

MEDESHAM HOMES LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018



Chester House, Lloyd Drive, Cheshire Oaks Business Park, Ellesmere Port, Cheshire CH65 9HQ

MEDESHAM HOMES LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members Peterborough City Council
CKH Developments Limited

Limited liability partnership number OC414818

Registered office Town Hall
Bridge Street
Peterborough
England
PE1 1HF

Auditor KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

MEDESHAM HOMES LLP

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MEDESHAM HOMES LLP

MEMBERS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

The members present their report and financial statements for the period ended 31 March 2018.

Principal activities

The principal activity of the limited liability partnership is that of development of land and construction of "affordable" homes. The current developments are in relation to sites known as Midland Road and Bretton Court.

The LLP has been set up as a joint venture between Peterborough City Council and CKH Developments Limited (the designated members) and Medesham Limited. The partnership was established on 25 November 2016.

Members' drawings, contributions and repayments

A member's capital requirement is linked to the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

The designated members who held office during the period and up to the date of signature of the financial statements were as follows:

Peterborough City Council
CKH Developments Limited

Ordinary members

Medesham Limited is an ordinary member by virtue of its subscribed capital.

Statement of members' responsibilities in respect of the Members' Report and the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 its profit or loss 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 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;
 - assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
 - use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.
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MEDESHAM HOMES LLP

MEMBERS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

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

Statement of disclosure to auditor

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 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 auditors are aware of that information.

Approved by the members on 8 August 2018 and signed on behalf by:



Peterborough City Council
Designated Member



CKH Developments Limited
Designated Member

MEDESHAM HOMES LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEDESHAM HOMES LLP

Opinion

We have audited the financial statements of Medesham Homes LLP ("the LLP") for the period ended 31 March 2018 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

MEDESHAM HOMES LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MEDESHAM HOMES LLP

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required 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.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit report and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

22 August 2018

MEDESHAM HOMES LLP

INCOME STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2018

	Period ended 31 March 2018 £
Administrative expenses	(39,875)
Other operating income	12,469
	<hr/>
Loss for the financial period before members' remuneration and profit shares	(27,406)
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Loss for the financial period before members' remuneration and profit shares	(27,406)
Members' remuneration charged as an expense	-
	<hr/>
Loss for the financial period available for discretionary division among members	(27,406)
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The Income Statement has been prepared on the basis that all operations are continuing operations.

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2018

	Period ended 31 March 2018 £
Loss for the financial period available for discretionary division among members	(27,406)
Other comprehensive income	-
Total comprehensive income for the period	<u>(27,406)</u>

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £
Non current assets		
Investment properties	4	1,690,945
		<u>1,690,945</u>
Current assets		
Trade and other receivables	5	1,900,201
Cash and cash equivalents		825,895
		<u>2,726,096</u>
Total assets		<u>4,417,041</u>
Current liabilities	6	
Trade and other payables		(265,810)
Taxation and social security		(905)
Other grants	8	(99,750)
		<u>(366,465)</u>
Non-current liabilities	7	
Other grants	8	(3,877,781)
		<u>(3,877,781)</u>
Total liabilities		<u>(4,244,246)</u>
Equity		
Members' capital classified as equity		200,201
Members other reserves		(27,406)
		<u>(172,795)</u>
Total equity and liabilities		<u>4,417,041</u>

The financial statements were approved by the members and authorised for issue on 08.08.18 and are signed on their behalf by:



Peterborough City Council

Designated member

Limited Liability Partnership Registration No. OC414818



CKH Developments Limited

Designated member

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE PERIOD ENDED 31 MARCH 2018

Current financial year

	EQUITY		TOTAL
	Members' other interests		MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total 2018
	£	£	£
Members' interests at 25 November 2016	-	-	-
Loss for the period available for discretionary division among members	-	(27,406)	(27,406)
Members' interests after loss for the period	-	(27,406)	(27,406)
Introduced by members	200,201	-	200,201
Members' interests at 31 March 2018	200,201	(27,406)	172,795

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2018

	Members' capital	Other reserves	Total
	£	£	£
Loss and total comprehensive income for the period	-	(27,406)	(27,406)
Members' capital introduced	200,201	-	200,201
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	200,201	(27,406)	172,795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	2018 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	10		2,316,639
Investing activities			
Purchase of investment property		(1,690,945)	
Net cash used in investing activities			(1,690,945)
Financing activities			
Capital introduced by members (classified as debt or equity)		200,201	
Net cash generated from/(used in) financing activities			200,201
Net increase in cash and cash equivalents			825,895
Cash and cash equivalents at beginning of period			-
Cash and cash equivalents at end of period			<u>825,895</u>

The notes on page 11 to 16 form part of these financial statements.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Limited liability partnership information

Medesham Homes LLP is a limited liability partnership incorporated in England and Wales. The registered office is Town Hall, Bridge Street, Peterborough, England, PE1 1HF.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union 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. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The accounts reflect the first period of the LLP from the date of incorporation, 25 November 2016 to 31 March 2018, a period of 16 months. Operational activity commenced in April 2017.

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement.

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

1.5 Investment properties

Investment property is property held to earn rentals and/or for capital appreciation. Investment property within the accounts represents property currently under construction. The members believe that the fair value is not reliably determinable at the year end and therefore have included property at cost. As the property is not yet ready for use, depreciation has not been provided for.

1.6 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.

1.7 Financial instruments

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in or .

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Classification of financial liabilities

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 limited liability partnership after deducting all of its liabilities.

Other financial liabilities

Financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.10 Government and other grants

Government and other grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received and are treated as deferred income. Government and other grants are released to the profit and loss account over the course of the life of the grant.

1.11 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 results of the LLP.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating loss

	2018
	£
Operating loss for the period is stated after charging/(crediting):	
Other grants	(12,469)
Operating lease charges	750
	<u> </u>

4 Investment property

	2018
	£
Cost	
At 25 November 2016	-
Additions through external acquisition	1,690,945
	<u> </u>
At 31 March 2018	<u>1,690,945</u>

Investment property comprises the purchase cost of land and associated costs including planning applications. The members believe that a fair value is not reliably determinable at the year end and therefore have included property at cost only. As the property is not yet ready for use, depreciation has not been provided for.

Freehold	-
Long leasehold	-
Short leasehold	-

5 Trade and other receivables

	2018
	£
Amounts falling due within one year:	
Other receivables	201
Other grants receivable	1,900,000
	<u> </u>
	<u>1,900,201</u>

All current receivables are stated at transaction value.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

6 Current liabilities

	Notes	2018 £
Trade payables		28,672
Other taxation and social security		905
Other grants	8	99,750
Accruals and deferred income		237,138
		<u>366,465</u>

All current liabilities are stated at transaction value.

7 Non-current liabilities

	Notes	2018 £
Other grants	8	<u>3,877,781</u>

Non current liabilities represent deferred other grants. The total amount of £3,990,000 is being released to the profit and loss account over a period of 40 years on a straight line basis.

8 Other grants

Deferred income is included in the financial statements as follows:

	2018 £
Current liabilities	99,750
Non-current liabilities	<u>3,877,781</u>
	<u>3,977,531</u>

9 Related party transactions

During the year, the designated member CKH Developments Limited provided administration support to the LLP totalling £5,890. At the year end the amount outstanding was £2,827 included within trade payables.

MEDESHAM HOMES LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

10 Cash generated from operations	2018
	£
Loss for the period	(27,406)
Movements in working capital:	
(Increase) in trade and other receivables	(1,900,201)
Increase in trade and other payables	266,715
Increase in deferred income	3,977,531
	<hr/>
Cash generated from/(absorbed by) operations	2,316,639
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MEDESHAM HOMES LLP

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2018

	Period ended 31 March 2018 £
Other operating income	
Other grants receivable and released	12,469
Administrative expenses	(39,875)
Operating loss	<u>(27,406)</u>

MEDESHAM HOMES LLP

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE PERIOD ENDED 31 MARCH 2018

	Period ended 31 March 2018 £
Administrative expenses	
Management charge	5,890
Rent re operating leases	750
Computer running costs	117
Other professional fees	6,149
Consultancy fees	17,880
Accountancy	3,057
Audit fees	3,500
Bank charges	554
Printing and stationery	173
Partial exemption restriction	1,805
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	39,875
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