

PENINSULA BUSINESS SERVICES GROUP LIMITED

Annual Report and Financial Statements

For the Year Ended 31 March 2025

PENINSULA BUSINESS SERVICES GROUP LIMITED

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PENINSULA BUSINESS SERVICES GROUP LIMITED

Company Information

Directors P E Done
D S Chadwick
B Chaplin
A Price
D Price

Company secretary K D Simmons

Registered number 02567996 (England and Wales)

Registered office The Peninsula
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1 Oxford Street
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PENINSULA BUSINESS SERVICES GROUP LIMITED

Group Strategic Report For the Year Ended 31 March 2025

About the Group

Peninsula Business Services Group Limited (the 'Company') is the parent company of a number of trading companies with the Company and its subsidiaries together forming the Peninsula Group of companies (the 'Group').

Peninsula Business Services Group Limited in turn is a wholly owned subsidiary of Rainy City Investments Limited (the 'Parent') which is incorporated in Great Britain and registered in England & Wales. Together the Group and the Parent constitute the 'RCI Group'.

Having been in business for over 40 years, the Group's success is built on strong foundations. From humble beginnings in 1983, the Group now has over 4,000 employees in five countries across three continents, providing support to over 150,000 businesses and millions of their employees*.

During this time the Group has demonstrated an enviable track record of organic growth combined with selective, modestly sized acquisitions through which growth has been turbo-charged with its tried and tested business model.

The Group's Brands:

The Group is comprised of the following brands operating across the 15 trading companies which span the UK, Republic of Ireland, Australia, New Zealand, and Canada.



*all figures at the date of this report

The Group's Services

The Group empowers businesses and their teams to thrive by investing in knowledge, people and technology, delivered through award-winning services to help build better businesses.



The Group is the leading global provider of Human Resources ('HR'), Employment Law, and Health & Safety ('H&S') advice, consultancy, and compliance services. Through Peninsula, Croner and BrightHR, the Group offers 24/7 access to specialist advice and tailored documentation helping clients manage their legal obligations

PENINSULA BUSINESS SERVICES GROUP LIMITED

Group Strategic Report (continued)
For the Year Ended 31 March 2025

In addition, the Group provides:



HR and H&S software: BrightHR's easy to use, cloud-based software gives businesses a comprehensive platform of tools and features to help them manage their staff easily, and compliantly. From absence management, clocking-in-and-out, managing rotas to risk assessments, incident reporting and e-learning, BrightHR's software and services continue to evolve with new features and enhancements designed to meet the needs of changing workplace demands in line with legislation. In August 2024 BrightHR expanded its UK offering to include enhanced payroll services, delivering further value and a seamless integrated solution to clients. In May 2025 this was further extended with the introduction of managed payroll services to not only provide software functionality but to provide a more complete payroll offering.



Wellbeing support: Health Assured is the leading independent provider of Employee Assistance Programmes, for employees, students and other individuals in the UK and Ireland, supporting over 13 million lives through both direct relationships with businesses and via established partnerships. Clients can access additional services including occupational health, mental health first aid courses, training and workshops, and support for children & young people. These services are supported by its content rich 'Wisdom' app, launched in late 2023 and now with more than 480,000 users. In July 2024 the Group expanded its Employee Assistance Programmes ('EAP') into Australia, with the launch of Wisdom Wellbeing, which has also recently extended its offerings into New Zealand.



Content and Consultancy: Croner-i's market leading online platforms provide comprehensive information, commentary and tools for tax, audit, accounting, HR, and other compliance professionals. These sit alongside a suite of advice products from Croner-i experts, providing responsive guidance and specialist tax consultancy services to augment the in-house capabilities of accountancy and tax firms.

Fee Protection: Croner-i acts as an insurance intermediary offering legal expenses insurance to accountancy firms, providing their clients with cover for the cost of professional fees arising from any HMRC investigation.

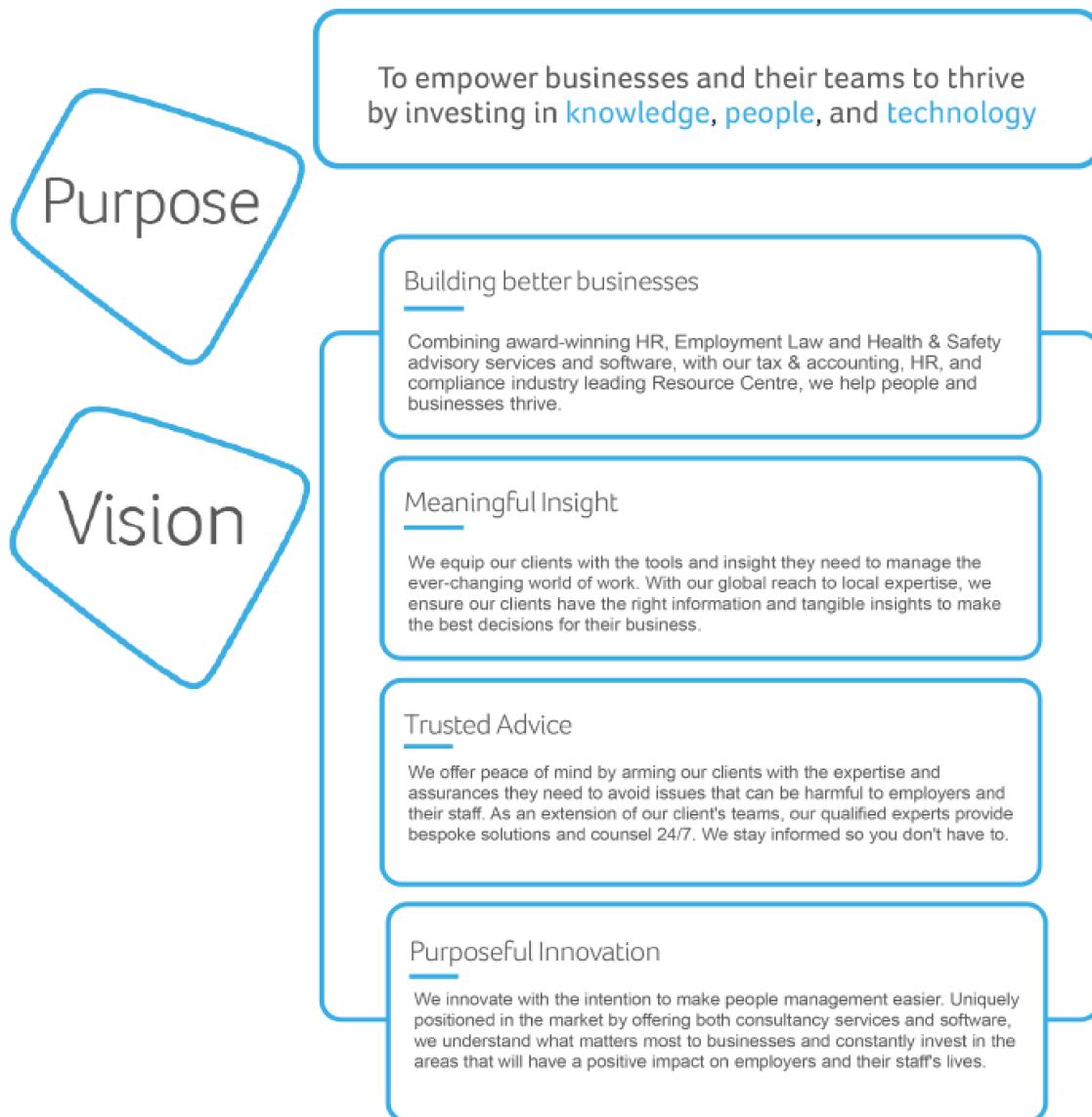


Legal Services: Peninsula Legal Services Limited, trading as Irwell Law, is the Group's specialist, SRA authorised UK law firm, providing a range of legal services in areas aligned to the Group's core specialism. Irwell Law PTY Ltd provides similar services in Australia. This provision further enhances the Group's service offering to UK and Australian clients respectively.

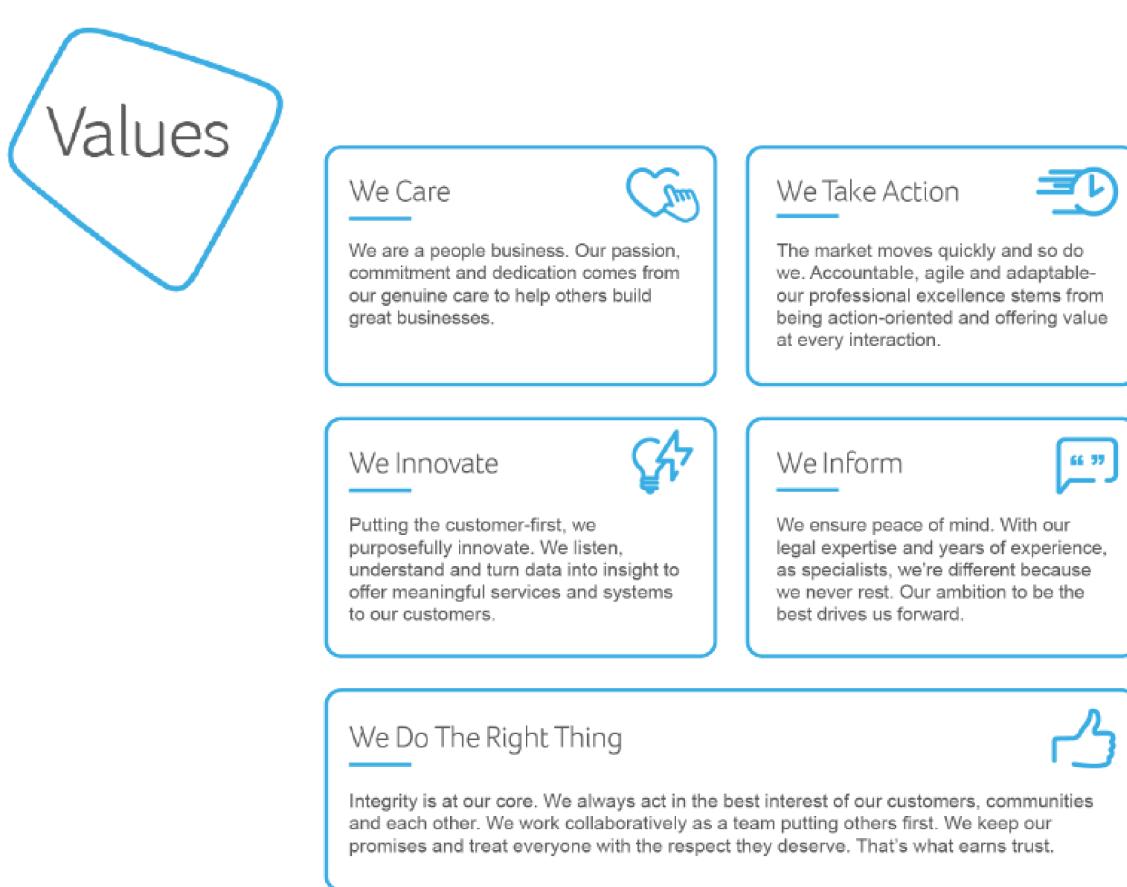
Group Strategic Report (continued)
For the Year Ended 31 March 2025

Purpose, Vision and Values:

In the year ended March 2024 the Group re launched its global purpose, vision and values, underpinning everything it does and uniting all brands under one common goal.



Group Strategic Report (continued)
For the Year Ended 31 March 2025



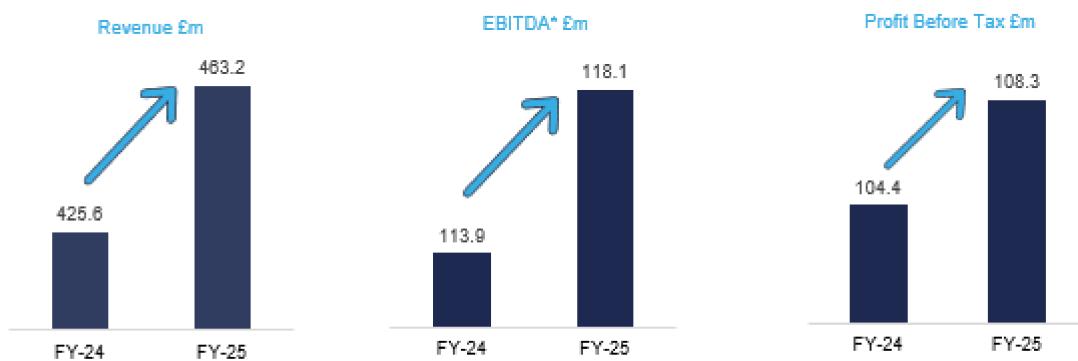
During the financial year under review the Group reinforced these values through the creation of the 'Peninsula Compass' setting out words we positively and negatively associate with. This initiative helps new starters and existing colleagues better understand what the Group stands for and shaping the Group's culture. These positive words include 'Customer centric', 'Growth', 'Self-awareness', 'Teamwork' and 'Resilience' while those it negatively associates with include 'Unhelpful', 'Lazy', 'Entitlement', 'Mood hoover' and 'Winging It'.

Review of the Business

The Group reports another period of growth for the year ended March 2025, building on its year-on-year track record of increasing revenue and profits. This was delivered in the context of another year of global economic uncertainty, albeit with easing inflation and interest rates slowly reducing. In the UK, Budget announcements, such as the changes to Employer National Insurance Contributions, had an influence, while more globally the impact of the US elections and subsequent new administration played its part in creating disruption across regions.

Group Strategic Report (continued)
For the Year Ended 31 March 2025

Key metrics of the Group



**EBITDA is Earnings Before Interest, Tax, Depreciation, Amortisation and any loss/(profit) on disposals of fixed assets.

The Group achieved revenue growth of 8.8%, £463.2m compared to the previous financial year's growth of 8.2% and £426m of revenue. EBITDA however increased more modestly, achieving 3.8% from £113.9m to £118.1m.

The increase in revenue delivered during the year principally reflects growth in the Group's client base, which rose approximately 8% in the period, now exceeding 150,000 clients. The multi-year contractual nature of the Group's client base, alongside successful client retention levels, allows the Group to enter each financial year underpinned by healthy levels of recurring revenue, combined with the benefit of in-year new client wins and existing clients taking additional services. During the year the Group experienced an increase in the number of new clients joining the Group compared to the previous year, alongside a slight reduction, in relative terms, in clients leaving. This was coupled with some improvement in average win values across the Group, including the benefits of initiatives to moderate discounting levels, shifting discussion to Group's 'Value Added Proposition'. Revenue growth reported, however, was in part negated by the significant further strengthening of sterling through the year (which was also experienced during the previous financial year), impacting on the translation of overseas revenue, most notably from Australia, New Zealand and Canada.

As in recent financial years, all core Group trading entities experienced revenue growth. The majority delivered double digit growth, including Croner-i, Croner Group, Peninsula Ireland and BrightHR, all of which are now meaningful contributors to the Group's overall profitability. Peninsula Canada also witnessed strong double digit revenue growth. Peninsula UK and Peninsula Australia, the two largest Group trading entities, also grew their top line, each achieving high single-digit revenue growth. During the financial year, the Group also began to generate revenues from Wisdom Wellbeing, its new start up entity in Australia providing EAP services. Whilst revenue contribution from inception is comparatively modest to date, growth expectations were surpassed providing the potential for significant long-term growth.

Revenue growth was also supported by continued investment in the Group's products and services alongside further investment in sales activity and service delivery. BrightHR continued to roll out new features, most notably the introduction of payroll, which, whilst still in infancy, has seen strong interest from both existing and new prospective clients of the Group. In addition, during the year further development on e-learning functionality, performance management tools and specific H&S reporting features have all delivered added value to users. Since the end of the financial year further significant investment has been made and continues, including advancing the marketplace features of Bright Exchange and the introduction of managed service payroll, which is expected to result in further demand, albeit with increased initial investment into the cost base to support this.

Investment in technology was also seen across the Group including further investment in Heath Assured's Wisdom Wellbeing app and the in-year launch of AI-powered search across a range of Croner-i's content platforms, with new generative search capability also added since year end. The Group intends to further implement use of AI driven transformation to further set it apart from the wider marketplace, in conjunction with The Group's in-house curated, trusted content and remembering the importance of human interaction.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Group Strategic Report (continued) For the Year Ended 31 March 2025

Retention of existing clients remained a priority throughout the year and the Group achieved, in percentage terms, an improvement in client retention compared to the previous year, despite seeing a continuation in SME clients going into insolvency or business failure. Client retention continues to be a primary objective of the Group and a variety of further initiatives were implemented to support this, including improvement to handover, increased levels of interaction and follow up during the initial set up periods to ensure any new client concerns or issues are addressed quickly and satisfactorily, as well as improvements to collection processes and engagement with clients who are exploring cancelling their agreements. The Group prides itself on achieving super service for clients, which is regularly evidenced by strong customer reviews across online platforms.

Whilst revenue grew strongly, cost base also grew at a faster pace than desired, due to a combination of headcount growth, inflationary increases and further investment in sales and marketing. Despite continued close focus on cost management, costs (excluding depreciation, amortisation and interest costs) increased 10.7% during the year; as a result EBITDA grew by a more modest 3.8%. EBITDA growth remained strong across the majority of the UK companies albeit muted by overseas contributions where continued cost of investment in sales and marketing and service delivery to support growth ambitions in more newly formed businesses, created a drag on overall Group profitability. It is anticipated that these costs should deliver positive results in future years, reflecting the level of new clients being won and the multi-year recurring revenue nature of the Group's client base.

The Group's gross margin reduced slightly from 78.0% in the previous financial year to 77.7%, in this year, as the Group continued to grow its service teams and number of specialist advisers to support its increasing client base. Average headcount associated with client service delivery and support increased at 9.8% with BrightHR and Health Assured in particular growing their service teams to further enhance offerings and support demand.

Distribution costs increased by 12.1% during the year as the Group increased its marketing budget and grew sales and marketing teams across almost every entity, supporting the new business sales targets. As well as paid marketing activity the Group's brands continue to drive organic search, supported by growing awareness including from the Group's regular media and online presence. This was further supported by enhancements to outbound campaign activities and partnership arrangements, as well as continued benefit of client referrals.

Administrative costs grew 8.9% from the previous financial year, stemming from a combination of increased costs associated with IT systems, legal and professional services, an increase in wage inflation, and a notable increase in recruitment costs, linked both to the increase in headcount and, in some cases, higher levels of leaver replacement. Impairment of trade debtors charges also increased during the year albeit remained broadly flat as a % of revenue. Property rental costs also increased, with the new state-of-the-art Toronto head office, which doubled the floorplate for the Peninsula Canada and BrightHR Canada businesses, alongside a full year's rental cost for BrightHR Australia's new office. In addition, a rent review was undertaken of the Group's Manchester head office resulting in an upward increase as well as adding an additional floor which had previously been sublet.

The Group saw the overall average employee headcount increase by 11.7% during the year and with this reaching over 4,000 (at the date of this report). Employee numbers increased across almost all companies, most notably, in relative terms, within the fast-growth BrightHR businesses and Peninsula Canada. The Group also continued to invest in the quality and strength of its senior management and leadership team, which increased by 34% during the year. This included a number of internal promotions, recognising the homegrown talent within the Group. The Group promoted two colleagues into senior sales director roles in Peninsula Canada and Peninsula New Zealand, both of whom were previously based in other companies within the Group, demonstrating the cross-border career progression opportunities the global Group offers. The Associate Director of Operations for Wisdom Wellbeing in Australia was also an internal promotion, having worked for a number of years in Health Assured in the UK before being promoted to lead the new Australia operation.

Profit before tax increased favourably to £108.3m (2024: £104.4m), with the main variances compared to EBITDA being depreciation and amortisation. These increased slightly in the year to £10.2m (2024: £9.8m) as certain previously acquired intangible assets fully amortised during the previous financial year with software amortisation rising due to in-year additions.

Group Strategic Report (continued)
For the Year Ended 31 March 2025

Profit for the financial year (after tax) was £78.7m (2024: £78.4m) growing at a slower pace than profit before tax, with the Group experiencing a higher effective tax rate compared to previous year. Taking into account an increase in foreign currency re-translation which grew from £1.1m to £3.8m as a result of adverse movements in exchange rates, total comprehensive income for the year was £76.0m (2024: £77.1m).

The Group achieved an impressive 95.9% cash conversion from operations during the year (2024: 97.3%) enabling the Company to pay dividends of £30.0m (2024: £92.5m) to the Parent, resulting in Group shareholders' funds of £78.2m at the end of the year (2024: £32.2m). Included within Group shareholders' funds as at 31 March 2025 is a £3.8m foreign exchange reserve deficit (2024: £1.1m) and a permanent negative balance of £87.3m (2024: £87.3m) associated with the Group's acquisition of the residual minority interest of Peninsula Australia Pty Ltd in 2021, which took Group ownership of that entity to 100%, whilst contributing to the RCI Group maintaining its net debt ratio of less than 1 X EBITDA.

In summary, the directors consider the financial year ended March 2025 to be yet another strong year for the Group not only in financial performance terms, but also positioning the business for continued growth.

The directors acknowledge that the effort and expertise of the Group's people is paramount to its success and wishes to thank them for their continued contribution.

Outlook

The directors remain confident of the opportunity for growth as the Group continues to invest in key areas of knowledge, people and technology.

The Group has proven the strength of its organic growth capability and the resilience of its business model, notwithstanding multiple economic cycles over more than 40 years of trading with a continued appetite to consistently improve its offerings to clients.

The services and software offered are relevant to a wide range of businesses of differing sizes across all sectors. As a result, the Group considers the size of its markets to be significant across all operating territories. Furthermore, the Group has the potential to extend its offerings to new territories and further expand service offerings, leveraging management expertise and previous learnings to build on its already significant and diverse client base. By bringing together, as appropriate, the offerings of the various Group companies, for instance, with c.100,000 of Group client base having access to the BrightHR system, this increases the value provided to clients whilst supporting the strong client retention levels the Group experiences.

The directors and the Group continue to seek opportunities for further enhancement to the services provided, retention of existing clients, and recruitment of new ones. During the year the Group launched two major initiatives which have potential to drive significant incremental opportunity. This includes the launch of BrightHR payroll in the UK which, in conjunction with established HR software capabilities, offers clients an attractive integrated end-to-end HR and payroll solution set. Following the year end, this was extended to include managed payroll services, enabling clients to also benefit from enhanced efficiency, legal compliance and streamlined payroll & HR. While still in its early stages, this is generating strong appeal from both new and existing Group clients. The Group also recently extended its offering of Employee Assistance Programmes in Australia (and since year end New Zealand) through the establishment of Wisdom Wellbeing Pty Ltd, a subsidiary of Health Assured Limited, building on the significant growth of this business in the UK, and leveraging the large Group client base and infrastructure within that market.

The regularity of changes to legislation within the areas of the Group's specialisms supports the continued ongoing demand for the Group's services. In the UK, which remains the Group's largest market, the change in Government presented further opportunity with the introduction of the proposed Employment Rights Bill. The impact from this will continue to increase as the changes are implemented creating increased complexity for businesses, leading to an expected increase in demand for the Group's HR services both from existing and new prospective clients. This, in turn, will allow the Group to further demonstrate the added value of its offerings.

Group Strategic Report (continued)
For the Year Ended 31 March 2025

Whilst inflation in the Group's territories seems to be easing, and with interest rates slowly reducing, the Group is mindful of the significant global disruption and uncertainty arising from the change in the US government and the evolving impact to wider global economy from the effects of tariffs. Whilst the full impact remains to be seen, the Group remains confident that its services will remain in high demand as clients navigate through uncertain times.

Principal Risks and Uncertainties

Financial Risk Management Objectives and Policies

The directors recognise that the Group's success is reliant on the delivery of high levels of service and advice to its client base. The Group operates a proactive strategy of monitoring the systems, advice and service levels provided by all client-facing staff.

Reduction in Business Activity from Economic Uncertainty

The Group, like any other business, is exposed to the risk of economic downturn impacting the sectors in which the Group operates.

Whilst a more challenging economic backdrop inevitably creates greater financial pressure on businesses, the directors consider demand for the Group's services remains resilient. The directors believe more difficult economic conditions can often be a catalyst for new demand from prospective clients as they look to more effectively manage their costs and staff base.

Furthermore, the Group benefits from the majority of clients being on multi-year agreements with high levels of recurring revenue, further insulating the Group from short-term economic changes and providing good visibility to future cash flows for the Group, whilst offering cost certainty for its clients. Operating across different geographical territories also serves to provide some degree of mitigation, to the extent where economic issues are localised to a specific country.

Whilst the directors do not anticipate any significant future deterioration to performance resulting from adverse changes to the economic environment, the Group continues to look to mitigate any risk through continued investment in growth, service, and products.

The directors continue to proactively assess risks and monitor performance for evidence of any impact. Their in-depth knowledge of relevant sectors and involvement in the day-to-day running of all Group businesses are key to mitigating any such risks.

Credit Risk

Credit risk arises from clients defaulting on their contractual financial obligations. This can be for a variety of reasons including financial difficulties resulting from challenging economic trading conditions. This could lead to the requirement to write-off overdue amounts or, where revenue is recognised ahead of the contractual cash flow profile, a reversal of income.

Credit risk is managed through rigorous payment collection processes and ongoing monitoring of trade debtors to identify any bad debt exposures and minimise their impact. It is further mitigated by the high level of customers paying by direct debit or standing order. The Group also benefits from having a highly diversified client base across multiple regions with no single customer concentration, or undue weighting to any specific industry. The Group also continues to improve its processes to mitigate risks as well as increasingly utilising modern technologies to offer additional insight and functionality.

Trade debtors are stated net of provision for doubtful debts. Provision is made where there is considered to be a risk that the full amount of the outstanding receivable will not be recoverable. Provision is also made against revenues recognised in advance of the contractual cash profile where risk of receipt exists.

Group Strategic Report (continued)
For the Year Ended 31 March 2025

Operational Risk

Operational risk includes the failure to attract and retain suitably qualified personnel and lack of adherence to, or inadequate, policies and procedures. This can also include failure of, or an external attack on, the Group's IT systems. These could adversely impact the quality of service to clients, potentially leading to complaints, loss of clients or, in more severe cases, reputational damage and/or claims activity. Failure to prevent a cyber-attack or other data breach could lead to GDPR breaches and potential fines.

The Group mitigates these risks using a variety of measures. It provides employees with appropriate training, fair remuneration packages (including a range of attractive immediate and long service benefits), appealing working environments which foster collaboration, and clear career pathways for progression. The Group looks to continually improve its service delivery, regularly reviewing its policies and procedures. The Group continues to invest in tools to support service delivery including, for example, state-of-the-art IT equipment for field-based health & safety staff, operating bespoke developed software which support service being delivered quickly and effectively to all clients.

The IT infrastructure undergoes regular resilience and failover testing, with ongoing investment in hardware, and continuous cyber risk prevention and detection measures in place. Regular training is provided to staff on risks associated with internal and external cyber-attacks, as well as on the importance of data integrity and correct data handling. The UK and Ireland Group businesses, transitioned to ISO 27001:2023 Information Security status, in April 2024, having previously been ISO 27001:2013 certified. An external ISO27001 audit was carried out and successfully concluded in May 2025 Cyber Essentials Plus certification also remains in place following the December 2024 completion of the annual assessment. The Group continues to regularly review the quality of its preventative and detective defences and has stringent controls in place in line with best practices, maintained and monitored by a dedicated Information Security team. This includes the use of external penetration and cyber security testing services. During the year the global endpoint detection platform was replaced providing additional levels of security for our environment as well as adding additional security modules to further enhance email security. SSO has been enabled for SaaS based services along with locking down access from managed devices only, minimising risk of unauthorised access.

Legislative Risk

The Group's offerings are weighted to the provision of services in connection with legislation. Changes in legislation or standards in the areas of employment law, health & safety, tax, audit and accounting, increase the potential risk of providing incorrect advice, documentation, or other information. In respect of health & safety specifically, failure to give appropriate or correct advice to clients in connection with their own statutory obligations could lead not only to increased risk of incidents, but potential financial penalties and reputational impact upon the Group.

To mitigate these risks, the Group provides staff with thorough induction programmes, continued professional development opportunities and training, alongside a variety of guidance tools and routes to escalate complex matters. All staff are appropriately qualified for the advice or service they provide. Guidance literature, documentation and online content is regularly reviewed and updated to reflect current legislation and standards. The Group has established processes and specialist in house teams who continually research, review, interpret and disseminate external changes in law or standards. Where necessary and appropriate external specialists are consulted. The UK Group is certified to ISO 9001 and ISO 45001.

Group Strategic Report (continued)
For the Year Ended 31 March 2025

Technological Development Risk

The advancement of technology and artificial intelligence (AI) is changing the landscape in which services are sought and consumed providing both opportunity and threat to businesses across the globe. A failure to adapt business models to embrace such changes increases the risk, over time, of such models no longer meeting customers' evolving needs.

In response to such advancements, the Group is investing in AI capability and application, enhancing the features within its offerings as well as increasing ways clients can digitally engage and access the Company's services. The Group intends to further increase investment in in-house technology and the use of AI to support ongoing initiatives with the aim to ensure services remain relevant into the long term. The Group's approach is to make strategic investments, adopting AI both carefully and responsibly, overlaying such technology on top of the Group's in-house curated and trusted content, building its own models to meet customer needs whilst maintaining security and privacy at every stage of the development and adoption process.

Interest Rates Risk

Interest rate risk arises from a significant increase in interest rates, impacting the amount of interest payable on the Parent's debt facilities linked to UK reference rates. This risk is mitigated by the RCI Group operating with a relatively low amount of net debt relative to its EBITDA. Furthermore, the Group is highly cash generative in nature and could direct cash flows, if appropriate, to accelerate a reduction in the debt balances. The relative overall profitability of the Group means any realistic increase in interest rates would not be expected to adversely impact on the Parent meeting debt facility covenants or obligations. Furthermore, during the previous year ending March 2024 the Group introduced cash pooling arrangements for UK entities, improving the management of drawn debt positions and enhancing interest generation on cash balances.

Foreign Exchange ('Forex') Risk

Forex risk arises from the conversion of the overseas Group subsidiaries' financial results into sterling for the purposes of the Group's consolidated results. In addition, changes in exchange rates will impact upon the receipt and payment of monetary flow between Group entities, including the payment of dividends from overseas subsidiaries to the UK parent.

During the financial year, the Group experienced continued adverse impact on the translation of overseas results into its consolidated results, arising from a strengthening of sterling against the Australian, New Zealand and Canadian dollar albeit the Group was able to absorb this impact. Forex risk is mitigated by the diversification of operations across different international territories, with just under 63% of Group revenue generated in the UK. The Group subsidiaries do not have significant exposure to external supplier payments outside their country of operation. Whilst Forex movements can impact on overall relative consolidated growth rates the Group generates strong EBITDA, which can tolerate a high degree of fluctuation in exchange rates without significant risk to its stability or overall performance.

Key Performance Indicators

In managing the Group, the directors use a wide range of key performance indicators to assess ongoing performance, which are regularly reported upon. In addition to core financial measures derived from the financial statements, other financial and non-financial measures include but not limited to: new business sales; average contract values; new client wins; client losses; total clients; future invoice value; service utilisation, service response times; staff retention levels; and client satisfaction levels.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Group Strategic Report (continued) For the Year Ended 31 March 2025

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members and stakeholders. 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 s172 duties, Peninsula Business Services Group Limited has regard to the interests and views of its internal and external stakeholders. Information regarding engagement with stakeholders, including employees, suppliers and customers, is included in the relevant section of the Director's Report. By considering the Group's purpose, vision, and values alongside its strategic priorities, the Group aims to make sure its decisions are consistent and equitable. The Group has established policies and procedures reflecting its commitment to responsible business practices. These policies are communicated clearly and consistently across the staff base. The Group seeks to foster a culture of open communication and transparency, encouraging feedback from all stakeholders.

As is normal for large groups, Peninsula Business Services Group 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 Group 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 various KPI's across all areas of the operations.

Regular board meetings are held throughout the year for core trading entities within the Group, which include a mix of Group and company-specific executive directors in attendance, with frequent participation from other senior employees. Through these and other means the directors and other Group directors review a variety of important matters over the course of the financial year including risk and compliance, corporate governance, environmental legal, pensions, health & safety, diversity and inclusivity, corporate social responsibility and other stakeholder related matters.

This ensures the Group has an overview of engagement with stakeholders and complies with its s172 duty to promote the success of the Group.

Approved by the board of the directors on 27 October 2025 and signed on its behalf by:

B Chaplin
Director

PENINSULA BUSINESS SERVICES GROUP LIMITED

Directors' Report For the Year Ended 31 March 2025

The directors present their report and the financial statements of the Company and Group for the year ended 31 March 2025.

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 April 2024 to the date of this report.

P E Done
D S Chadwick
A Price
D Price

Changes in directors holding office after the financial year are as follows:

B Chaplin - appointed 1 September 2025
J J Foster - resigned 12 September 2025

Indemnity Provisions 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 or expenditures were made during the year by the Company nor any of the subsidiaries within the Group.

Charitable Donations and Expenditure

During the year, the Group made charitable donations to its charity partners around the globe. This amounted to a total of £0.9m.

Refer to Engagement with the Community section of the Director's Report for further detail.

Going Concern

As at 31 March 2025 the Group has both positive net assets and positive 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 Group benefits from clients on multi-year contractual agreements, offering good visibility of future cash flows and healthy cash generation. The Group 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 Parent's Revolving Credit Facility ('RCF'). The Group prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These project that the Group will meet its identified working capital commitments and remain compliant with its Parent's RCF financial covenants. The Parent's RCF facility, which was refinanced in 2023 with a 3 year term, was successfully extended by a further 12 months, both in 2024 and again in 2025, resulting in an earliest maturity of March 2028.

To the extent it will impact on the Company's abilities to repay its liabilities as they fall due, the Company has received a letter of support from the Parent confirming that amounts owed to other Group companies will not be

**Directors' Report (continued)
For the Year Ended 31 March 2025**

demanded for repayment for a period of at least 12 months from the date of approval of these financial statements.

Consequently, the directors are confident that the Group and 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 has prepared the financial statements on a going concern basis.

Post Balance Sheet Events

Following the financial year end Bright HR Limited, a subsidiary of the Group purchased 100% of the issued share capital of Payetools Ltd a private limited company registered in England & Wales for cash, on the 1 August 2025.

Equality, Diversity and Employment of Disabled Persons

The Group strives to create a safe, inclusive, and diverse working environment for all employees.

The Group does not discriminate between employees or potential employees on the grounds of age, disability, gender reassignment, marital status, pregnancy and maternity, race ethnic or national origin, religion or belief, sex (gender) or sexual orientation. A diverse workforce is essential to the Group's success, and the Group is committed to building a culture of respect and understanding. The Group takes a zero-tolerance stance against discrimination. This involves protecting staff against direct and indirect discrimination, victimisation or harassment due to any protected characteristics. The Group employs a fair and equal pay policy, and the UK entities report annually on Gender Pay Gap looking carefully into reasons for any discrepancies. During the last five years the Group has seen progress in the gender diversity of its senior leadership team with over 30% of the Group's senior leadership team being female. The Group is committed to making further strides in this area.

All new starters are provided with the Equality and Diversity Policy, setting out what is expected from them and their responsibilities from the start. The effectiveness of this policy is regularly monitored, with regular communications issued reminding staff of these expectations. To keep the business in line with the most recent guidance and best practice, the policy is reviewed, updated and redistributed as appropriate.

It is the Group's policy to encourage the employment, training, and career development of persons with disabilities. If individuals become disabled during employment and are unable to perform their jobs, consideration is given to retraining for alternative roles. The Group is registered as a Disability Confident Committed (level 1) Employer in the UK, committing the businesses to activities which both support and encourage disabled persons in the workplace.

Engagement with Employees

The Group places considerable value on employee involvement and keeps them informed via regular townhall style meetings and internal communications. This includes the Group intranet, which is continually updated with relevant news and information, alongside regular email distributions, and regular Q&A sessions with Group directors. The Group's charity partners were chosen by a process of employee nomination, and the Group's employee led social committee, Peninsula People, puts on a calendar of social events throughout the year.

Continued professional development and progression opportunities are important to the Group with staff having the opportunity to further develop their expertise via accredited courses. Documented career pathways are published and communicated internally, providing a framework with which to measure success as part of regular performance and salary reviews. The Group has a successful track record of promoting from within, evident at all levels across the Group including the leadership team, many of whom started their careers in the Group in junior roles, with the opportunity for colleagues to move roles across the Group.

The Group does not subscribe to zero-hour contracts. Part-time and fixed-term employees are afforded the same pro-rata entitlements as full-time and permanent employees. The Group also looks to regularly review staff benefits and recently replaced the incumbent UK pension provider with a new provider, allowing staff to benefit

**Directors' Report (continued)
For the Year Ended 31 March 2025**

from lower annual fund charges and with the introduction of salary exchange contributions.

The Group businesses undertake various regular in office social activities during the year to promote both team development and cross departmental engagement with activity supported by internal forums attended by volunteers within the business. The Group incentivises employees with a profit share framework, which is open to the majority of employees and based on the respective performance of the entity they work for.

During the year, in line with the launch of the Group's global values and following the successful launch in 2023, the Group repeated its global MVP (Most Valuable Player) Awards. These are open to all employees, recognising and rewarding those who go the extra mile, look at ways to add value and embody the Group's values every day. Employees across the globe were nominated with ten shortlisted candidates invited to present to a panel, with all UK and international colleagues invited to join the event virtually or in person. From this, the top three were eventually chosen and awarded. The Group intends to repeat the successful recognition programme annually.

Staff wellbeing is of paramount importance, and the Group seeks to support its employees' mental, physical, emotional and financial wellbeing. All employees have access to an Employee Assistance Programme with a third-party provider, which offers confidential support and counselling, and Mental Health First Aiders are in place across the UK entities. All UK entities have also signed up for the Menopause Workplace Pledge to ensure staff going through the menopause are protected. In 2024 the Group celebrated the opening of the 'Rainy City Gym' at its Head office in Manchester, with employees participating in a range of fun challenges. The state of the art gym is available free of charge to all employees 24/7, further reflecting the Group's commitment to employee health and wellbeing with another gym being introduced at the Hinckley office planned for late 2025.

The UK and Ireland Group entities are all accredited for ISO 45001, which is the recognised standard for occupational health & safety. This demonstrates the Group's commitment to creating safer working conditions and reducing workplace risks. The Group looks to continually improve the working environment with a programme of continued refurbishment of offices. During the year this included the Peninsula Canada office move to bespoke refurbished office space to handle the Groups ever increasing presence with a capital spend of £2.2m. This follows a significant refurbishment in 2024 of the Group's second largest UK office in Hinckley and newly opened offices in Australia and New Zealand in the same year.

Engagement with Customers

The Group's focus remains on the development and delivery of market-leading services and products to its clients.

The Group's aim is to support its customers, take care of their employment law, HR, H&S, accounting, audit and tax legislation and compliance, HR and H&S software, employee wellbeing and tax fee protection cover needs in a way that helps them achieve their own business objectives. This support comes from highly qualified teams of specialists including consultants and advisors, tasked with providing exceptional customer service. A number of services are backed by either stipulated service promises, discretionary protection or, in the case of the UK, a legal expenses insurance policy, that underpins the advice given. During the year the Group reinforced such benefits through the introduction of 'Value-Added-Proposition' or VAP, a means of further reinforcing the significant benefits our services offer to our clients, including the potential for significant financial savings.

This year, for the first time, two Group companies were ranked in the prestigious UK Legal500 (Peninsula UK for the second consecutive year, and Croner Group for the first time), further testament to the quality of services offered by the Group including employment tribunal advocacy. This was also supported by a number of awards achieved in the year including BrightHR awards for SaaS Company of the Year at the Prolific North West Tech Awards and North-West Fast Growth business of the year at the Business Desk Awards. For the second year in a row, Health Assured was named on the Sunday Times Best Places to Work list.

Successful customer engagement is reflected by the high volume of excellent external reviews received, the levels of customer retention seen, and in the ISO 9001 - Quality Management accreditation achieved by all UK and Ireland entities.

**Directors' Report (continued)
For the Year Ended 31 March 2025**

Engagement with Suppliers

The Group recognises the importance of its supply chain and invests in maintaining sustainable and professional relationships with its many key suppliers. In line with Group requirements, formal approval and authorisation processes operate when engaging with new suppliers, or when renewing or extending existing contracts, which are led or supported by its procurement and legal teams as appropriate. This typically includes a structured approach to obtaining proposals, undertaking due diligence prior to contract award, use of ethical sourcing questionnaires (or self-attestation for smaller suppliers) and the operation of a supplier code of conduct, documenting the standards of behaviour expected in areas including modern slavery and human trafficking, environmental stewardship and financial crime.

The UK and Ireland Group entities operate a procurement policy, recently updated, which stresses the core principles for supplier engagement including, but not limited to, fairness, consistency and impartiality.

The Group regularly reviews and annually approves its 2015 Modern Slavery Act statement.

The Group understands the importance of timely payment to suppliers. Supplier Payment Performance Reporting is published through the gov.uk website for those required to do so.

Engagement with the Community

The Group realises its wider responsibility in society and has always retained and valued roots to its origins in Salford and the Northwest of England. It has developed deep relationships with local charities, non-profit groups, and educational organisations. This includes, amongst others, partnerships with University of Salford and Salford College working on projects of joint interest, and graduate and apprenticeship programmes with the Group currently broadening relationships to other universities locally and internationally.

Community relationships also include a corporate partnership with IntoUniversity, helping to transform futures of young persons from disadvantaged backgrounds through development of skills, and partnership with Salford City Football Club, including the sponsorship of the Peninsula Stadium and engaging alongside the club and community on a wide range of issues including mental wellbeing. This partnership with the club resulted in the launch of the first of its kind, English Football League Supporter Assistance Programme, giving season ticket holders free access to the Group's Employee Assistance Programme helplines and services. The Group also sponsors several under 8's football teams in Manchester, Merseyside and Cumbria.

The Group's longstanding partnership with the University of Salford includes a joint podcast, HR Unpacked, graduate opportunities at Peninsula, educational opportunities for employees at the University, and a newly launched research group aimed at advancing knowledge and working practices using data-based insights. Students at the University use the Group's BrAIinbox platform as part of their studies, as well as the data from quarterly global surveys produced by the Group.

Over the last 12 months the Group has further strengthened its commitment to leading the way in terms of workplace provision for employees going through menopause, partnering with Emma Neville and her 'This is Me' community. Emma was a keynote speaker at the Peninsula Business Leaders' Forum, has been a guest on several Group podcasts and regularly works with the UK HR team to highlight the need for workplaces to provide support.

The Group also recognises the value that veterans, serving members of the military and their families contribute to its business and the country. In December 2024, the Group's UK companies signed the Armed Forces Covenant, pledging commitment to being an Armed Forces-friendly organisation. This pledge includes:

- Offering work placements, insight days, mentoring schemes and/or guaranteed interview schemes to Veterans seeking employment;
- Providing flexibility in granting leave for Service spouses and partners before, during and after a partner's

Directors' Report (continued)
For the Year Ended 31 March 2025

deployment;

- Engaging with the Career Transition Partnership (CTP) to support service leavers with advice and support;
- Supporting employees who are members of the Reserve Forces by granting additional unpaid leave for annual Reserve Forces training, supporting any mobilisations and deployment; and
- Actively encouraging members of staff to become Reservists.

Continuing the Group's charitable commitment, following the conclusion of a multi-year £3 million partnership with Royal Manchester Children's Hospital, in March 2024 the Group transitioned to wholeheartedly supporting its new selected charity partners. During the year, the Group contributed £0.7m to the three UK selected charities being:

- DEBRA UK: a national charity and patient support organisation for people living with the rare and extremely painful genetic skin condition Epidermolysis Bullosa (EB) aka 'Butterfly Skin';
- Together for Short Lives, a leading UK charity supporting Children's palliative care; helping children with life-limiting and life-threatening conditions and their families make the most of every moment they have together; and
- Air Ambulances UK: the national charity supporting the lifesaving work of the UK Air Ambulance charities, bringing emergency departments to life-threatening trauma and medical situations.

Activities to support the Group's charity partners include the Group's Global Day of Giving, held in December 2024 where, alongside a variety of other activities, Peninsula offices across the world competed in a live furthest distance travelled cycle challenge. In addition, engagement has included Group supporting Together for Short Lives at the House of Commons for an All-Party Parliamentary Group Reception supporting their campaign for better access to children's palliative care, representatives from across the Group participating in a range of marathons (London, Manchester, Paris, etc.) to support our chosen charities and an expedition to Mount Kilimanjaro in September 2025 where 11 colleagues from across UK Group companies will embark on an 8-day-trek to reach the summit of Africa's highest mountain in support of DEBRA UK.

The Group is proud to support these charities and has pledged £3 million (£1 million per year) across the three charities over the three-year commitment period. Amounts pledged will include funds raised through organised fundraising events, individual employee fundraising activities, voluntary payroll giving, all of which the Group matches pound for pound, as well as direct contributions from the Group. In addition to providing financial support the Group has also offered these partner charities free access to various Group services including EAP, HR advice and the BrightHR platform.

The Group has additional charitable partnerships in its other international territories including, following a similar shortlist and selection process to the UK, a three year €450,000 partnership with BUMBLEance (children's ambulances) in the Republic of Ireland, and a three year CAD\$100,000 commitment to Sick Kids Hospital Foundation in Canada, an AUS\$100,000 commitment to Sydney Children's Hospital Foundation and support of the Starlight Foundation in New Zealand.

During the year the Group contributed a total of £0.9m to these charities. In addition to official charity partnerships the Group continues to support other local charities on an ad hoc basis.

Engagement with the Environment

The Group remains committed to reducing energy usage, costs, and carbon footprint with the aim of reaching Net Zero emissions by 2040 with an apex target of reducing greenhouse gas emissions by 50% by 2030. The Group is certified and accredited to ISO 50001:2018 - Energy Management within the UK and Ireland.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Directors' Report (continued) For the Year Ended 31 March 2025

Streamlined Energy and Carbon Reporting (SECR)

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 (and its subsidiaries) are included.

Disclosure in the Strategic Report

Information regarding future developments and principal risks and uncertainties is included in the Strategic Report.

Directors' Responsibilities Statement

The directors are responsible for preparing the Group 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). 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 Company and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the 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 Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Group's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approved by the board of directors on 27 October 2025 and signed on its behalf by:

B Chaplin
Director

PENINSULA BUSINESS SERVICES GROUP LIMITED

Independent Auditors' Report to the Members of PENINSULA BUSINESS SERVICES GROUP LIMITED

Opinion

We have audited the financial statements of PENINSULA BUSINESS SERVICES GROUP LIMITED (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

PENINSULA BUSINESS SERVICES GROUP LIMITED

Independent Auditors' Report to the Members of PENINSULA BUSINESS SERVICES GROUP LIMITED (continued)

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.

Opinion 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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

PENINSULA BUSINESS SERVICES GROUP LIMITED

Independent Auditors' Report to the Members of PENINSULA BUSINESS SERVICES GROUP LIMITED (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and Company operates in and how the Group and Company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment law and health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any relevant correspondence.

The Group audit engagement team identified the risk of management override of controls and revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, assessing whether the judgements made in making accounting estimates are indicative of potential bias.
- Challenging judgement and estimates applied in the valuation of accrued income on contracts and testing a sample of revenue items to underlying contract. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.
- Performing data analytics over revenue to identify transactions occurring outside the expected sales cycle. A

PENINSULA BUSINESS SERVICES GROUP LIMITED

Independent Auditors' Report to the Members of PENINSULA BUSINESS SERVICES GROUP LIMITED (continued)

targeted sample of out-of-cycle transactions was reviewed and found to be appropriately supported.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach.

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 Auditors' Report.

Use of our report

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

Ian Taylor FCA (Senior Statutory Auditor)

for and on behalf of

RSM UK Audit LLP

Chartered accountants & statutory auditor

Ninth Floor, Landmark

St Peter's Square

1 Oxford Street

Manchester

M1 4PB

Date: 27/10/25

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2025**

	Note	2025 £000	2024 £000
REVENUE			
Cost of sales	4	463,169	425,602
		(103,261)	(93,518)
		<hr/>	<hr/>
GROSS PROFIT		359,908	332,084
Distribution costs		(138,980)	(123,930)
Administrative expenses		(114,041)	(104,766)
Other operating income	5	883	652
		<hr/>	<hr/>
OPERATING PROFIT		107,770	104,040
Interest receivable and similar income	8	484	403
Interest payable and similar expenses	9	(1)	(7)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	10	108,253	104,436
Tax on profit	12	(29,542)	(26,017)
		<hr/>	<hr/>
PROFIT FOR THE YEAR		78,711	78,419
Foreign currency retranslation		(2,692)	(1,358)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		76,019	77,061
		<hr/>	<hr/>
Profit attributable to:			
Owners of the parent Company		78,730	78,406
Non-controlling interest		(19)	13
		<hr/>	<hr/>
		78,711	78,419
		<hr/>	<hr/>
Total comprehensive attributable to:			
Owners of the parent Company		76,038	77,048
Non-controlling interest		(19)	13
		<hr/>	<hr/>
		76,019	77,061
		<hr/>	<hr/>

The notes on pages 30 to 51 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Consolidated Statement of Financial Position
As at 31 March 2025**

	Note	2025 £000	2024 £000
FIXED ASSETS			
Intangible assets	15	14,911	16,477
Tangible assets	16	15,519	13,380
		<hr/> 30,430	29,857
CURRENT ASSETS			
Debtors	18	141,947	128,215
Cash and cash equivalents		18,470	17,159
		<hr/> 160,417	145,374
CREDITORS			
Amounts falling due within one year	19	(103,356)	(137,139)
NET CURRENT ASSETS		<hr/> 57,061	8,235
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 87,491	38,092
CREDITORS			
Amounts falling due after more than one year	20	(2,968)	-
PROVISIONS FOR LIABILITIES	22	(6,426)	(6,014)
NET ASSETS		<hr/> 78,097	32,078
CAPITAL AND RESERVES			
Called up share capital	25	1	1
Capital redemption reserve	26	-	-
Foreign exchange reserve	26	(3,794)	(1,102)
Acquisition reserve	26	(87,273)	(87,273)
Retained earnings	26	169,254	120,524
SHAREHOLDERS' FUNDS		<hr/> 78,188	32,150
Non-controlling interest		(91)	(72)
TOTAL EQUITY		<hr/> 78,097	32,078

The financial statements were approved by the board of directors and authorised for issue on 27 October 2025 and were signed on its behalf by:

B Chaplin
Director
Company registration number: 02567996 (England and Wales)

The notes on pages 30 to 51 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Company Statement of Financial Position
As at 31 March 2025**

	Note	2025 £000	2024 £000
FIXED ASSETS			
Investments	17	203,604	192,251
		<hr/> 203,604	<hr/> 192,251
CURRENT ASSETS			
Debtors	18	2,689	6,487
Cash and cash equivalents		666	537
		<hr/> 3,355	<hr/> 7,024
CREDITORS			
Amounts falling due within one year	19	(18,999)	(57,359)
		<hr/> (15,644)	<hr/> (50,335)
NET CURRENT LIABILITIES			
		<hr/> 187,960	<hr/> 141,916
NET ASSETS			
Called up share capital	25	1	1
Revaluation reserve	26	33,425	33,425
Capital redemption reserve	26	-	-
Foreign exchange reserve	26	(3,505)	22
Retained earnings	26	158,039	108,468
		<hr/> 187,960	<hr/> 141,916
SHAREHOLDERS' FUNDS			
Company's total comprehensive income for the year		76,044	85,126
		<hr/> 76,044	<hr/> 85,126

The financial statements were approved by the board of directors and authorised for issue on 27 October 2025 and were signed on its behalf by:

B Chaplin
Director
Company registration number: 02567996 (England and Wales)

The notes on pages 30 to 51 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2025

	Called up share capital £000	Capital redemption reserve £000	Foreign exchange reserve £000	Acquisition reserve £000	Retained earnings £000	Total £000	Non- controlling interests £000	Total equity £000
Balance at 1 April 2023	1	-	256	(87,273)	134,618	47,602	(85)	47,517
Changes in equity								
Profit for the year	-	-	-	-	78,406	78,406	13	78,419
Other comprehensive income	-	-	(1,358)	-	-	(1,358)	-	(1,358)
Total comprehensive income	-	-	(1,358)	-	78,406	77,048	13	77,061
Dividends	-	-	-	-	(92,500)	(92,500)	-	(92,500)
Balance at 31 March 2024	1	-	(1,102)	(87,273)	120,524	32,150	(72)	32,078
Changes in equity								
Profit for the year	-	-	-	-	78,730	78,730	(19)	78,711
Other comprehensive income	-	-	(2,692)	-	-	(2,692)	-	(2,692)
Total comprehensive income	-	-	(2,692)	-	78,730	76,038	(19)	76,019
Dividends	-	-	-	-	(30,000)	(30,000)	-	(30,000)
Balance at 31 March 2025	1	-	(3,794)	(87,273)	169,254	78,188	(91)	78,097

The notes on pages 30 to 51 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Company Statement of Changes in Equity
For the Year Ended 31 March 2025

	Called up share capital £000	Capital redemption reserve £000	Revaluation reserve £000	Foreign exchange reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2023	1	-	33,425	854	115,010	149,290
Profit for the year	-	-	-	-	85,958	85,958
Other comprehensive income	-	-	-	(832)	-	(832)
Total comprehensive income	-	-	-	(832)	85,958	85,126
Dividends	-	-	-	-	(92,500)	(92,500)
Balance at 31 March 2024	1	-	33,425	22	108,468	141,916
Change in equity						
Profit for the year	-	-	-	-	79,571	79,571
Other comprehensive income	-	-	-	(3,527)	-	(3,527)
Total comprehensive income	-	-	-	(3,527)	79,571	76,044
Dividends	-	-	-	-	(30,000)	(30,000)
Balance at 31 March 2025	1	-	33,425	(3,505)	158,039	187,960

The notes on pages 30 to 51 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

	2025 £000	2024 £000
<i>Cash flows from operating activities</i>		
Cash generated from operations (note 1)	113,255	110,812
Interest paid	(1)	(7)
Tax paid	(31,779)	(28,078)
Net cash from operating activities	81,475	82,727
<i>Cash flows from investing activities</i>		
Purchase of intangible fixed assets	(5,768)	(4,832)
Purchase of tangible fixed assets	(5,140)	(6,019)
Sale of tangible fixed assets	-	368
Interest received	484	403
Net cash from investing activities	(10,424)	(10,080)
<i>Cash flows from financing activities</i>		
Loans from Group undertakings	(37,048)	739
Dividends paid to parent	(30,000)	(92,500)
Net cash from financing activities	(67,048)	(91,761)
Increase/(decrease) in cash and cash equivalents	4,003	(19,114)
Cash and cash equivalents at beginning of year (note 2)	17,159	37,631
Effect of foreign exchange rate changes	(2,692)	(1,358)
Cash and cash equivalents at end of year (note 2)	18,470	17,159

The notes on page 29 form part of these financial statements.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Consolidated Statement of Cash Flows
For the Year Ended 31 March 2025

1. RECONCILIATION OF PROFIT TO CASH GENERATED FROM OPERATIONS

	2025 £'000	2024 £'000
Profit for the year	78,711	78,419
Depreciation and amortisation charges	10,192	9,809
Loss/(profit) on disposal of fixed assets	143	(2)
Interest payable and similar expenses	1	7
Interest receivable and similar income	(484)	(403)
Taxation	29,542	26,017
	<hr/>	<hr/>
	118,105	113,847
Increase in trade and other debtors	(13,732)	(3,448)
Increase in creditors and provisions	8,882	413
Cash generated from operations	<hr/>	<hr/>
	113,255	110,812
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	2025 £'000	2024 £'000
Year ended 31 March 2025		
Cash and cash equivalents	<hr/>	<hr/>
	18,470	17,159
	<hr/>	<hr/>
	2024 £'000	2023 £'000
Year ended 31 March 2024		
Cash and cash equivalents	<hr/>	<hr/>
	17,159	37,631
	<hr/>	<hr/>

Included within Cash and cash equivalents is £2.4m (2024: £3.9m) in relation to restricted cash.

3. ANALYSIS OF CHANGES IN NET FUNDS

	2024 £'000	Cash flow £'000	Forex £'000	2025 £'000
Cash and cash equivalents	17,159	4,003	(2,692)	18,470
Total	<hr/>	<hr/>	<hr/>	<hr/>
	17,159	4,003	(2,692)	18,470
	<hr/>	<hr/>	<hr/>	<hr/>

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2025

1. Statutory Information

Peninsula Business Services Group Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

3. Accounting Policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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

Where a subsidiary has a different functional currency to the Company and Group these are converted in Sterling (£) using exchange rates disclosed in the Foreign currencies accounting policy.

Financial Reporting Standard 102 - reduced disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS102. Its financial statements are consolidated into the financial statements of Rainy City Investments Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS102:

- 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.

Basis of consolidation

The financial statements consolidate the financial statements of Peninsula Business Services Group Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual Statement of Comprehensive Income.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's shareholders' funds. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise of options or conversion of options or convertible instruments.

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

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 Group's intangible and tangible fixed assets. Factors taken into consideration in recognising impairment triggers include the economic viability and expected future financial performance of each individual class of asset.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, they 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 typically ranging from one to five years, and services provided on an ad-hoc basis. The Group 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 £5.9m (2024: £3.3m) has been recognised in respect of trade debtors across the Group. 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 £3.6m (2024: £6.6m).
- Litigation defence guarantee: A provision is in place relating to the offering of discretionary protection to clients, in certain regions in which the Group operates, for estimated costs associated with the defending of and outcomes from those clients' employment disputes or health and safety matters. A provision of £0.8m (2024: £0.6m) has been recognised in accruals in respect of such service activity.

Revenue recognition

Revenue represents amounts receivable for products and services provided, stated net of discounts, Value Added Tax or equivalent indirect sales tax and after adjusting for the elimination of intercompany sales between Group subsidiaries.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2025

3. Accounting Policies (continued)

The Group provides a range of products and services across the different subsidiaries. For contractual agreements spanning across multiple years the revenue arising from the provision of services is measured by reference to the duration of the contracts and the expected phasing of time spent in the provision of the component services within these contracts. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised are likely to be recovered. Commissions are recognised when the right to receive payment is established. Ad hoc or non-contractual revenue is recognised at the point the product or services are provided to the customer.

Income from investments

Income from investments in subsidiaries, including dividends, are recognised at the date of declaration.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the Group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill cannot be made, the life is presumed not to exceed ten years.

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.

On disposal the difference between the net disposal proceeds and the carrying amount of the intangible fixed asset is recognised in the Statement of Comprehensive Income.

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:

Goodwill	-	5 - 10% per annum straight line
Patents, and licences	-	5% per annum straight line
Business IP	-	10 - 20% per annum straight line
Software development	-	25% per annum straight line

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.

On disposal the difference between the net disposal proceeds and the carrying amount of the tangible fixed asset is recognised in the Statement of Comprehensive Income.

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

3. Accounting Policies (continued)

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:

Freehold property	-	2% per annum straight line
Leasehold improvements	-	10% per annum straight line
Fixtures, fittings and office equipment	-	10 - 25% per annum straight line
Motor vehicles	-	25% per annum straight line
Computer equipment	-	25 - 33% per annum straight line

Impairment of fixed assets

Where there have been indicators for impairment in any reporting period, a review is carried out and the recoverable amount(s) estimated. 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 are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

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.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2025

3. Accounting Policies (continued)

Taxation

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

Foreign currencies

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the presentational currency of each individual entity. The consolidated financial statements are presented in Sterling, which is the Group's presentational currency.

On consolidation, the results of overseas operations are translated into Sterling at an average rate of exchange ruling over the reporting period using the following rates:

GBP(£) : Euro (€)	0.84	(2024: 0.87)
GBP(£) : AUD (\$)	0.51	(2024: 0.53)
GBP(£) : NZD (\$)	0.46	(2024: 0.50)
GBP(£) : CAD (\$)	0.56	(2024: 0.60)

All assets and liabilities or overseas operations are translated at the Statement of Financial Position date using the following rates:

GBP(£) : Euro (€)	0.83	(2024: 0.85)
GBP(£) : AUD (\$)	0.48	(2024: 0.52)
GBP(£) : NZD (\$)	0.44	(2024: 0.47)
GBP(£) : CAD (\$)	0.54	(2024: 0.59)

Exchange difference arising on such translations are recognised in the Statement of Comprehensive Income.

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

3. Accounting Policies (continued)

Transactions and balances

Foreign currency transactions are translated into the Group entities functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit 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 are 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 Group operates a number of defined contribution pension schemes. Contributions payable to Group's pension schemes 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 2025 the Group had both positive net assets and positive 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 Group benefits from clients on multi-year contractual agreements offering good visibility of future cash flows and healthy cash generation. The Group 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 Parent's Revolving Credit Facility ('RCF'). The Group prepares cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These project that the Group will meet its identified working capital commitments and remain compliant with its Parent's RCF financial covenants. The Parent's RCF facility, which was refinanced in 2023 with a 3-year term, was extended by 12 months in 2024 and was again successfully extended by a further 12 months in 2025 resulting in an earliest maturity of March 2028.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

3. Accounting Policies (continued)

To the extent it will impact on the Company's abilities to repay its liabilities as they fall due, the Company has received a letter of support from the Parent confirming that amounts owed to other Group companies will not be demanded for repayment for a period of at least 12 months from the date of approval of these financial statements.

Consequently, the directors are confident that the Group and 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.

4. Revenue

The revenue and profit before taxation are attributable to the one principal activity of the Group.

An analysis of revenue by geographical market is given below:

	2025 £000	2024 £000
Provision of services	463,169	425,602

Analysis of revenue by geographical market is given below:

	2025 £000	2024 £000
United Kingdom	290,487	255,748
Overseas	172,682	169,854
	463,169	425,602

5. Other Operating Income

	2025 £000	2024 £000
Rents/service charges received	883	652

Rents/service charges received is income from other parties occupying office space, primarily, in the Peninsula building, which is fully let to the Group by Rainy City Properties Limited, a related party.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2025 £000	2024 £000
Wages and salaries	185,858	168,958
Social security costs	17,996	16,157
Cost of defined contribution scheme	7,655	6,762
	211,509	191,877

The average monthly number of employees, including the directors, during the year was as follows:

	2025	2024
Sales and marketing	1,459	1,246
Client services and support	1,887	1,719
Administration	549	521
	3,895	3,486

7. Directors' Emoluments

	2025 £000	2024 £000
Directors' remuneration	5,458	7,496
Directors' pension contributions to money purchase schemes	55	60
	5,513	7,556

During the year retirement benefits were accruing to 4 directors (2024 - 5) in respect of defined contribution pension schemes.

Information regarding the highest paid director is as follows:

	2025 £000	2024 £000
Remuneration	1,921	2,909
Pension contributions to money purchase schemes	-	11
	1,921	2,920

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

8. Interest Receivable and Similar Income

	2025 £000	2024 £000
Interest received	484	403
	<hr/> <hr/>	<hr/> <hr/>

9. Interest Payable and Similar Expenses

	2025 £000	2024 £000
Other interest payable and similar charges	1	7
	<hr/> <hr/>	<hr/> <hr/>

10. Profit Before Taxation

The profit is stated after charging/(crediting):

	2025 £000	2024 £000
Operating leases	17,801	11,334
Depreciation	2,858	3,170
Loss/(Gain) on disposal of fixed assets	143	(2)
Amortisation	7,334	6,639
Foreign exchange differences	484	782
Rent received	(883)	(652)
Impairment of trade debtors	11,077	9,085
Litigation defence guarantee	61	(373)
	<hr/> <hr/>	<hr/> <hr/>

11. Auditors' Remuneration

During the year, the Group obtained the following services from the Group's auditors and their associates:

	2025 £000	2024 £000
Fees payable to RSM		
Fees payable for the audit of the financial statements	385	374
Fees payable to the Company auditor and its associates for other services:		
Statutory accounts publishing and other secretarial services	8	10
	<hr/> <hr/>	<hr/> <hr/>

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements
For the Year Ended 31 March 2025

12. Taxation

Analysis of the tax charge

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

	2025 £000	2024 £000
Current tax:		
UK Corporation tax	18,079	15,592
UK adjustments in respect of prior periods	53	36
Foreign tax charge	11,071	13,033
Foreign adjustments in respect of prior periods	125	933
Total current tax	29,328	29,594
Deferred tax:		
UK origination and reversal of timing differences	359	(444)
UK adjustment in respect of prior periods	140	-
Foreign origination and reversal of timing differences	(126)	(3,133)
Foreign adjustment in respect of prior periods	(159)	-
Tax on profit	29,542	26,017

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements
For the Year Ended 31 March 2025

12. Taxation (continued)

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than (2024 - lower than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £000	2024 £000
Profit before tax	108,253	104,436
	<hr/> <hr/>	<hr/> <hr/>
Profit multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	27,063	26,109
Effects of:		
Expenses not deductible for tax purposes	190	227
Utilisation of Group tax losses	(2,026)	(2,009)
Adjustments to current tax charge in respect of prior periods	159	968
Other short term timing differences	-	(2,487)
Effect of different tax rates of subsidiaries operating in other jurisdictions	4,156	3,209
	<hr/> <hr/>	<hr/> <hr/>
Total tax charge for the year	29,542	26,017
	<hr/> <hr/>	<hr/> <hr/>

There are no tax effects relating to other comprehensive income in both the current and previous accounting period.

Factors that may affect future tax charges

Deferred tax has been calculated at 25% which is the rate that the deferred tax liabilities and assets are expected to crystallise.

13. Individual Statement of Comprehensive Income

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Company is not presented as part of these financial statements.

14. Dividends

	2025 £000	2024 £000
Ordinary shares of £1 each		
Dividends paid	30,000	92,500
	<hr/> <hr/>	<hr/> <hr/>

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

15. Intangible Assets

Group

	Goodwill £000	Patents & licences £000	Software development £000	Business IP £000	Total £000
Cost					
At 1 April 2024	24,256	121	40,461	12,781	77,619
Additions	-	-	5,768	-	5,768
Disposals	(11)	-	(2,655)	(11)	(2,677)
At 31 March 2025	24,245	121	43,574	12,770	80,710
 Amortisation					
At 1 April 2024	18,879	45	29,902	12,316	61,142
Amortisation for year	1,992	6	5,223	113	7,334
On disposals	(11)	-	(2,655)	(11)	(2,677)
At 31 March 2025	20,860	51	32,470	12,418	65,799
 Net book value					
At 31 March 2025	3,385	70	11,104	352	14,911
At 31 March 2024	5,377	76	10,559	465	16,477

Company

The Company has no intangible fixed assets.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

16. Tangible Fixed Assets

Group

	Freehold property £000	Leasehold improvements £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
<i>Cost or valuation</i>						
At 1 April 2024	3,120	8,497	7,276	155	9,547	28,595
Additions	-	2,603	1,330	-	1,207	5,140
Disposals	-	(1,182)	(439)	-	(517)	(2,138)
Reclassification/ transfer	-	75	(510)	-	435	-
At 31 March 2025	3,120	9,993	7,657	155	10,672	31,597
<i>Depreciation</i>						
At 1 April 2024	520	4,482	2,593	76	7,544	15,215
Charge for year	62	875	664	35	1,222	2,858
Disposals	-	(1,164)	(323)	-	(508)	(1,995)
Reclassification/ transfer	-	45	(278)	-	233	-
At 31 March 2025	582	4,238	2,656	111	8,491	16,078
<i>Net book value</i>						
At 31 March 2025	2,538	5,755	5,001	44	2,181	15,519
At 31 March 2024	2,600	4,015	4,683	79	2,003	13,380

During the year there was a reclassification/transfer within tangible fixed assets to more appropriately reflect the nature of certain fixed assets.

Company

The Company has no tangible fixed assets.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements
For the Year Ended 31 March 2025

17. Fixed Asset Investments

Company

	Investments in Group Undertakings £000
<i>Cost or valuation</i>	
At 1 April 2024	192,251
Additions	11,353
At 31 March 2025	203,604

During the year the Company continued to invest in overseas subsidiaries already owned.

Subsidiaries, associates, and other undertakings

Details of the investments in which the Company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of shares	Percentage of shares held
Peninsula Business Services Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Business Services (Ireland) Ltd	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Legal Services Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Croner Group Limited	Croner House Wheatfield Way Hinckley Leicestershire LE10 1YG	Ordinary	100%
Croner-i Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

Croner Taxwise Limited (Non-Trading)	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Health Assured Ltd	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Bright HR Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	98%
Graphite HRM Limited	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 D03 YW25 Republic of Ireland	Ordinary	100%
Peninsula Employment Services Limited	1800 -1631 Dickinson Avenue Kelowna, BC VIY 085 Canada	Ordinary	100%
Bright HR Limited	1800 -1631 Dickinson Avenue Kelowna, BC VIY 085 Canada	Ordinary	98%
Peninsula Australia Pty Ltd	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%
Irwell Law Pty Ltd	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%
BrightHR Pty Ltd	Level 12 700 Harris Street Ultimo NSW 2007 Australia	Ordinary	98%
Peninsula Group NZ Limited	Level 3 8 Tangihua Street Auckland 1010 New Zealand	Ordinary	100%
Wisdom Wellbeing Pty Ltd	Level 6 180 Thomas Street Haymarket NSW 2000 Australia	Ordinary	100%

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

Dormant subsidiary undertakings	Registered office	Class of shares	Class of shares
Employerline.co.uk Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Online Services Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	98%
Wisdom Wellbeing Limited	The Peninsula Victoria Place Manchester M4 4FB	Ordinary	100%
Peninsula Employer Services Ireland Limited	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 D03 YW25 Republic of Ireland	Ordinary	100%
Bright HR Software Limited	Block W Eastpoint Business Park Alfie Byrne Road East Wall Dublin 3 D03 YW25 Republic of Ireland	Ordinary	98%

The Group formed Wisdom Wellbeing Limited, a dormant company registered in England & Wales, on the 28th June 2024 with initial share capital of £1.00.

The Group classifies Croner Taxwise Limited as a dormant company from 31st March 2025 per special resolution. The Group retains 100% of the issued share capital of this dormant subsidiary.

The Group purchased 100% of the issued share capital of Payetools Ltd a private limited company registered in England & Wales for £0.4m, on the 1 August 2025.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

18. Debtors: Amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade debtors	22,741	20,282	-	-
Amounts owed by Group undertakings	-	-	2,689	6,487
Other debtors	4,760	1,638	-	-
Prepayments and accrued income	114,446	106,295	-	-
	141,947	128,215	2,689	6,487
	=====	=====	=====	=====

Amounts owed by Group undertakings are interest free and repayable on demand.

Included within Trade debtors is £0.5m (2024: £1.0m) owed from related parties (note 29).

Included within Other debtors is £0.2m (2024: £1.0m) owed from related parties and £0.06m (2024: £0.1m) owed from directors within the Group (note 29).

Included within Prepayments and accrued income is £5.5m (2024: £3.8m) accrued from related parties (note 29).

19. Creditors: Amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade creditors	9,001	10,922	-	-
Amounts owed to Parent and Group undertakings	13,876	50,924	18,743	54,074
Corporation tax	597	2,834	-	3,270
Social security and other taxes	14,237	12,058	-	-
Other creditors	2,403	2,012	-	-
Accruals and deferred income	63,242	58,389	256	15
	103,356	137,139	18,999	57,359
	=====	=====	=====	=====

Amounts owed to Parent and Group undertakings are interest free and repayable on demand.

Included within Trade creditors is £1.5m (2024: £1.6m) owed to related parties (note 29).

Included within Other creditors is £0.9m (2024: £0.9m) owed to related parties (note 29).

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

20. Creditors: Amounts falling due after more than one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Accruals and deferred income	2,968	-	-	-

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the reporting date.

21. Deferred Tax

	2025 £000	2024 £000
Included in Provisions for Liabilities (note 22)	6,426	6,014

Deferred tax liability consists of the effect of timing differences across a number of geographical markets:

Group

	Accelerated capital allowances		Other timing differences		
	UK £000	Overseas £000	UK £000	Overseas £000	Total £000
Balance as at 1 April 2024	499	292	(337)	5,560	6,014
Charge/(release) to Statement of Comprehensive Income during year	234	(204)	265	(81)	214
Foreign exchange	-	3	-	195	198
Balance as at 31 March 2025	733	91	(72)	5,674	6,426

Of the net deferred tax timing difference of £6.4m stated above, £1.6m is estimated to reverse within 12 months of the year end and relates to: Accelerated capital allowances £0.2m, Other timing differences £1.4m.

The Company has no deferred tax assets or liabilities.

PENINSULA BUSINESS SERVICES GROUP LIMITED

**Notes to the Financial Statements
For the Year Ended 31 March 2025**

22. Provision For Liabilities

	Deferred tax £000
Balance at 1 April 2024	6,014
Movement in the year (note 21)	412
Balance at 31 March 2025	6,426

The Company has no provisions for liabilities.

23. Pension Commitments

The amounts recognised in the Statement of Comprehensive Income in relation to defined contribution plans was £7.7m (2024: £6.6m).

At 31 March 2025 there were accrued contributions amounting to £0.7m (2024: £0.5m).

24. Leasing Agreements

Group as a lessee

Minimum lease payments fall due as follows:

Non-cancellable operating leases

	Group 2025 £000	Group 2024 £000
Within one year	11,946	10,574
Between one and five years	37,094	37,086
In more than five years	45,077	25,812
	94,117	73,472

During the year, Peninsula Business Services Limited, a subsidiary of the Group, entered into an amendment and restatement of the lease of the Peninsula head office building, which included entering into an agreement for renewal lease. The impact of these being to increase the annual rent charge and extend the duration of the lease term.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements
For the Year Ended 31 March 2025

24. Leasing Agreements (continued)

Group as a lessor

Minimum lease receivables fall due as follows

Non-cancellable operating leases

	Group 2025 £000	Group 2024 £000
Within one year	336	289
Between one and five years	1,343	1,154
In more than five years	1,277	1,674
	<hr/> 2,956 <hr/>	<hr/> 3,117 <hr/>

25. Called Up Share Capital

	2025 £	2024 £
<i>Authorised, allotted, called up and fully paid</i>		
939 Ordinary shares of £1.00 each	<hr/> 939 <hr/>	<hr/> 939 <hr/>

26. Reserves

Capital redemption reserve - On 23rd July 1996, the Company acquired 61 ordinary shares of £1 each.

Foreign exchange reserve - This reserve records the accumulated foreign exchange gains and losses on the Group overseas investments.

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

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other Comprehensive Income.

Acquisition reserve - This reserve records the acquisition costs paid in respect of the purchase of shares in subsidiary companies from minority interest shareholders.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements For the Year Ended 31 March 2025

27. Ultimate Parent Company

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

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

The Company is ultimately controlled by the Done family.

28. Contingent Liabilities

Company

On 17 March 2023, on refinancing of the Parent's RCF, the previous unlimited intercompany guarantee with National Westminster Bank Plc and Lloyds Bank Plc was replaced with a revised unlimited intercompany guarantee to National Westminster Bank Plc, Lloyds Bank Plc and Barclays Bank Plc.

As well as the Parent the unlimited intercompany guarantee includes the Company and the following Group companies: Peninsula Business Services Limited, Peninsula Business Services (Ireland) Ltd, Peninsula Legal Services Limited, Croner Group Limited, Croner-i Limited, Health Assured Ltd, Bright HR Limited, Bright HR Limited (Canada), BrightHR Pty Ltd, Peninsula Employment Services Limited, Peninsula Australia Pty Ltd and Irwell Law Pty Ltd.

On 9 November 2023 the Parent and certain subsidiaries of the Group entered into an ancillary cash-pooling agreement with National Westminster Bank Plc which includes £5m net overdraft facility, of which £Nil was drawn at 31 March 2025. This overdraft facility is covered by the same unlimited intercompany guarantee as the RCF.

At 31 March 2025 the maximum exposure across the Group (including the RCF and the overdraft facility) was £131.5m (2024: £97.0m).

Group

The Group has in place certain incentive arrangements have been issued to various senior management within the Group which trigger on certain future conditions and/or targets being met. At such time the likelihood of these realising is not considered sufficient to be recognised.

PENINSULA BUSINESS SERVICES GROUP LIMITED

Notes to the Financial Statements
For the Year Ended 31 March 2025

29. Related Party Disclosures

Group

During the year the Group had the following transactions/balances with related parties:

Sharing common director(s)

	2025 £'000	2024 £'000
<i>Transactions</i>		
Revenue	14,775	14,410
Administrative expenses	(5,640)	(3,519)
Other operating income	160	138
<i>Balances</i>		
Debtors: Amounts falling due within 1 year (note 18)	6,236	5,753
Creditors: Amounts falling due within 1 year (note 19)	(2,458)	(2,128)

Sharing close family relationship(s)

	2025 £'000	2024 £'000
<i>Transactions</i>		
Revenue	710	593
Administrative expenses	(3,278)	(2,619)
<i>Balances</i>		
Debtors: Amounts falling due within 1 year (note 18)	117	70
Creditors: Amounts falling due within 1 year (note 19)	(75)	(399)

At 31 March 2025 the Group was owed £0.06m (2024: £0.1m) by directors within the Group.

Company

No transactions with related parties were undertaken with the Company such are required to be disclosed under FRS 102.

30. Post Balance Sheet Events

Following the financial year end Bright HR Limited, a subsidiary of the Group purchased 100% of the issued share capital of Payetools Ltd a private limited company registered in England & Wales for cash, on the 1 August 2025.