

Registered Number: 11493249

PETERBOROUGH LIMITED
(Formerly Live Peterborough Limited)
t/a Aragon Direct Services

**DIRECTOR'S REPORT AND
FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON
31ST JULY 2018 TO 31ST MARCH 2019**



PETERBOROUGH LIMITED

Company Information

Directors: Mohammed Farooq (Chairman)
Kirsty Nutton
Nigel Simons
Paul Sutton

Company No: 11493249

Registered Office: Town Hall
Bridge Street
Peterborough
Cambridgeshire
PE1 1HF

Auditors: Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

PETERBOROUGH LIMITED

Contents

	Page
Directors' Report	4
Independent Auditors' Report	7
Statement of Comprehensive Loss	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 26

PETERBOROUGH LIMITED (Formerly Live Peterborough Limited)

Directors Report for the Period from Incorporation on 31st July '18 to 31st March 2019

The directors present their report and the audited financial statements of the Company for the period from incorporation on 31st July 2018 to 31st March 2019. The Company was incorporated on 31st July 2018.

In the period from incorporation to 31st March 2019, the principle activity was providing services to Peterborough City Council as requested, including but not specifically restricted to cleaning of Council buildings.

Directors

The directors during this period and up to the date of approval of these financial statements were as follows:

Marco Cereste (Chairman) (appointed 31st July 2018) (Resigned 28th January 2019)

Annette Joyce (appointed 31st July 2018) (Resigned 28th January 2019)

Paul Sutton (appointed 31st July 2018)

Anthony Fuller (appointed 28th January 2019) (Resigned 25th June 2019)

Kirsty Nutton (appointed 28th January 2019)

Mohammed Farooq (appointed 28th January 2019)

Nigel Simons (appointed 25th June 2019)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable laws and regulations.

Company law requires directors to prepare financial statements for each financial year, the Company's financial year runs from April to March. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable International Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Events since the Balance Sheet Date

There are no significant subsequent events to report until the date of these financial statements.

Disclosure of Information to the Auditors

Each of the persons who are directors at the time when the Directors Report is approved has confirmed that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each director has taken all of the steps that they ought to have taken as a director in order to make themselves aware of any audit information and to establish that the Company's auditor is aware of that information.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 not to prepare a Strategic Report.

Going Concern

The Company is reliant on the continued financial support of its shareholder, which is expected to continue for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Auditors

Ernst & Young LLP were appointed as auditors during the period and a resolution to reappoint them as the auditors will be put to the board of Directors

This report was approved by the Board of Directors on 19 December 2019 and signed on its behalf.

Kirsty Nutton
Director

 19/12/2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH LIMITED

Opinion

We have audited the financial statements of Peterborough Limited (the "Company") for the period ended 31 March 2019 which comprise of the Statement of Comprehensive Loss, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and the related notes¹ to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Director's Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirements to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

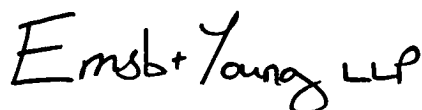
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Neil Warnock (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 19 December 2019

PETERBOROUGH LIMITED (Registered Number 11493249)

Statement of Comprehensive Loss

for the Period from Incorporation on 31st July 2018 to 31st March 2019

	Note	2019 £
CONTINUING OPERATIONS		
Revenue from Services	4	111,637
Cost of Sales		97,721
Gross Profit		13,916
Administrative Expenses		124,191
Operating Loss	5	(110,275)
Interest Payable and Similar Charges	9	6,375
Loss before taxation		(116,650)
Tax on Loss	6	-
Total comprehensive loss for the period net of tax		(116,650)

There were no recognised gains and losses from 2019 other than those included in the Statement of Comprehensive Loss.

The notes on pages 14 – 26 form part of these financial statements.

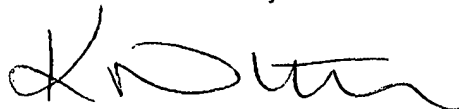
PETERBOROUGH LIMITED (Registered Number 11493249)

Statement of Financial Position
as at 31st March 2019

	Note	2019 £
Assets		
Inventories	10	7,567
Trade and Other Receivables	11	380,009
Cash at bank and in hand	12	747,495
Total Assets		1,135,071
Current Liabilities		
Trade and Other Payables	13	311,720
Total Assets less Current Liabilities		823,351
Non-Current Liabilities		
Financial Liabilities – Borrowing	13	940,000
Net Liabilities		(116,649)
Equity		
Called Up Share Capital	15	1
Profit and Loss Account		(116,650)
Shareholders Deficit		(116,649)

The notes on pages 14 – 26 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Kirsty Nutton

Director

Date: 19 December 2019

PETERBOROUGH LIMITED (Registered Number 11493249)

Statement of Changes in Equity

for the Period from Incorporation on 31st July 2018 to 31st March 2019

	Called up Share Capital £	Profit and Loss Account £	Shareholders' Deficit £
Balance as at 31st July 2018	-	-	-
Transactions with Owners			
Shares Issued in the period	1	-	1
Total Transactions with Owners	1	-	1
Comprehensive Loss			
(Loss) for the period	-	(116,650)	(116,650)
Total Comprehensive Loss	-	(116,650)	(116,650)
Balance as at 31st March 2019	1	(116,650)	(116,649)

The notes on pages 14 – 26 form part of these financial statements.

PETERBOROUGH LIMITED (Registered Number 11493249)

Cash Flow Statement

for the Period from Incorporation on 31st July 2018 to 31st March 2019

	Note	2019 £
Cash flows from operating activities		
Operating loss before Tax		(110,275)
Interest Expense	9	(6,375)
(Increase) in Inventories		(7,567)
(Increase) in Trade and Other Receivables	11	(380,009)
Decrease in Trade and Other Payables	13	311,720
Net outflows from operating activities		(192,506)
Cash flows from financing activities		
Proceeds of share issuance		1
Loan Received	13	940,000
Net inflows from financing activities		940,001
Net Increase in cash and cash equivalents		747,495
Cash and Cash Equivalents as at 31st March 2019		747,495

The notes on pages 14 – 26 form part of these financial statements.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

1. Corporate Information

Peterborough Limited is a private Company limited by shares incorporated and domiciled in England and Wales, United Kingdom. The address of the registered office is set out in the Company information on page 2 of these financial statements.

2. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adapted by the European Union. They have been prepared using historical cost convention unless disclosed in the accounting policies below.

3. Accounting Policies

The financial statements are presented in sterling, which is the functional currency of the Company and rounded to the nearest £. Peterborough Limited is a newly formed entity incorporated on 31st July 2018. The reporting period is to the financial year ended 31st March 2019.

3.1. Critical Accounting Estimates and Judgments

The presentation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for the assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The directors have determined that there are no critical accounting estimates or judgements that affect the amounts reported in these financial statements

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

3.2. Compliance with Accounting Standards

These financial statements have been prepared in accordance with IFRSs and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting entities under IFRS.

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

3.3. Going Concern

The Company is reliant on the continued financial support of its shareholder, which is expected to continue for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

3.4. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured at the fair value of the consideration received excluding discounts, rebates value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- The costs incurred and the costs to complete the contract can be measured reliably;

All Revenue relates to sales within the UK

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

3.5. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. No impairment was recognised during the period.

3.6. Trade and Other Receivables

Short term receivables are measured initially at fair value and are measured subsequently at amortised costs. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.7. Cash and Cash Equivalents

Cash is represented by cash in bank. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. The definition is also used for the statement of cash flows.

3.8. Financial Instruments

Financial Assets

Amounts owned by group undertakings and other trade receivables are initially recognised at fair value and subsequently carried at amortised cost, reduced by any appropriate allowances for unrecoverable amounts. Cash comprises of cash held in the bank.

Financial Liabilities

The Company's financial liabilities consist of Intercompany borrowing, accruals and trade and other payables. All of which are initially recognised at fair value and subsequently carried at amortised cost.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

3.9. Trade and Other Payables

Short term payables are measured at fair value, and subsequently at amortised cost. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.10. Pensions

Defined Contribution Pension Plan

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Loss when they fall due. Amounts not paid are shown in accruals as liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

3.11. Borrowing Costs

All borrowing costs are recognised in the Statement of Comprehensive Loss in the period in which they are incurred. Borrowing costs are calculated at the effective rate of interest method.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

3.12. Income Taxes

Current tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities.

Deferred income tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax.

Deferred income tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the Statement of Comprehensive Loss.

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of future tax planning strategies.

3.13. Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

3.14. New Standards and Interpretations Applied

In preparing these financial statements the Company has reviewed all new standards and interpretations.

New Standards, Interpretations and Amendments that are not yet effective and have not been adopted early

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1st April 2018 and have not been applied in preparing these financial statements:

- IFRS 3 Business Combinations (amended 2018)
- IFRS 4 & 17 Insurance Contracts (amended/issued 2017)
- IFRS 11 Joint Arrangements (amended 2017)
- IFRS 16 Leases (issued 2016)
- IAS 1 Presentation of Financial Statements (amended 2018)
- IAS 8 Accounting Policies (amended 2018)
- IAS 12 Income Taxes (amended 2017)
- IAS 17 Leases (amended 2019)
- IAS 18 Revenue (amended 2019)
- IAS 19 Employee Benefits (amended 2018)

In May 2014, the IASB issued IFRS15, Revenue from Contracts with Customers, which was further clarified and amended in 2015 and 2016. This guidance requires companies to recognise revenue in a manner that depicts the transfer of promised goods or services to customers in amounts that reflect the consideration to which a company expects to be entitled in exchange for those goods or services. The new standard also requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cashflows arising from contracts with customers. The standard allows for either a full retrospective or a modified retrospective transition method.

In November 2009, the ISAB issued IFRS9, Financial Instruments, which was subsequently reissued in 2010 and 2014. The standard brings fundamental changes to financial instruments accounting and replaces IAS 39, Financial Instruments: Recognition and Measurement. The standard specifies requirements for recognition and measurement, impairment and derecognition of financial instruments and hedge accounting.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

4. Revenue

Revenue is accrued on the services of cleaning Council and other buildings to the value of £111,637 in the period.

5. Operating Loss

This is stated after charging;

Period to 31st March 2019
£

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,000
---	--------

6. Income Tax

The tax charge for the period is;

2019
£

Current Tax Expense/(Benefit)	
Current tax on loss for the period	-
Total Current Tax Expense/(Benefit)	-
Deferred Tax Expense/(Benefit)	
Origination and reversal of temporary differences	-
Total Deferred Tax Expense/(Benefit)	-
Total Tax Expense/(Benefit)	-

The reason for the difference between the actual tax charge for the period and the standard rate of corporation tax in the UK of 19% applied to profits for the period are as follows:

2019
£

Loss before tax	(116,650)
Expected tax credit based on the standard rate of United Kingdom corporation tax at the domestic rate of 19%	(22,163)
Effects of unused tax losses and attributes not recognised as deferred tax assets	22,163
Total Tax Benefit	-

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

6. Income Tax (continued)

The Company has estimated total losses of (£116,650) consisting entirely of trade losses, available for carry forward against future profits and has not been recognized as there is uncertainty about future trading profits

The corporation tax rate in the UK reduced from 20% to 19% effective from 1 April 2017. This will be further reduced to 17% on 1 April 2020.

7. Staff Costs

The aggregate payroll costs during the period were:

	2019 £
Wages and Salaries	76,283
Social Security	2,471
Other Pension Costs	6,055
TOTAL	84,809

The average monthly number of employees during the period was as follows:

	2019 No.
Operational	62

8. Directors' Remuneration

	2019 £
Directors' Remuneration	-

9. Interest Payable and Similar Charges

	2019 £
Loan Interest	6,375

10. Inventories

	2019 £
Stock of Materials	7,567

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

11. Trade and Other Receivables

	2019 £
Trade Receivables	-
Other Receivables	5,576
Prepayments and Accrued income	374,433
Total	380,009

12. Cash and Cash Equivalents

	2019 £
Cash at Bank	747,495

13. Trade and Other Payables

	2019 £
<u>Current</u>	
Amount owed to parent	199,115
Other taxation and social security	5,563
Accruals	30,156
Other Payables	76,887
Total	311,720

The Current amount owed to parent is as a result of normal trading and will be repaid in full within 12 months with no interest due and is unsecured

Non-Current

Amount owed to parent	940,000
-----------------------	---------

On 21st May 2019 the Company entered into a credit facility with Peterborough City Council, whereby the Company can borrow up to £1,750,000. The loan bears interest at 4.5% APR and is unsecured. As at 31st March 2018, the Company has borrowed a total of £940,000 which is outstanding and included within Non-Current Amounts owed to parent. This amount will not be due for payment until 1st February 2024 and will be repaid in full on that date.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

14. Financial Instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

- Cash and cash equivalents comprise cash held at bank and short-term deposits.
- Trade payables are not interest bearing and are stated at their nominal value.
- Other receivables are stated at their nominal value.

The Company's financial assets and liabilities are shown in the table below:

	2019
Financial assets	£
Other receivables	5,576
Cash	747,494
	<hr/>
	753,070
	<hr/>
Financial liabilities	£
Amounts owed to group undertakings (borrowing)	940,000
Accruals	30,156
Other Payables	76,887
Amount owed to parent	199,115
	<hr/>
	1,246,158
	<hr/>

The Company's cash, trade payables and amounts owed to group undertakings approximate fair value because of their short maturity.

In the Directors' opinion, there is no material difference between the book value and the fair value of any of the financial instruments.

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. Financial risk management is carried out by management in accordance with established policies and guidelines reviewed and agreed by the Board of Directors of the ultimate parent company. These guidelines set out the overall business strategies, tolerance for risk and general risk management philosophy and processes.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

14. Financial Instruments (continued)

Liquidity Risk

Liquidity risk arises from the Company's management of working capital, including cash and cash equivalents. The Company's policy is to manage its working capital flows such that it will always have sufficient cash to allow it to meet its liabilities as and when they become due.

Budgeted cash flow forecasts are prepared setting out anticipated working capital flows together with future obligations from projects in progress and the resulting impact on its cash balances.

Interest Rate Risk

Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rates. The Company's income & operating cash flows and the value of its financial assets are largely independent of changes in market interest rates.

Interest rates on the borrowing from the parent are on a fixed rate and as such Management has not performed a detailed sensitivity analysis given that interest income and expense are not significant components of the overall operations of the Company or drivers of financial performance.

15. Called up Share Capital

	2019 £
<u>Share Classified as Equity</u>	
<u>Allotted, called up and fully paid</u>	
1 Ordinary share of £1	1
	2019 No.
As at 31 st July 2018	-
Issued in Year	1

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

16. Reserves

Profit and loss account

This includes all current period losses.

17. Pension Commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the funds and amounted to £6,055.

Contributions totalling £6,055 were payable to the fund at the balance sheet date and are included in Other Payables within Trade and Other Payables.

18. Related Party Transactions

During the period, the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31st March 2019 with related parties, are as follows;

	Purchases from Related Party £	Loan obtained from Related Party £	Amounts owed to Related Party £
2019	119,115	940,000	199,115

Peterborough City Council owns 100% of the ordinary shares in the Company. Outstanding trading balances are unsecured, interest free and settlement is expected within 30 days of invoice. (Refer to Note 13)

There were no dividends to related parties in the period.

Purchases from the parent relate to goods and services purchased on behalf of the Company.

A loan facility was established with Peterborough City Council for trading purposes. This was established on commercial terms of 4.5% rate of interest and details of amounts outstanding can be found at note 13. This amount does not become due until 1st February 2024.

PETERBOROUGH LIMITED

Notes to the Financial Statements

for the Period from Incorporation on 31st July 2018 to 31st March 2019

19. Details of Parent Undertaking

The Company's immediate parent company is Peterborough City Council, and its registered address is; Town Hall, Bridge Street, Peterborough, PE1 1HF. Peterborough City Council is the ultimate parent company, controlling entity of the group and the only company to prepare consolidated financial statements.

20. Subsequent Events

There are no significant subsequent events to report until the date of these financial statements.