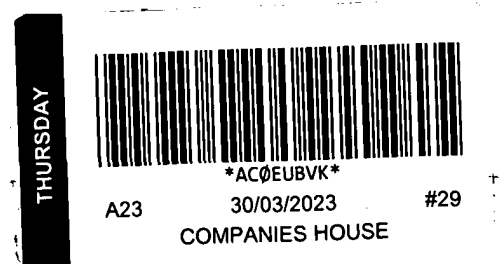


Registration number: OC397288 (England and Wales)

**REPORT OF THE MEMBERS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2022
FOR
PETERBOROUGH INVESTMENT PARTNERSHIP LLP**



PETERBOROUGH INVESTMENT PARTNERSHIP LLP**GENERAL INFORMATION
FOR THE YEAR TO 31 MARCH 2022**

Designated members:	Peterborough City Council Peterborough Partnership Limited
Registered office:	4 Riversway Business Village Ashton-On-Ribble Preston PR2 2YP
Company number:	OC397288 (England and Wales)
Auditors:	DJH Mitten Clarke Audit Limited Chester House Lloyd Drive Cheshire Oaks Business Park Ellesmere Port CH65 9HQ

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

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PETERBOROUGH INVESTMENT PARTNERSHIP LLP

REPORT OF THE MEMBERS FOR THE YEAR TO 31 MARCH 2022

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 2022.

Designated members

The designated members during the year under review were:

Peterborough City Council
Peterborough Partnership Limited

Results for the period and allocation to members

The loss for the period before members' remuneration and profit allocations was £166,326 (2021: £98,042 (profit)).

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, Pleasure Fairs and Northminster which are being undertaken through special purposes vehicles, namely, the subsidiary companies of P.I.P (Fletton Quays) Limited, P.I.P (Pleasure Fairs) Limited and P.I.P (Northminster) Limited.

The parent LLP has been set up as a 50:50 joint venture partnership between Peterborough Partnership Limited 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 Limited. 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 was that the developments do not realise a value greater than their cost but 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 UK adopted International Financial Reporting Standards. 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, International Accounting Standard 1 requires that members:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- 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
- make an assessment of the LLP's ability to continue as a going concern.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

REPORT OF THE MEMBERS FOR THE YEAR TO 31 MARCH 2022

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 of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

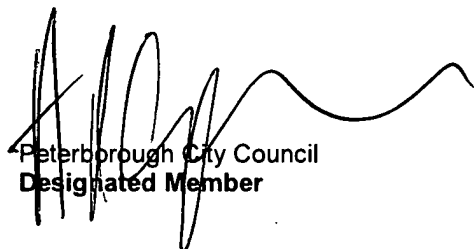
- so far as the members are aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

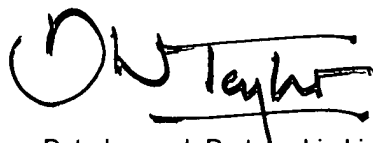
The auditor, DJH Mitten Clarke Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved on behalf of the members of the LLP by:



Peterborough City Council
Designated Member

Date: 28/3/23



Peterborough Partnership Limited
Designated Member

Date: 28/3/23

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

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 2022 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 UK adopted international accounting standards.

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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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

In auditing the financial statements, we have concluded that the members' 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 LLP'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 members 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 auditor's report thereon. The members 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 in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the members' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has 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 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory framework that is applicable to the Group and determined that the most significant are frameworks which are directly relevant to the assertions in the financial statements including amounts and disclosures; those that relate to reporting framework IFRS; those parts of the Companies Act 2006 applicable to companies and LLPs reporting under IFRS; and UK taxation legislation.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

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

We assessed how the Group is complying with those frameworks by:

- making enquiries of management;
- reviewing minutes of meetings of those charged with governance; and
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations together with the use of an appropriate software package to check the disclosures required by the relevant accounting standards and legislation.

We assessed the susceptibility of the Group's financial statements to material misstatement including how fraud might occur. The risk of fraud associated with management override of controls is always deemed high and we performed audit procedures to address this specific risk including testing journal entries and other adjustments for appropriateness; also assessing whether judgements and assumptions used in accounting estimates were indicative of potential bias.

A further 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.

Use of our 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, as applied to limited liability partnerships. 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.

Mrs Desirie Lea FCA FCCA (Senior Statutory Auditor)
for and on behalf of DJH Mitten Clarke Audit Limited
Chartered Accountants, Statutory Auditor
Chester House
Lloyd Drive
Cheshire Oaks Business Park
Ellesmere Port
Cheshire
CH65 9HQ

Date: 29 March 2023

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR TO 31 MARCH 2022**

	Notes	2022 £	2021 £
Revenue		40,513	455,912
Cost of sales		<u>56,495</u>	<u>20,000</u>
Gross profit		97,008	475,912
Administrative expenses		<u>(253,496)</u>	<u>(368,240)</u>
Operating (loss)/profit	3	(156,488)	107,672
Finance income		-	-
Finance cost		<u>(937)</u>	<u>(3,761)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES BEFORE TAX		(157,425)	103,911
Tax expensed in corporate subsidiaries	4	<u>(6,767)</u>	<u>(5,869)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(164,192)	98,042
Members' remuneration charged as an expense		<u>(2,134)</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>(166,326)</u>	<u>98,042</u>

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

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 31 MARCH 2022**

	2022	2021
	£	£
(Loss)/profit for the year	(166,326)	98,042
Other comprehensive income	—	—
Total comprehensive income for the year	<u>(166,326)</u>	<u>98,042</u>

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Registration number: OC397288

	Notes	2022 £	2021 £
Non current asset			
Property, plant and equipment	5	1,752	15,589
Investment properties	6	<u>1,328,038</u>	<u>-</u>
		1,329,790	15,589
Current assets			
Inventories	7	598,942	588,966
Trade and other receivables	8	4,818,326	290,075
Corporation tax repayable		-	-
Cash and cash equivalents		<u>476,837</u>	<u>635,095</u>
		<u>5,894,105</u>	<u>1,514,136</u>
Total assets		<u>7,223,895</u>	<u>1,529,725</u>
Current liabilities			
Trade and other payables	9	679,878	194,540
Deferred revenue	10	500,000	-
Tax payable		<u>6,767</u>	<u>5,869</u>
		<u>1,186,645</u>	<u>200,409</u>
Non-current liabilities			
Members' loans	11	112,134	-
Deferred revenue	10	<u>4,762,126</u>	<u>-</u>
		<u>4,874,260</u>	<u>-</u>
Total liabilities		<u>6,060,905</u>	<u>200,409</u>
Equity			
Members' capital	12	200	200
Members' other reserves	12	<u>1,162,790</u>	<u>1,329,116</u>
Total equity		<u>1,162,990</u>	<u>1,329,316</u>
Total equity and liabilities		<u>7,223,895</u>	<u>1,529,725</u>

The financial statements were approved by the members of the LLP on _____ and were signed on their behalf by:


Peterborough City Council
Designated Member


Peterborough Partnership Limited
Designated Member

Date: 28/3/23

Date: 28/3/23

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Members' interests at the start of the year		1,329,316	1,231,274
(Loss)/profit for year		(166,326)	98,042
Movement on members' loans		112,134	-
Allocated profit		<u>-</u>	<u>-</u>
Balance at the year end	12	<u>1,275,124</u>	<u>1,329,316</u>

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Cash generated/(absorbed) by by operations	17	1,076,321		(133,144)	
Finance cost		(661)		(3,761)	
Income taxes received		-		-	
Income taxes paid		(5,869)		-	
Net cash inflow/(outflow) from operating activities			1,069,791		(136,905)
Cashflows from investing activities					
Purchase of investment property		(1,328,038)		-	
Purchase of property, plant and equipment		(2,857)		(398)	
Net cash (absorbed by) investing activities			(1,330,895)		(398)
Financing activities					
Members loans received		110,000		-	
Payment of finance lease obligations		(7,154)		(39,905)	
Profit distributions paid to members		-		-	
Net cash generated from/(used in) financing activities			102,846		(39,905)
Net increase/(decrease) in cash and cash equivalents			(158,258)		(177,208)
Cash and cash equivalents at beginning of year			<u>635,095</u>		<u>812,303</u>
Cash and cash equivalents at end of year			<u>476,837</u>		<u>635,095</u>

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022

1. Accounting policies

Limited liability partnership information

Peterborough Investment Partnership LLP is a limited liability partnership incorporated in England and Wales. The registered office is 4 Riversway Business Village, Ashton-On-Ribble, Preston PR2 2YP.

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 2022.

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 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
Right of use asset	Straight line over the term of the lease
Fixtures & fittings	25% on cost
Computer equipment	33% on cost

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR TO 31 MARCH 2022**

1.6 Investment Property

Investment property is property held to earn rentals and/or for capital appreciation. Investment property comprises the purchase cost of land and associated costs including planning applications at one site. The site remains under construction and the members believe that a fair value is not reliably determinable at the year end and therefore have included property at cost, with no depreciation provided.

Once the site has been made available, they will be included at cost and depreciated on a straight line basis.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable in respect of land transactions entered into in the normal course of business, net of discounts and VAT. This is recognised on completion.

Other sources of revenue are measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and VAT.

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 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

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

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

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

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'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR TO 31 MARCH 2022**

1.9 Financial instruments (continued)

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.

Financial assets, other than those at fair value through profit and loss (FVTPL), 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 of the investment have been affected. Financial assets 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.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities, including borrowings, 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.

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 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.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

1.12 Leased assets

For any new contracts entered into on or after 1 January 2019, consideration is given as to whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the assessment covers whether the contract meets three key evaluations which are:

- does the contract contain an identified asset, which is either explicitly identified in the contractor implicitly specified by being identified at the time the asset is made available; and
- is there a right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- is there the right to have direct use of the identified asset throughout the period of use.

At lease commencement date, a right-of-use asset and a lease liability are recognised in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability and an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is also assessed for impairment when such indicators exist.

At the commencement date, the lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Payments attributable to short-term leases and leases of low-value assets are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the statement of financial position, right-of-use asset are included as property, plant and equipment and lease liabilities are included in trade and other payables.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR TO 31 MARCH 2022**

1.13 Government 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 related asset.

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 there are inter-company balances and loan account positions between the parent LLP and subsidiaries which are eliminated on consolidation. 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 each project.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

3. Operating (loss)/profit

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/(loss) for the period was £109,267 (2021: (£94,428)).

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

	2022 £	2021 £
Depreciation and loss on disposal of assets	7,319	40,924
Audit fees	<u>15,880</u>	<u>13,250</u>

4. Tax expensed in corporate subsidiaries

	2022 £	2020 £
Current tax		
Current year taxation	<u>6,767</u>	<u>5,869</u>

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

	2022 £	2021 £
(Loss)/profit on ordinary activities of corporate entities before tax	<u>(44,377)</u>	<u>225,819</u>
Expected tax charge based on a corporation tax rate of 19%	(8,432)	42,906
Expenses not deductible in determining taxable profit	10,186	-
Utilisation of tax losses not previously recognised	-	(48,422)
Current year losses not utilised	<u>5,013</u>	<u>11,385</u>
Tax expensed in corporate subsidiaries	<u>6,767</u>	<u>5,869</u>

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

5. Property, plant & equipment

	Right of Use asset £	Leasehold Improvements £	Fixtures and fittings £	Computer Equipment £	Total £
COST					
At 1 April 2021	94,954	17,018	5,001	9,658	126,631
Additions	-	-	-	2,857	2,857
Disposals	<u>(94,954)</u>	<u>-</u>	<u>(5,001)</u>	<u>-</u>	<u>(99,955)</u>
At 31 March 2022	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>12,515</u>	<u>29,533</u>
DEPRECIATION					
At 1 April 2021	80,135	17,018	4,501	9,388	111,042
Charge for period	5,444	-	259	1,375	7,078
Disposals	<u>(85,579)</u>	<u>-</u>	<u>(4,760)</u>	<u>-</u>	<u>(90,339)</u>
At 31 March 2022	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>10,763</u>	<u>27,781</u>
NET BOOK VALUE					
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,752</u>	<u>1,752</u>
At 31 March 2021	<u>14,819</u>	<u>-</u>	<u>500</u>	<u>270</u>	<u>15,589</u>

6. Investment property

	2022 £
Cost	
As at 1 April 2021	-
Additions	1,328,038
As at 31 March 2022	<u>1,328,038</u>
Depreciation	
As at 1 April 2021	-
Charge for the year	-
As at 31 March 2022	<u>-</u>
Carrying amount	
As at 31 March 2022	1,328,038
As at 31 March 2021	<u>-</u>

Investment property comprises the costs to date of a site currently under construction. The members believe that a fair value is not reliably determinable at the year end and therefore have included property at cost, with no depreciation provided.

7. Inventories

	2022 £	2021 £
- Work-in-progress	<u>598,942</u>	<u>588,966</u>

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

8. Trade and other receivables	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	56,331
VAT recoverable	-	113,557
Prepayments	8,150	7,298
Other debtors	48,050	102,882
Accrued income	4,762,126	10,000
PAYE debtor	-	7
	<u>4,818,326</u>	<u>290,075</u>
9. Trade and other payables	2022	2021
	£	£
Obligations under finance leases	-	16,529
Trade payables	305,827	76,763
Accruals	77,493	101,092
Other taxation and social security	296,340	-
Pension Costs	22	-
Other creditors	196	156
	<u>679,878</u>	<u>194,540</u>
10. Deferred revenue	2022	2021
Current liabilities	£	£
Arising from deposits for sales not completed	<u>500,000</u>	<u>-</u>
Non-current liabilities		
Arising from government grants	<u>4,762,126</u>	<u>-</u>
Revenue in respect of land transactions is recognised on legal completion.		
11. Borrowings	2022	2021
Secured borrowings at amortised cost	£	£
Loans from members	<u>112,134</u>	<u>-</u>
Analysis of borrowings		
Current liabilities	-	-
Non-current liabilities	<u>112,134</u>	<u>-</u>
	<u>112,134</u>	<u>-</u>

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

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

12. Members' interests

	Members' other interests				
	Members' capital (classified as equity)				Loans and debts due to members
	£	Reserves £	Total £	£	Total £
Balance at 1 April 2021	200	1,329,116	1,329,316	-	1,329,316
Members' remuneration charged as an expense	-	-	-	2,134	2,134
Introduced by members	-	-	-	110,000	110,000
Profit/(Loss) for the financial period available for discretionary division among members	-	(166,326)	(166,326)	-	(166,326)
Members' interests after profit/(loss) for the period	200	1,162,790	1,162,990	112,134	1,275,124
Profit allocated to members	-	-	-	-	-
Payments to members	-	-	-	-	-
Balance at 31 March 2022	200	1,162,790	1,162,990	112,134	1,275,124

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

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.

	2022 £	2021 £
Financial assets		
Trade and other receivables	4,810,176	272,777
Cash and cash equivalents	<u>476,837</u>	<u>635,095</u>
Cash and receivables	<u>5,287,013</u>	<u>907,872</u>
Financial liabilities		
Obligations under finance leases	-	16,529
Amounts due to members	112,134	-
Trade payables	305,827	76,763
Other payables	<u>77,711</u>	<u>156</u>
Liabilities at amortised cost	<u>495,672</u>	<u>93,448</u>
Total net financial instruments	<u>4,791,341</u>	<u>814,424</u>

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; obligations under finance leases and amounts owed to members.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

13. Financial Instruments- continued

Credit risk

Credit risk arises when one party to a financial instrument causes loss for the other party by failing to discharge an 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 £476,837. No interest is charged on members' current accounts.

14. Related party disclosures

During the period ended 31 March 2022 Peterborough City Council, a designated member, provided key management personnel as part of the Project Team in the sum of £7,855 (2021 - £94,270).

Also during the period ended 31 March 2022, Peterborough Partnership Limited, a designated member, ceased to charge a management fee but £60,000 in 2021.

Peterborough Partnership Limited, a designated member, holds loan notes issued by the Council with an issue value of £110,000. Interest is charged at a rate of 12% per annum. At the year end the amount outstanding is £112,134 at face value, which is also considered to be the fair value.

During the year one of the subsidiary companies entered into a contact for the sale of its land with Medesham Homes LLP, an LLP of which Peterborough City Council, a member of this LLP, is also a member. The sale is anticipated to complete in the next financial year.

15. Ultimate controlling party

Peterborough Investment Partnership has been set up as a 50:50 joint venture partnership between Peterborough Partnership Limited (a company registered in Guernsey under reference 66591) and Peterborough City Council.

16. 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.
P.I.P (Northminster) Limited - incorporated in England & Wales - £1 Ordinary share.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

17. Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit/(loss) for the year after tax	(166,326)	98,042
Adjustments for:		
Finance cost	661	3,761
Depreciation and loss on disposal of assets	7,319	40,924
Member remuneration charged as an expense	2,134	-
Interest receivable	-	-
Income tax expense	<u>6,767</u>	<u>5,869</u>
	(149,445)	148,596
(Increase) in inventories	(9,976)	(66,323)
(Increase)/decrease in trade and other receivables	(4,528,251)	(193,713)
Increase/(Decrease) in trade and other payables	501,867	(21,704)
Increase/(Decrease) in deferred revenue	<u>5,262,126</u>	<u>-</u>
Cash (absorbed) from operations	<u>1,076,321</u>	<u>(133,144)</u>

18. Reconciliation of liabilities arising from financing activities

	2022 £	2021 £
Brought forward	16,529	58,309
Cash flow – lease liability	(7,154)	(39,905)
Non - cash change	<u>(9,375)</u>	<u>(1,875)</u>
Net debt position	<u>-</u>	<u>16,529</u>

19. Events after the reporting period

As part of the arrangement for Peterborough Investment Partnership LLP, to sell its subsidiary P.I.P (Northminster) Limited on 6 June 2022 to Cross Keys Homes Limited certain liabilities owed by P.I.P (Northminster) Limited to its parent were agreed prior to the sale as being irrecoverable by the parent. As at the balance sheet date this amounted to £499,501 included under amounts due to parent undertaking and £47,850 included in other debtors.

After the balance sheet date but prior to the sale, P.I.P (Northminster) Limited acquired the land at Northminster, Peterborough and required a loan of £769,649 from the parent to facilitate this. Again, as part of the sale arrangement this sum has been treated as irrecoverable by the parent, Peterborough Investment Partnership LLP.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT LLP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Non current asset			
Property, plant and equipment	7	1,752	15,589
Investments	8	<u>272,133</u>	<u>888,870</u>
		<u>273,885</u>	<u>904,459</u>
Current assets			
Trade and other receivables	9	1,806,544	711,217
Cash and cash equivalents		<u>321,302</u>	<u>89,592</u>
		<u>2,127,846</u>	<u>800,809</u>
Total assets		<u>2,401,731</u>	<u>1,705,268</u>
Current liabilities			
Trade and other payables	10	<u>567,208</u>	<u>92,146</u>
Non-current liabilities			
Members loans	11	<u>112,134</u>	<u>-</u>
Total liabilities		<u>679,342</u>	<u>92,146</u>
Equity			
Members' capital	12	200	200
Members' other reserves	12	<u>1,722,189</u>	<u>1,612,922</u>
Total equity		<u>1,722,389</u>	<u>1,613,122</u>
Total equity and liabilities		<u>2,401,731</u>	<u>1,705,268</u>

The financial statements were approved by the members of the LLP on _____ and were signed on their behalf by:


Peterborough City Council
Designated Member

Date: 28/3/23


Peterborough Partnership Limited
Designated Member

Date: 28/3/23

Registration number: OC397288

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Balance at the start of the year		1,613,122	1,707,550
(Loss)/Profit for the year		109,267	(94,428)
Movement on member loans		<u>112,134</u>	<u>-</u>
Balance at the end of the year	12	<u>1,834,253</u>	<u>1,613,122</u>

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash (absorbed) by operations	16	(252,617)		(360,768)	
Finance cost paid		<u>(661)</u>		<u>(3,501)</u>	
Net cash (outflow) from operating activities			(253,278)		(364,269)
Investing activities					
Purchase of property, plant and equipment		(2,857)		(398)	
Investment in subsidiary		(1)		-	
Dividends received from group undertakings		<u>385,000</u>		<u>-</u>	
Net cash generated from/(used in) investing activities			382,142		(398)
Financing activities					
Payment of finance lease obligations		(7,154)		(39,905)	
Members loans received		<u>110,000</u>		<u>-</u>	
Net cash generated from/(used in) financing activities			102,846		(39,905)
Net increase/(decrease) in cash and cash equivalents			231,710		(404,572)
Cash and cash equivalents at beginning of year			89,592		494,164
Cash and cash equivalents at end of year			<u>321,302</u>		<u>89,592</u>

The notes form part of these financial statements

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

Limited liability partnership information

Peterborough Investment Partnership LLP is a limited liability partnership incorporated in England and Wales. The registered office is 4 Riversway Business Village, Ashton-On-Ribble, Preston PR2 2YP.

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 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.

1.3 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.

1.4 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

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and includes amounts receivable for services net of discounts and VAT.

1.6 Going Concern

The members have at the time of approving the financial statements, a reasonable expectation that the LLP 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.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**PARENT NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

1.7 Financial Assets

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

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

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

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'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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.

Financial assets, other than those at fair value through profit and loss (FVTPL), 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 of the investment have been affected. Financial assets 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.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1.8 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities, including borrowings, 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.

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.

1.9 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.

1.10 Leased assets

For any new contracts entered into on or after 1 January 2019, consideration is given as to whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the assessment covers whether the contract meets three key evaluations which are:

- does the contract contain an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available; and
- is there a right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- is there the right to have direct use of the identified asset throughout the period of use.

At lease commencement date, a right-of-use asset and a lease liability are recognised in the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability and an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is also assessed for impairment when such indicators exist.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**PARENT NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR TO 31 MARCH 2022**

1.10 Leased assets (continued)

At the commencement date, the lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an appropriate incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Payments attributable to short-term leases and leases of low-value assets are recognised as an expense in profit or loss on a straight-line basis over the lease term.

In the statement of financial position, right-of-use assets are included as property, plant and equipment and lease liabilities are included in trade and other payables.

1.11 Government Grants

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.

There are no unfulfilled conditions and contingencies attaching to recognised grants.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 MARCH 2022

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 there are inter-company balances and loan account positions between the parent LLP and 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 date based on the estimated life of each project.

3. Operating profit/(loss)

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

	2022	2021
	£	£
Depreciation - owned assets	7,319	40,924
Audit fees	<u>8,200</u>	<u>8,400</u>

4. Information in relation to members

	2022	2021
	£	£
Members' remuneration charged as an expense	-	-
Loan note interest	2,134	-
Other interest	<u>-</u>	<u>-</u>

5. Employee information

	2022	2021
	£	£
Wages and salaries	113,099	9,600
Social security	9,276	(62)
Pension cost	<u>18,110</u>	<u>101</u>
	<u>140,485</u>	<u>9,639</u>

There were two employees in the year ended 31 March 2022 and one employee in the year ended 31 March 2021.

6. Other gains and losses

	2022	2021
	£	£
Impairment losses	(616,738)	-
Change in fair value of financial assets	<u>101,556</u>	<u>27,480</u>
	<u>(515,182)</u>	<u>27,480</u>

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

7. Property, plant & equipment

	Right of Use asset £	Leasehold Improvements £	Fixtures and fittings £	Computer Equipment £	Total £
COST					
At 1 April 2021	94,954	17,018	5,001	9,658	126,631
Additions	-	-	-	2,857	2,857
Disposals	<u>(94,954)</u>	-	<u>(5,001)</u>	-	<u>(99,955)</u>
At 31 March 2022	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>12,515</u>	<u>29,533</u>
DEPRECIATION					
At 1 April 2021	80,135	17,018	4,501	9,388	111,042
Charge for period	5,444	-	259	1,375	7,078
Disposals	<u>(85,579)</u>	-	<u>(4,760)</u>	-	<u>(90,339)</u>
At 31 March 2022	<u>-</u>	<u>17,018</u>	<u>-</u>	<u>10,763</u>	<u>27,781</u>
NET BOOK VALUE					
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,752</u>	<u>1,752</u>
At 31 March 2021	<u>14,819</u>	<u>-</u>	<u>500</u>	<u>270</u>	<u>15,589</u>

8. Investments

	Shares in group undertakings £
COST	
As at 1 April 2021	888,870
Additions	<u>1</u>
At 31 March 2022	<u>888,871</u>
IMPAIRMENT	
As at 1 April 2021	-
Impairments	616,738
Reversals	<u>-</u>
At 31 March 2022	<u>616,738</u>
NET BOOK VALUE	
At 31 March 2022	<u>272,133</u>
At 31 March 2021	<u>888,870</u>

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

9. Trade and other receivables	2022	2021
	£	£
Amounts falling due within one year		
Trade debtors	1,236,775	56,331
Other debtors	48,050	102,882
Prepayments	8,150	7,298
Accrued income	-	10,000
VAT recoverable	-	12,180
PAYE debtor	-	7
Amounts owed by group undertakings	<u>513,569</u>	<u>123,149</u>
	<u>1,806,544</u>	<u>311,847</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>-</u>	<u>399,370</u>
Aggregate amounts	<u>1,806,544</u>	<u>711,217</u>
10. Trade and other payables	2022	2021
	£	£
Obligations under finance leases	-	16,529
Trade payables	305,187	47,492
Other creditors	57,028	28,125
Tax and social security	<u>204,993</u>	-
	<u>567,208</u>	<u>92,146</u>
11. Borrowings	2022	2021
	£	£
Secured borrowings at amortised cost		
Loans from members	<u>112,134</u>	<u>-</u>
Analysis of borrowings		
Current liabilities	-	-
Non-current liabilities	<u>112,134</u>	<u>-</u>
	<u>112,134</u>	<u>-</u>

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

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

12. Members' interests

	Members' other interests			Loans and other debts due to members £	Total £
	Members' capital (classified as equity) £	Reserves £	Total £		
Balance at 1 April 2021	200	1,612,922	1,613,122	-	1,613,122
Loans issued in year	-	-	-	110,000	110,000
Members' remuneration charged as an expense	-	-	-	2,134	2,134
Profit/(loss) for the financial period available for discretionary division among members	-	109,267	109,267	-	109,267
Members' interests after Profit/(loss) for the period	200	1,722,189	1,722,389	112,134	1,834,523
Profit allocated to members	-	-	-	-	-
Payments to members	-	-	-	-	-
Balance at 31 March 2022	200	1,722,189	1,722,389	112,134	1,834,523

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

13. 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.

	2022 £	2021 £
Financial assets		
Trade and other receivables	1,284,825	171,400
Amounts due from group undertakings	513,569	522,519
Cash and cash equivalents	<u>321,302</u>	<u>89,592</u>
Cash and receivables	<u>2,119,696</u>	<u>783,511</u>
Financial liabilities		
Amounts due to members	112,134	-
Obligations under finance leases	-	16,529
Trade payables	305,187	47,492
Other payables	<u>57,028</u>	<u>156</u>
Liabilities at amortised cost	<u>474,349</u>	<u>64,177</u>
Total net financial instruments	<u>1,645,347</u>	<u>719,334</u>

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; obligations under finance leases and amounts owed to members.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP**PARENT NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

13. Financial instruments continued**Credit risk**

Credit risk arises when one party to a financial instrument causes loss for the other party by failing to discharge an 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 £513,567 at the end of the period.

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 £321,302. No interest is charged on members' 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.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

14. Related party disclosures

Peterborough Partnership Limited, a designated member, holds loan notes issued by the Council with an issue value of £110,000. Interest is charged at a rate of 12% per annum. At the year end the amount outstanding is £112,134 at face value, which is also considered to be the fair value.

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 during the year ended 31 March 2022, £200,000 was repaid. The amount outstanding at 31 March 2022 is £Nil (2021: £200,000) at face value.

During the year the partnership paid for costs on behalf of group undertakings to the value of £537,789 (2021- £355,599) at face value. During the year group undertakings paid amounts on behalf of the LLP in the sum of £7,532 (2021: £Nil). The amount outstanding at the year end from subsidiaries at face value is £513,567 (2021: £424,075).

The amounts due from group undertakings at the year end date are disclosed at FVTPL as follows:

	£
Loan notes	-
Inter-company loans	<u>513,569</u>
	<u>513,569</u>

During the year to 31 March 2022 the partnership charged management fees to subsidiaries totalling £1,060,646 (2021: £141,780). Some of the amounts were paid via the inter-company loan balances. There is an amount of £1,236,775 included in trade receivables.

During the year ended 31 March 2022 Peterborough City Council, a designated member, provided key management personnel as part of the Project Team in the sum of £7,855 (2021 - £94,270).

Also during the year ended 31 March 2022 Peterborough Partnership Limited, a designated member, ceased to charge a management fee but charged £60,000 in 2021.

15. Ultimate controlling party

Peterborough Investment Partnership has been set up as a 50:50 joint venture partnership between Peterborough Partnership Limited (a company registered in Guernsey under reference 66591) and Peterborough City Council.

PETERBOROUGH INVESTMENT PARTNERSHIP LLP

PARENT NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

16. Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit/(loss) before income tax	109,267	(94,428)
Adjustments for:		
Depreciation and loss on disposal of assets	7,319	40,924
Finance cost	661	3,501
Member remuneration charged as an expense	2,134	-
Dividends receivable	(385,000)	-
Investment in subsidiary	-	(63,722)
Impairment losses	616,738	-
	<u>351,119</u>	<u>(113,725)</u>
(Increase) in trade and other debtors excluding group undertakings	(1,104,277)	(130,187)
Decrease/(increase) in inter-company loans	8,950	(123,357)
Increase in trade and other payables	<u>491,591</u>	<u>6,501</u>
Cash (absorbed) by operations	<u>(252,617)</u>	<u>(360,768)</u>

17. Reconciliation of liabilities arising from financing activities

	2022 £	2021 £
Brought Forward	16,529	58,309
Cash flow – lease liability	(7,154)	(39,905)
Non - cash change	<u>(9,375)</u>	<u>(1,875)</u>
Net debt position	<u><u>-</u></u>	<u><u>16,529</u></u>

19. Events after the reporting period

As part of the arrangement for Peterborough Investment Partnership LLP, to sell its subsidiary P.I.P (Northminster) Limited on 6 June 2022 to Cross Keys Homes Limited certain liabilities owed by P.I.P (Northminster) Limited to its parent were agreed prior to the sale as being irrecoverable by the parent. As at the balance sheet date this amounted to £499,501 included under amounts due to parent undertaking and £47,850 included in other debtors.

After the balance sheet date but prior to the sale, P.I.P (Northminster) Limited acquired the land at Northminster, Peterborough and required a loan of £769,849 from the parent to facilitate this. Again, as part of the sale arrangement this sum has been treated as irrecoverable by the parent, Peterborough Investment Partnership LLP.