</u>	<u>4,409</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit before tax	<u>31,679</u>	<u>27,001</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	6,019	5,130
Effects of:		
Expenses not deductible for tax purposes	7	12
Capital allowances in excess of depreciation	-	(180)
Depreciation in excess of capital allowances	202	-
Utilisation of tax losses	(1,149)	(887)
Adjustments to tax charge in respect of previous periods	(195)	120
Other short term timing differences	<u>(265)</u>	<u>214</u>
Total tax charge	<u>4,619</u>	<u>4,409</u>

13. DIVIDENDS

	2022	2021
	£'000	£'000
The following dividends were paid during the year:		
Ordinary shares of £0.01 each		
Dividends paid	<u>36,190</u>	<u>50,000</u>

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

14. INTANGIBLE FIXED ASSETS

	Software development £'000
COST	
At 1 April 2021	4,600
Additions	<u>932</u>
At 31 March 2022	<u>5,532</u>
AMORTISATION	
At 1 April 2021	2,872
Amortisation for year	<u>1,238</u>
At 31 March 2022	<u>4,110</u>
NET BOOK VALUE	
At 31 March 2022	<u>1,422</u>
At 31 March 2021	<u>1,728</u>

15. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST					
At 1 April 2021	1,697	1,730	132	4,123	7,682
Additions	-	39	-	267	306
Reclassification/transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
At 31 March 2022	<u>1,697</u>	<u>1,769</u>	<u>132</u>	<u>4,384</u>	<u>7,982</u>
DEPRECIATION					
At 1 April 2021	1,642	625	53	3,062	5,382
Charge for year	13	208	33	427	681
Reclassification/transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
At 31 March 2022	<u>1,655</u>	<u>833</u>	<u>86</u>	<u>3,486</u>	<u>6,060</u>
NET BOOK VALUE					
At 31 March 2022	<u>42</u>	<u>936</u>	<u>46</u>	<u>898</u>	<u>1,922</u>
At 31 March 2021	<u>55</u>	<u>1,105</u>	<u>79</u>	<u>1,061</u>	<u>2,300</u>

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	2,906	2,516
Amounts owed by Group undertakings	13,225	12,526
Other debtors	1,079	730
Corporation tax	744	-
Deferred tax asset	226	454
Prepayments and accrued income	<u>28,349</u>	<u>31,761</u>
	<u>46,529</u>	<u>47,987</u>

Included within Other debtors is £0.2m (2021: £Nil) owed from related parties (note 24).

Included within Prepayments and accrued income is £0.4m (2021: £Nil) accrued from related parties (note 24).

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	1,155	1,729
Amounts owed to Group undertakings	25,048	8,775
Corporation tax	-	1,716
Social security and other taxes	4,690	10,765
Other creditors	292	264
Accruals and deferred income	<u>14,052</u>	<u>13,598</u>
	<u>45,237</u>	<u>36,847</u>

Included within trade creditors is £0.1m (2021: £Nil) owed to related parties (note 24).

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£'000	£'000
Within one year	4,900	5,092
Between one and five years	18,284	17,977
In more than five years	<u>28,584</u>	<u>30,464</u>
	<u>51,768</u>	<u>53,533</u>

These lease payments relate primarily to the rent payable for the office buildings occupied by the Group in Manchester, London, Belfast and Glasgow.

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued
For The Year Ended 31 March 2022

19. DEFERRED TAX

	£'000
Balance at 1 April 2021	(454)
Charge to Income Statement during year	<u>228</u>
Balance at 31 March 2022	<u>(226)</u>

Deferred tax

The deferred tax account consists of the effect of timing differences in respect of:

	2022	2021
	£'000	£'000
Accelerated capital allowances	93	58
Other timing differences	<u>133</u>	<u>396</u>
	<u>226</u>	<u>454</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
9,400	Ordinary	£0.01	<u>94</u>	<u>94</u>

21. RESERVES

Retained earnings - This reserve records retained earnings and accumulated losses.

22. PENSION COMMITMENTS

The amount recognised in the Statement of Comprehensive Income and Retained Earnings in relation to defined contribution plans was £1.2m (2021: £1.2m).

At 31 March 2022 there were accrued contributions amounting to £0.3m (2021: £0.3m).

23. CONTINGENT LIABILITIES

On 22 November 2018 the, Parent, Rainy City Investments Limited, provided National Westminster Bank Plc and Lloyds Bank Plc with an unlimited intercompany guarantee which includes the Company as well as the following Group companies: Rainy City Investments Limited, Peninsula Business Services Group Limited, Peninsula Business Services (Ireland) Limited, Health Assured Limited, Croner Taxwise Limited, Croner Group Limited, Bright HR Limited, Croner-i Limited, Peninsula Employment Services Limited, Graphite HRM Limited and Employure Pty Limited

At 31 March 2022 the maximum exposure across the Group was £118.0m (2021: £100.3m).

PENINSULA BUSINESS SERVICES LIMITED

Notes to the Financial Statements - continued For The Year Ended 31 March 2022

24. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of Peninsula Business Services Group Limited and has taken advantage of the exemption in FRS 102 Section 33.1A from disclosing transactions or balances with entities which form part of the Group. The consolidated financial statements of both Peninsula Business Services Group Limited and Rainy City Investments Limited, can be obtained from Companies House.

P E Done is a director of Irwell Insurance Company Limited ("Irwell"). Irwell underwrites policies taken out by clients of Peninsula Business Services Limited. Insurance policies were collected by the Company on behalf of Irwell during the year. During the year the Company earned sales commission of £0.2m (2021: £0.2m) profit share of £0.4m (2021: £0.7m) and service fees totalling £0.5m (2021: £0.5m). At 31 March 2022 the Company was owed £0.3m (2021: £0.02m) by Irwell.

P E Done is a directors of Rainy City Properties Limited which owns the Peninsula Building. Rent and service charges totalling £3.5m (2021: £3.3m) was charged by Rainy City Properties Limited during the year. An amount of £0.1m (2021: £0.003m) is due to Rainy City Properties Limited in respect of expenses paid for by the Company. Purchases of £0.5m (2021: £0.01m) were also made from Rainy City Properties Limited.

Portfolio Payroll Limited is considered to be a related party due to the Done family relationship. Portfolio Payroll Limited makes placements of permanent and temporary staff. Turnover includes £0.1m (2021: £0.1m) invoiced to Portfolio Payroll Limited in respect of administrative services provided by Peninsula. At 31 March 2022 Portfolio Payroll Limited owes £0.01m (2021: £0.1m) to Peninsula Business Services Limited. During the year Portfolio Payroll Limited sold services to Peninsula Business Services Limited totalling £0.9m (2021: £0.6m). At 31 March 2022 the Company owed £0.1m (2021: £0.02m) to Portfolio Payroll Limited which is included within trade creditors.

25. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary of Peninsula Business Services Group Limited which is incorporated in Great Britain and registered in England and Wales.

Peninsula Business Services Group Limited is a wholly owned subsidiary of Rainy City Investments Limited. Rainy City Investments Limited, which is incorporated in Great Britain and registered in England and Wales.

The largest group into which Peninsula Business Services Limited is consolidated is that headed by Rainy City Investments Limited. The smallest Group into which Peninsula Business Services Limited is consolidated is that headed by Peninsula Business Services Group Limited.

The Company is controlled by the Done family.