APPENDIX F

Registration number: OC397288 (England and Wales)

REPORT OF THE MEMBERS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2018

FOR

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

GENERAL INFORMATION
FOR THE YEAR TO 31 MARCH 2018

Designated members:	Peterborough City Council Peterborough Partnership SARL
Registered office:	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Registered number:	OC397288 (England and Wales)
Auditors:	Morris & Co Chester House Lloyd Drive Cheshire Oaks Business Park Ellesmere Port CH65 9HQ

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

REPORT OF THE MEMBERS
FOR THE YEAR TO 31 MARCH 2018

The members present their report with the audited consolidated financial statements of Peterborough Partnership LLP ("the LLP) and its subsidiary undertakings (together "the Group") for the year ended 31 March 2018.

Designated members
The designated members during the year under review were:

Peterborough City Council
Peterborough Partnership SARL

Results for the period and allocation to members
The profit/(loss) for the period before members' remuneration and profit allocations was £884,491.

Principal activities and operations
The principal activity of the Group is that of buying and selling real estate. The current developments are in relation to sites known as Fletton Quays and Pleasure Fairs which are being undertaken through special purposes vehicles, namely, the subsidiary companies of P.I.P (Fletton Quays) Limited and P.I.P (Pleasure Fairs) Limited.

The parent LLP has been set up as a 50:50 joint venture partnership between Peterborough Partnership SARL and Peterborough City Council

Governance
The designated members have vested the management and operation of the parent LLP and its subsidiaries in the Partnership Board and the Project Team both of which currently comprise equal representation from the Council and from Peterborough Partnership SARL. The Partnership Board is responsible for developing and implementing the parent LLP's policies and strategy and for its direction and management but delegates the day to day management of the Group to the Project Team.

Members' interest
The Group is effectively financed through loans made available by the designated members in the parent LLP, which can be for land or finance. It is the parent LLP that provides financial support to the subsidiaries to meet their direct costs and overheads.

The initial risk associated with the subsidiaries that the developments do not realise a value greater than their cost. This risk has now been eliminated in relation to Fletton Quays as a profit has already been realised.

Statement of members' responsibilities
The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.
Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP or Group will continue in business

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

REPORT OF THE MEMBERS
FOR THE YEAR TO 31 MARCH 2018

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included in the LLP's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors
So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's and the Group's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's and Group's auditors are aware of that information.

Auditors
The auditors, Morris & Co Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the members of the LLP:

Peter Hiller – designated member Peterborough City Council

Date: 08/08/18.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PETERBOROUGH INVESTMENT PARTNERSHIP LLP

Opinion
We have audited the financial statements of Peterborough Investment Partnership LLP (the 'LLP') for the year ended 31 March 2018 which comprise the consolidated Income Statement, the consolidated Statement of Comprehensive Income, the consolidated and partnership Statement Of Financial Position, the consolidated and partnership Statement of Changes in Equity, the consolidated and partnership Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:
- give a true and fair view of the state of the Group and LLP's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The members are responsible for the other information, which comprises the members' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF PETERBOROUGH INVESTMENT PARTNERSHIP LLP

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the LLP and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' Report.
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members
As explained more fully in the Members' Responsibilities Statement, the members 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 members 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 members are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP to cease operations, or have no realistic alternative but to do so.

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

A fuller description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the LLP'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 LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, for our audit work, for this report, or for the opinions we have formed.

William Benoy BSc FCA (Senior Statutory Auditor)
for and on behalf of Morris & Co
Chartered Accountants, Statutory Auditor
Chester House
Lloyd Drive
Cheshire Oaks Business Park
Ellesmere Port
Cheshire
CH65 9HQ

Date: 28 August 2018

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR TO 31 MARCH 2018

	Notes	2018 £	2017 £
Continuing operations			
Revenue		679,271	12,794,000
Cost of sales		1,553,802	5,100,064
Gross profit		(874,531)	7,693,936
Administrative expenses		345,983	606,913
Operating profit/(loss)	3	(1,220,914)	7,087,023
Finance income		1,193	-
Finance cost		278	580
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES BEFORE TAX		(1,219,599)	7,086,443
Tax expensed in corporate subsidiaries		(232,435)	1,477,559
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(987,164)	5,608,884
Members' remuneration charged as an expense	4	1,627	443,269
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AVAILABLE FOR DISTRETIONARY DIVISION AMONG MEMBERS		(988,791)	5,165,615

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to19 form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 31 MARCH 2018

	2018	2017
	£	£
Profit/(Loss) for the year	(988,791)	5,165,615
Other comprehensive income	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	(988,791)	5,165,615

The notes on pages 10 to19 form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

Registration number: OC397288

	Notes	2018 £	2017 £
Non current asset			
Property, plant and equipment	7	10,565	16,554
Current assets			
Inventories	8	1,232,204	1,121,613
Trade and other receivables	9	614,685	1,121,947
Corporation tax repayable	6	232,435	-
Cash and cash equivalents		595,566	8,139,112
		2,674,890	10,382,672
Total assets		2,685,455	10,399,226
Current liabilities			
Trade and other payables	10	919,839	1,525,768
Loan and other debts due to members	11	-	4,641,492
Tax payable		-	1,477,559
		919,839	7,644,819
Total liabilities		919,839	7,644,819
Equity			
Members' capital	12	200	200
Members' other reserves	12	1,765,416	2,754,207
Total equity		1,765,616	2,754,407
Total equity and liabilities		2,685,455	10,399,226

The financial statements were approved by the members of the LLP on....15.18.|.18....................
and were signed by:

....

Ernest S ~~Battey - designated member~~ Peterborough Partnership SARL

The notes on pages 10 to19 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Members' interests at the start of the year	2,754,407	(329,460)
Profit for year	(988,791)	5,165,615
Allocated profit	-	(2,081,748)
Balance at the year end	1,765,616	2,754,407

The notes on pages 10 to 19 form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes		2018		2017
		£	£	£	£
Cash absorbed by operations	18	(1,420,375)		9,946,779	
Finance cost		(278)		(580)	
Income Taxes paid		(1,477,559)		-	
Net cash inflow/(outflow) from operating activities			(2,898,212)		9,946,199
Cashflows from investing activities					
Interest received		1,193		-	
Purchase of property, plant and equipment		(3,408)		(300)	
Net cash used in investing activities			(2,215)		(300)
Financing activities					
Loans received from members		-		275,000	
Loans arising on settlement of expenses		-		807,917	
Loans repaid to members		(3,409,149)		(2,151,734)	
Profit distributions paid to members		(1,233,970)		(848,266)	
Net cash generated from financing activities			(4,643,119)		(1,917,083)
Net increase in cash and cash equivalents			(7,543,546)		8,028,816
Cash and cash equivalents at beginning of year			8,139,112		110,296
Cash and cash equivalents at end of year			595,566		8,139,112

The notes on pages 10 to19 form part of these financial statements

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to limited liability partnerships ("LLPs") reporting under IFRS.

The financial statements have been prepared under the historical cost basis with the exception of financial instruments. The principal accounting policies adopted are set out below.

1.2 Going concern

The Partnership Board has, at the time of approving the financial statements, a reasonable expectation that the LLP has adequate resources to continue operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Consolidation

The consolidated financial statements incorporate the financial statements of Peterborough Investment Partnership LLP and entities controlled by Peterborough Investment Partnership LLP (its subsidiaries) made up to 31 March 2018.

Control is achieved where Peterborough Investment Partnership LLP has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated on consolidation and accounting policies have been consistently applied across the Group.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities

1.5 New standards and interpretations not yet adopted

IFRS 9 "Financial instruments" is an IFRS standard that has been issued by the IASB but has not been early adopted. It addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces IAS39. IFRS 9 will become effective for the accounting period to March 2019, subject to EU endorsement, and is not expected to have a material impact on the Group's results.

IFRS 15 'Revenue form contracts with customers' addresses the recognition and measurement of revenue and replaces IAS 18 'Revenue' and IAS 11 'Construction contracts'. It is believed that the current accounting policy is broadly in line with the new standard and these accounting policy changes are not expected to have a significant impact on the timing or value of the Group's revenue. IFRS 15 will become effective for the accounting period to March 2019.

1.6 Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	33% on cost over term of lease
Fixtures & fittings	25% on cost
Computer equipment	33% on cost

1.7 Revenue

Revenue relating to the sale of land is recognised when the conditions of IAS 18 - Revenue are met and this will usually be when legal title passes to the purchaser.

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Financial instruments

Financial instruments are recognised in the LLP's statement of financial position when the LLP becomes party to the contractual provisions of the instrument.

Financial instruments are classified into specified categories. The classification depends on the nature and purpose of the financial instruments and is determined at the time of recognition.

Financial Assets

Cash and cash equivalents comprises cash at bank and is included at carrying value which equates to fair vale owing to the short term nature of the instrument.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' and are initially measured at fair value plus transactions costs. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. This carrying value equates to fair value or it is re-evaluated

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

In relation to these financial assets the following also apply:

- They are assessed for indicators of impairment at each reporting end date.
- They are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.
- They are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as other financial liabilities, including borrowings which are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. This carrying value equates to fair value or it is re-evaluated

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition

Financial liabilities are derecognised when, and only when, the LLP's obligations are discharged, cancelled, or they expire.

1.10 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the LLP uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the LLP. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.11 Taxation

The taxation payable on profits of the limited liability partnership is the liability of the members and is not dealt with in these financial statements. Current taxes are based on the results shown in the financial statements relating to the subsidiaries, and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

1.12 Operating lease commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

2. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and judgements that could have a significant effect upon the Group's financial results relate to items that are contained within the individual entities of the Group as these are inter-company balances and loan account positions between the parent LLP and subsidiaries which are eliminated on consolidation. Where loans are repayable in more than one year it is assumed that fair value can be based on their carrying value of amortised cost which is calculated based on an effective rate of interest of 12% and an estimated repayment date based on the estimated life of the project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR TO 31 MARCH 2018

3. Operating profit/(loss)

No individual income statement is presented for Peterborough Investment Partnership LLP as permitted by section 408 of the Companies Act 2006. The individual entity's profit for the period was £2,438,631.

The operating loss is stated after charging:

	2018	2017
	£	£
Depreciation	9,397	8,643
Audit fees	11,000	15,000

4. Information in relation to members

	2018	2017
	£	£
Members' remuneration charged as an expense		
Loan note interest	1,139	443,269
Other interest	488	-

5. Employee information

	2018	2017
	£	£
Wages and salaries	9,600	9,950
Social security	-	(1,731)
Pension costs	19	-
	9,619	8,219

There is one employee in the parent LLP.

6. Tax expensed in corporate subsidiaries

	2018	2017
	£	£
Current tax		
Current year taxation	(232,435)	1,477,559

6. Tax expensed in corporate subsidiaries cont.

The charge for the year can be reconciled to the profit/loss per the income statement as follows:

	2018	2017
	£	£
Profit(/loss) on ordinary activities of corporate entities before tax	(1,226,129)	6,692,712
Expected tax charge based on a corporation tax rate of 19%/20%.	(232,965)	1,338,542
Expenses not deductible in determining taxable profit	12,591	108,183
Utilisation of tax losses not previously recognised	(440)	(3,379)
Current year losses not utilised	-	34,213
Effect of change in UK Corporation Tax rate	(11,621)	-
Tax expensed in corporate subsidiaries	(232,435)	1,477,559

7. Property, Plant & Equipment

	Leasehold Improvements	Fixtures and fittings	Computer Equipment	Total
	£	£	£	£
COST				
At 1 April 2017	17,018	3,069	7,049	27,136
Additions	-	1,534	1,874	3,408
At 31 March 2018	17,018	4,603	8,923	30,544
DEPRECIATION				
At 1 April 2017	6,543	831	3,208	10,582
Charge for period	5,616	991	2,790	9,397
At 31 March 2018	12,159	1,822	5,998	19,979
NET BOOK VALUE				
At 31 March 2018	4,859	2,781	2,925	10,565
At 31 March 2017	10,475	2,238	3,841	16,554

8. Inventories

	2018	2017
	£	£
Work-in-progress	1,232,204	1,121,613

9. Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	500,000	1,000,000
VAT recoverable	59,406	101,082
PAYE	-	5,201
Prepayments	54,870	15,255
Other debtors	409	409
	614,685	1,121,947

10. Trade and other payables

	2018 £	2017 £
Trade payables	325,130	214,753
Accruals	591,948	1,305,957
Other creditors	2,761	5,058
	919,839	1,525,768

11. Loans and other debts due to members

	2018 £	2017 £
Member's current accounts	-	4,641,492
Falling due within one year	-	4,641,492

The loans from members are secured by way of a fixed and floating charge over all assets and undertakings of the individual companies.

12. Members' interests

	Members' other interests				
	Members' capital (classified as equity)	Reserves	Total	Loans and debts due to members	Total
	£	£	£	£	£
Balance at 1 April 2017	200	2,754,207	2,754,407	4,641,492	7,395,899
Members' remuneration charged as an expense	-	-	-	1,627	1,627
Profit/(Loss) for the financial period available for discretionary division among members	-	(988,791)	(988,791)	-	(988,791)
Members' interests after profit/(loss) for the period	200	1,765,416	1,765,416	4,643,119	6,408,735
Introduced by members	-	-	-	-	-
Profit allocated to members	-	-	-	-	-
Payments to members	-	-	-	(4,643,119)	(4,643,119)
Balance at 31 March 2018	200	1,765,416	1,765,616	-	1,765,616

	2018	2017
Loans and debts due to members are classified as:		
Current liabilities	-	4,641,492
	4,641,492	4,641,492

13. Financial Instruments

Financial instruments comprise, cash, amounts due to members and trade payables. Financial instruments can give rise to liquidity, credit and interest rate risk. Information about these risks and how they are managed is set out below.

	2018	2017
	£	£
Financial assets		
Trade and other receivables	559,815	1,106,692
Cash and cash equivalents	595,566	8,139,112
Loan and receivables	1,155,371	9,245,804
Financial liabilities		
Amounts due to members	-	4,641,492
Trade payables	325,130	214,753
Other payables	2,761	5,058
Liabilities at amortised cost	327,891	4,861,303
Total net financial instruments	827,480	4,384,501

The Partnership Board considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial risk management and management of capital

During the period the parent LLP has financed the subsidiary undertakings and its own overheads and the parent LLP's objectives when managing capital for the Group are to safeguard the Group's ability to operate as a going concern and to maintain an optimal capital structure to cover the cash requirements of the business. The Group's capital is almost entirely made up of borrowings from the designated members. The principal financial instruments are:

Cash and cash equivalents – the Group manages its cash resources in order to meet daily working capital requirements.

Designated members' capital – the Group requires members to provide long-term financing.

Liquidity risk

The ultimate responsibility for liquidity risk management lies with the Partnership Board, who have developed an appropriate liquidity management framework for the management of the LLP's liquidity risk. The LLP manages liquidity risk by maintaining adequate banking facilities and borrowing facilities and by continually monitoring forecast and actual cash flows.

Cleared funds are held in "on demand" accounts. This is considered adequate to finance variations in working capital.

Liquidity risk arises from the LLP's ongoing financial obligations, being trade payables and amounts owed to members.

Credit risk

Credit risk arises when one party to a financial instrument causes loss for the other party by failing to discharge and obligation.

The credit risk on liquid funds is limited because a leading high street bank is used.

Interest rate risk

Interest rate risk arises from cash and cash equivalents and interest bearing investments and loans.

Interest is not earned on cash deposits of £595,566. No interest is charged on member's current accounts.

14. Leasing agreements

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

	£
Within one year	11,250

15. Related party disclosures

During the period ended 31 March 2016 the partnership issued loan notes to the value of £2,000,000 to Peterborough City Council, a designated member. During the year ended 31 March 2017 the partnership issued further loan notes to Peterborough City Council totalling £1,082,917. Interest was charged on the loan notes at a rate of 12% per annum. During 2017 the total balance including rolled up interest was repaid and was included in Peterborough City Council's member's current account. This amount was paid to the member in the year end 31 March 2018.

During the period ended 31 March 2016 the partnership issued loan notes to the value of £1,870,672 to Peterborough Partnership SARL, a designated member. Interest was charged on the loan at a rate of 12% per annum. During the year ended 31 March 2017 the total balance including rolled up interest was repaid.

During the period ended 31 March 2018 Peterborough City Council, a designated member, provided key management personnel as part of the Project Team in the sum of £158,037 (2017 - £175,966).

16. Ultimate controlling party

Peterborough Investment Partnership has been set up as a 50:50 joint venture partnership between Peterborough Partnership SARL and Peterborough City Council.

17. Subsidiary undertakings

The financial statements consolidate the results and financial position of the Group, including the following subsidiaries which are 100% owned by the Group and all directly held by the parent:

P.I.P (Fletton Quays) Limited – incorporated in England & Wales - £1 Ordinary share.
P.I.P (Pleasure Fairs) Limited - incorporated in England & Wales - £1 Ordinary share.

18. Cash generated from operations

	2018 £	2017 £
Profit/(loss) for the year	(988,791)	5,165,615
Adjustments for:		
Finance cost	278	580
Depreciation	9,397	8,643
Member remuneration charged as an expense	1,627	443,269
Interest receivable	(1,193)	-
Income tax expense	(232,435)	1,477,559
	(1,211,117)	7,095,666
Increase in inventories	(110,591)	2,103,370
Increase in trade and other receivables	507,262	(559,673)
Increase in trade and other payables	(605,929)	1,307,416
Cash generated/(absorbed) from operations	(1,420,375)	9,946,779

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	2018 £	2017 £
Non current asset			
Property, Plant and equipment	6	10,565	16,554
Investments	7	689,665	689,665
		700,230	706,219
Current assets			
Trade and other receivables	8	265,391	1,339,980
Cash and cash equivalents		595,566	8,139,112
		860,957	9,479,092
Total assets		1,561,187	10,185,311
Current liabilities			
Trade and other payables	9	1,196,761	6,772,600
Loans and other debts due to members	10	-	3,412,511
		1,196,761	10,185,111
Total liabilities		1,196,761	10,185,111
Equity			
Members' capital	11	200	200
Members' other reserves	11	364,226	-
Total equity		364,426	200
Total equity and liabilities		1,561,187	10,185,311

Registration number: OC397288

The notes on pages 23-32 form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Balance at the start of the year	200	(195,849)
Profit for the year	2,438,631	203,392
Allocated profit	(2,074,405)	(7,343)
Balance at the end of the year	364,426	200

The notes on pages 23-32 form part of these financial statements

PARENT LLP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

		2018		2017	
	Notes	£	£	£	£
Cash absorbed by operations	16	(5,397,744)		9,666,181	
Finance cost paid		(278)		(580)	
Net cash outflow from operating activities			(5,398,022)		9,665,601
Investing activities					
Purchase of property, plant and equipment		(3,408)		(300)	
Interest received		1,003		-	
Dividends received from group undertakings		2,500,000		280,598	
Net cash used in investing activities			2,497,595		280,298
Financing activities					
Loans received from members		-		275,000	
Loans arising on settlement of expenses		-		807,917	
Loans repaid to members		(3,409,149)		(2,151,734)	
Profit distributions paid to members		(1,233,970)		(848,266)	
Net cash generated from financing activities			(4,643,119)		(1,917,083)
Net increase/(decrease) in cash and cash equivalents			(7,543,546)		8,028,816
Cash and cash equivalents at beginning of year			8,139,112		110,296
Cash and cash equivalents at end of year			595,566		8,139,112

The notes on pages 23-32 form part of these financial statements

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to limited liability partnerships ("LLPs") reporting under IFRS.

The financial statements have been prepared under the historical cost basis with the exception of financial instruments. The principal accounting policies adopted are set out below.

1.2 Going concern

The Partnership Board has, at the time of approving the financial statements, a reasonable expectation that the partnership has adequate resources to continue operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Investment in subsidiaries

Investments in subsidiaries have been accounted for at cost, adjusted for the difference between the face value and the fair value on initial recognition of loan notes and inter-company loans issued by subsidiaries to the parent entity.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 New standards and interpretations not yet adopted

IFRS 9 "Financial instruments" is an IFRS standard that has been issued by the IASB but has not been early adopted. It addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces IAS39. IFRS 9 will become effective for the accounting period to March 2019, subject to EU endorsement and is not expected to have a material impact on the LLP's results.

IFRS 15 'Revenue form contracts with customers' addresses the recognition and measurement of revenue and replaces IAS 18 'Revenue' and IAS 11 'Construction contracts'. It is believed that the current accounting policy is broadly in line with the new standard and these accounting policy changes are not expected to have a significant impact on the timing or value of the LLP's revenue. IFRS 15 will become effective for the accounting period to March 2019.

1.6 Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	33% on cost over term of lease
Fixtures & fittings	25% on cost
Computer equipment	33% on cost

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and includes amounts receivable for services provided to subsidiary companies, net of discounts, VAT and other sales related taxes.

1.8 Financial instruments

Financial instruments are recognised in the partnership's statement of financial position when the partnership becomes party to the contractual provisions of the instrument.

Financial instruments are classified into specified categories. The classification depends on the nature and purpose of the financial instruments and is determined at the time of recognition.

Financial Assets

Cash and cash equivalents comprises cash at bank and is included at carrying value which equates to fair value owing to the short term nature of the instrument.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' and are initially measure at fair value plus transactions costs. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. This carrying value equates to fair value or it is re-evaluated

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

In relation to these financial assets the following also apply:

- They are assessed for indicators of impairment at each reporting end date.
- They are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.
- They are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified as other financial liabilities, including borrowings which are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. This carrying value equates to fair value or it is re-evaluated

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition

Financial liabilities are derecognised when, and only when, the partnership's obligations are discharged, cancelled, or they expire.

1.10 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the partnership uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the partnership. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.11 Operating lease commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

2. Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and judgements that could have a significant effect upon the LLP's financial results relate to the intercompany balances and loan account positions between the parent LLP and its subsidiaries. It is assumed that fair value can be based on their carrying value of amortised cost which is calculated based on an effective rate of interest of 12% and an estimated repayment period.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	9,397	8,643
Audit fees	5,000	11,000

4. Information in relation to members

	2018	2017
	£	£
Members' remuneration charged as an expense		
Loan note interest	1,139	443,269
Other interest	488	-

5. Employee information

	2018	2017
	£	£
Wages and salaries	9,600	9,950
Social security	-	(1,731)
Pension cost	19	-
	9,619	8,219

There is one employee.

6. Property, Plant & Equipment

	Leasehold Improvements	Fixtures and fittings	Computer Equipment	Total
	£	£	£	£
COST				
At 1 April 2017	17,018	3,069	7,049	27,136
Additions	-	1,532	1,874	3,408
At 31 March 2018	17,018	4,601	8,923	30,544
DEPRECIATION				
At 1 April 2017	6,543	831	3,208	10,582
Charge for period	5,616	991	2,790	9,397
At 31 March 2018	12,159	1,822	5,998	19,979
NET BOOK VALUE				
At 31 March 2018	4,859	2,781	2,925	10,565
At 31 March 2017	10,475	2,238	3,841	16,554

7. Investments

	Shares in group undertakings
COST	£
As at 1 April 2017	689,665
At 31 March 2018	689,665
NET BOOK VALUE	
At 31 March 2018	689,665
At 31 March 2017	689,665

8. Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year		
Other debtors	200	200
Prepayments	17,130	11,975
Accrued income	14,461	250,000
PAYE	-	5,201
VAT	14,188	43,176
Member's current account	-	845,424
Amounts owed by group undertakings	40,682	-
	86,661	1,155,976
Amounts falling due after more than one year		
Amounts owed by group undertakings	178,730	184,004
Aggregate amounts	265,391	1,339,980

9. Trade and other payables

	2018 £	2017 £
Trade payables	1,333	40,324
Other creditors	2,762	5,058
Accruals	27,466	206,591
Amounts due to group undertakings	1,165,200	6,520,627
	1,196,761	6,772,600

10. Loans and other debts due to members

	2018 £	2017 £
Member's current accounts	-	3,412,511
Loans from members	-	-
Falling due within one year	-	3,412,511
	-	3,412,511

The loans from members were secured by way of a fixed and floating charge over all assets and undertakings of the individual companies.

11. Members' interests

	Members' other interests				
	Members' capital (classified as equity) £	Reserves £	Total £	Loans and other debts due to members £	Total £
Balance at 1 April 2017	200	-	200	3,412,511	3,412,711
Members' current account transfer from trade and other receivables	-	-	-	(845,424)	(845,424)
Members' remuneration charged as an expense	-	-	-	1,627	1,627
Profit/(loss) for the financial period available for discretionary division among members	-	2,438,631	2,438,631	-	2,438,631
Members' interests after Profit/(loss) for the period	200	2,438,631	2,438,631	2,568,714	5,007,545
Profit allocated to members	-	(2,074,405)	(2,074,405)	2,074,405	-
Payments to members	-	-	-	(4,643,119)	(4,643,119)
Balance at 31 March 2018	200	364,426	364,426	-	364,426

	2018 £	2017 £
Loans and debts due to members are classified as:		
Current liabilities	-	3,412,511
Non-current liabilities	-	-
	-	3,412,511

12. Financial instruments

Financial instruments comprise loans, cash, amounts owed from group undertakings, amounts due to members and trade payables. Financial instruments can give rise to liquidity, credit and interest rate risk. Information about these risks and how they are managed is set out below.

	2018 £	2017 £
Financial assets		
Member's current account	-	845,424
Other receivables	14,388	48,577
Amounts due from group undertakings	219,412	184,004
Cash and cash equivalents	595,566	8,139,112
Loans and receivables	829,366	9,217,117
Financial liabilities		
Amounts due to group undertakings	1,165,200	6,520,627
Amounts due to members	-	3,412,511
Trade payables	1,333	40,324
Other payables	2,762	5,058
Liabilities at amortised cost	1,169,295	9,978,520
Total net financial instruments	(339,929)	(761,403)

The Partnership Board consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

Financial risk management and management of capital

During the period the LLP has financed the subsidiary undertakings and its own overheads and the LLP's objectives when managing capital for the LLP are to safeguard the LLP and its subsidiaries' ability to operate as a going concern and to maintain an optimal capital structure to cover the cash requirements of the business. The LLP's capital is almost entirely made up of borrowings from the designated members. The principal financial instruments are:

Cash and cash equivalents – the LLP manages its cash resources in order to meet daily working capital requirements.

Designated members' capital – the LLP requires members to provide long-term financing.

Liquidity risk

The ultimate responsibility for liquidity risk management lies with the Partnership Board, who have developed an appropriate liquidity management framework for the management of the LLP's liquidity risk. The LLP manages liquidity risk by maintaining adequate banking facilities and borrowing facilities and by continually monitoring forecast and actual cash flows.

Cleared funds are held in "on demand" accounts. This is considered adequate to finance variations in working capital.

Liquidity risk arises from the LLP's ongoing financial obligations, being trade payables and amounts owed to members.

12. Financial instruments continued

Credit risk arises when one party to a financial instrument causes loss for the other party by failing to discharge and obligation.

Security is in place by way of fixed and floating charges over all of the assets of undertakings to cover amounts due from group undertakings, the total of which was £219,412 at the end of the period.

The credit risk on liquid funds is limited because a leading high street bank is used.

Interest rate risk

Interest rate risk arises from cash and cash equivalents and interest bearing investments and loans.

Interest is not earned on cash deposits of £595,566. No interest is charged on member's current accounts.

Investment in subsidiaries

Amounts due from group undertakings including loan notes and inter-company loans have been recognised initially at fair value. The difference between the face value and the fair value of the loans on initial recognition has been recognised as an additional investment in subsidiaries.

Amounts due to group undertakings are anticipated to be repaid within 12 months of the year end and are therefore held at face value.

13. Leasing agreements

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

	£
Within one year	11,250

14. Related party disclosures

During the period ended 31 March 2016 the partnership issued loan notes to the value of £2,000,000 to Peterborough City Council, a designated member. During the year ended 31 March 2017 the partnership issued further loan notes to Peterborough City Council totalling £1,082,917. Interest was charged on the loan notes at a rate of 12% per annum. During 2017 the total balance including rolled up interest was allocated to Peterborough City Council's member's current account. This amount was paid to the member in the year ended 31 March 2018.

During the period ended 31 March 2016 the partnership issued loan notes to the value of £1,870,672 to Peterborough Partnership SARL, a designated member. Interest was charged on the loan at a rate of 12% per annum. During the year ended 31 March 2017 the total balance including rolled up interest was repaid.

During the period ended 31 March 2016 the partnership purchased loan notes to the value of £2,624,667 from group undertakings. During the year ended 31 March 2017 the partnership purchased further loan notes of £807,917 from group undertakings. During the year ended 31 March 2017, £3,232,584 was repaid and the amount outstanding at 31 March 2017 and 31 March 2018 is £200,000 at face value.

14. Related party disclosures - continued

During the year the partnership paid for costs on behalf of group undertakings to the value of £3,985,436 (2017- £3,329,573) at face value. The amount outstanding at the year end from subsidiaries at face value is £43,951.

During the year the partnership received amounts on behalf of its subsidiary P.I.P (Fletton Quays) Limited in the sum of £1,698,528 (2017 - £14,328,800. At the balance sheet date there was an amount owed to P.I.P (Fletton Quays) Limited in the sum of £1,165,200. As the amount is anticipated to repaid in full within twelve months, it is anticipated that the fair value of the loan is equal to its face value.

The amounts due from group undertakings at the year end date are disclosed as loans and receivables and held at amortised cost, as follows:

	£
Loan notes	178,730
Inter-company loans	40,682
	219,412

The amount due to group undertakings at the year end date are disclosed at face value within trade and other payables as follows:

	£
Inter company loans	1,165,200

During the two years to 31 March 2018 the partnership charged a management fee to P.I.P (Fletton Quays) Limited totalling £484,872 and representing an annual charge due of £242,436. The amount was paid off via the inter-company loan balance.

During the period ended 31 March 2018 Peterborough City Council, a designated member, provided key management personnel as part of the Project Team in the sum of £158,037 (2017 - £175,966).

15. Ultimate controlling party

Peterborough Investment Partnership has been set up as a 50:50 joint venture partnership between Peterborough Partnership SARL and Peterborough City Council.

16. Cash generated from operations

	2018 £	2017 £
Profit before income tax	2,438,631	203,392
Adjustments for:		
Finance cost	278	580
Depreciation	9,397	8,643
Member remuneration charged as an expense	1,627	443,269
Interest receivable	(23,084)	(605,505)
Dividends receivable	(2,500,000)	(280,598)
Impairment of investments	-	70,169
	(73,151)	(160,050)
(Increase) in trade and other debtors excluding group undertakings	264,573	(297,574)
Decrease/(increase) in inter-company loans	(5,368,754)	9,910,711
Increase in trade and other payables	(220,412)	213,094
Cash generated/(absorbed) from operations	(5,397,744)	9,666,181

This page is intentionally left blank